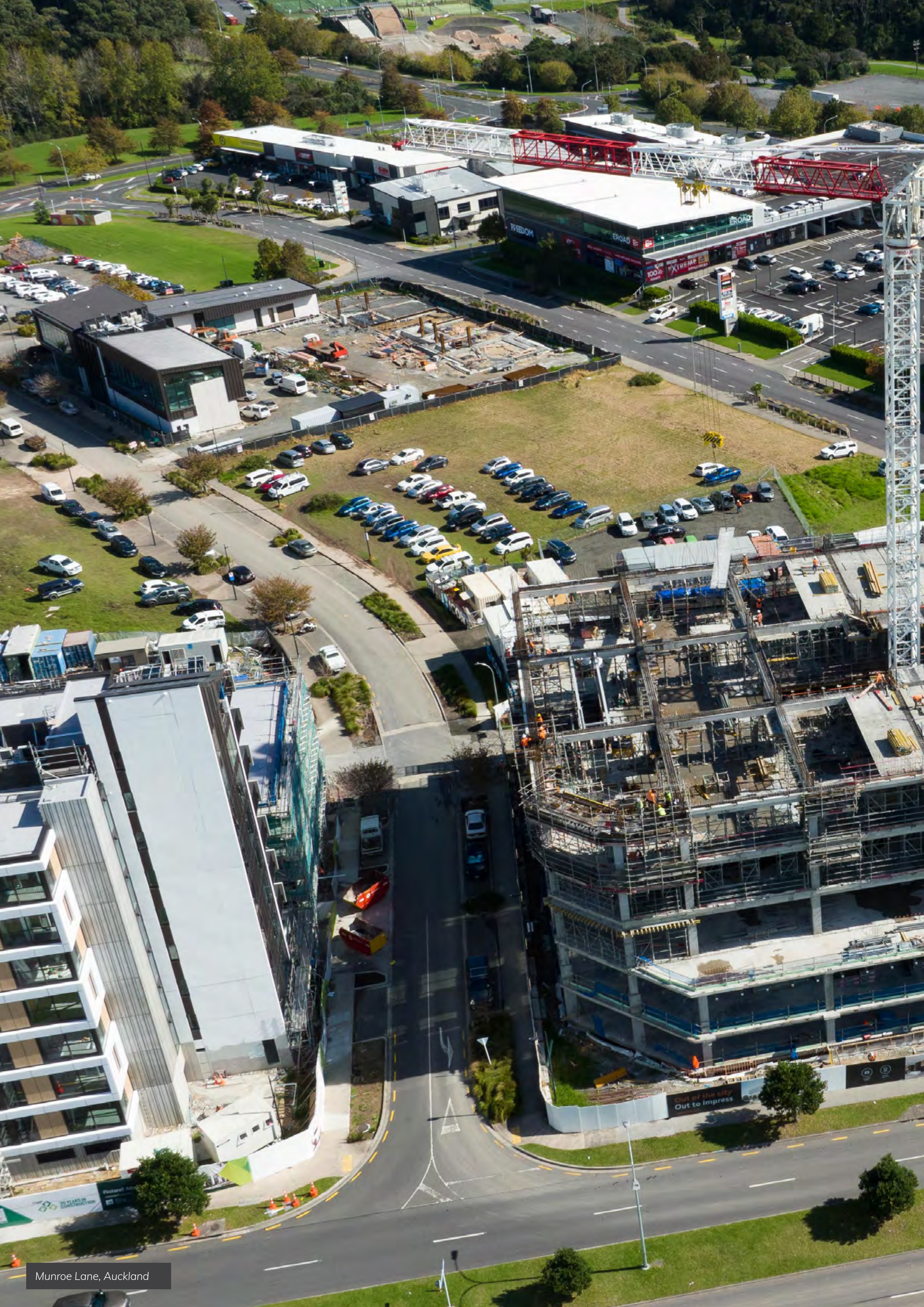
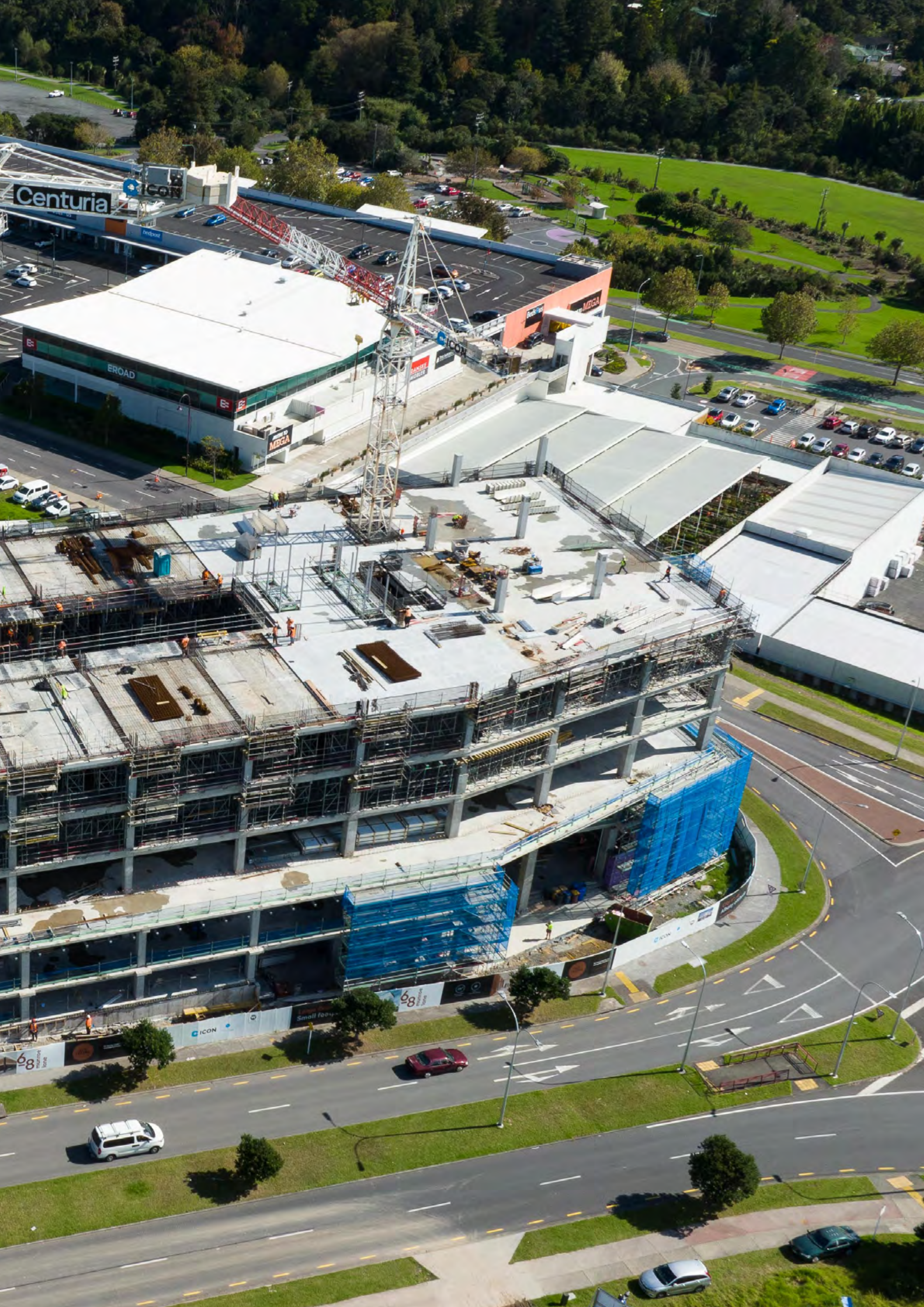
ANNUAL REPORT 2022

ASSET PLUS+

MANAGED BY Centuria



Munroe Lane, Auckland


Centuria
ICON
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Contents

Chairman’s Letter

Against the backdrop of a changing macroeconomic environment, Asset Plus has moved to capitalise on opportunities to deliver the best outcome for shareholders. The ongoing effects of the Covid-19 pandemic have created a level of material future uncertainty in property and investment markets, with widespread immediate impacts as a result of government mandated lockdowns.

The consequences for the property sector have been significant, with workers forced to work from home for a prolonged period, retailers closing and companies typically not making major property decisions given wider economic uncertainty. The construction sector has also been profoundly impacted by supply chain interruptions and associated cost escalations. We noted last year that the scale of potential development opportunities before us required a prudent capital management strategy given the size of the balance sheet.

With this changing macroeconomic environment, we have elected to take up opportunities to restructure the portfolio with a view to substantially de-risking the company.

The first such decision came in the opportunity to sell Eastgate Shopping Centre in Christchurch in early 2021. We elected to defer the scheduled settlement date during this financial year to facilitate a subdivision application by the purchaser. That decision bolstered earnings for the company, and also allowed a full year depreciation claim to be made to 31 March 2022. The property is expected to settle in mid 2022 subject to the new titles being issued by LINZ.

Subsequently, and post the end of the financial year, the opportunistic sale of our property at 35 Graham Street in Auckland, after receiving an unsolicited offer, mitigates those balance sheet constraints and sets the company on a pathway back to a very conservative gearing position of circa 10% against a sector average of approximately 30%, once settled. The sale removes all leasing and development risk for the property, in what is a currently very challenging environment.

With a sale price of $65 million, the transaction will realise capital above the 31 March 2022 independent valuation undertaken by JLL of $56 million. Shareholders approved this sale at a Special Meeting held on 3 June 2022.

The company’s focus in the near term is now on the completion and settlement of the Eastgate transaction and the successful completion of the Munroe Lane development. Munroe Lane will add to the portfolio a brand new sustainable building with a 5 star Green-Star design rating, with a blue chip tenant covenant across two thirds of the property. Construction activity continues to progress well, albeit delayed as a result of Covid-19. Leasing interest is increasing as the property continues to take shape with the main structure expected to be topped out shortly. Demand for high quality, long dated income producing assets continue to appeal, with the as-complete fully leased valuation increasing from $146.85m to $147.50m as at 31 March 2022.

Covid-19 continued to impact on the investment portfolio, with further rental abatement and relief provided to our tenants to ensure their longevity at both Stoddard Road, and Eastgate. Pleasingly we’ve renewed the majority of leases, and secured new tenants at Eastgate maintaining operating cash flows ahead of settlement in mid-2022.

Beyond that, the Stoddard Road centre continues to operate well, and enjoys 100% occupancy with contract income increasing by $0.08m over the financial year.

We’ve been working closely with the company’s funder, BNZ, throughout the year to navigate the changing environment, with BNZ being very supportive of the strategy. The company has agreed an amendment to our banking facilities, which provides that the Interest Cover Ratio (ICR) will not be tested for the period from 1 April 2022 until 31 March 2023 inclusive. This is primarily driven by the upcoming divestment of Eastgate and the resultant reduction in income and while the Munroe Lane property is still under development.

We continue to implement various ESG initiatives across the portfolio that remain appropriate for a company of our scale.

Dividends equating to 97% of AFFO were paid throughout the year, which was a change in strategy from that articulated in the September 2020 capital raise, whereby we undertook to fund any shortfall in dividends from capital. As shareholders know, during the year we paused dividend payments as the changing environment and capital constraints on the company meant that this was a prudent approach to adopt at this point in time. The dividend remains subject to quarterly review, and is currently suspended until sufficient operating earnings are generated to support an ongoing sustainable dividend.

Finally, on behalf of the Board, we acknowledge that this is a challenging time for many investors and we thank our shareholders for their ongoing support.

Regards,

Bruce Cotterill
Chairman

Key Points
from the Financial Year

NET PROFIT AFTER TAX

$2.93 million ($15.95 million in the prior year)

ADJUSTED FUNDS FROM OPERATIONS[1] OF

$4.22 million ($5.82 million in the prior year)

LOAN TO VALUE RATIO

25.7% (5.4% at 31 March 2021)

PORTFOLIO OCCUPANCY

58.0% (98.0% at 31 March 2021)

[1] AFFO is a non-GAAP financial information, calculated based on guidance issued by the Property Council of Australia. Asset Plus considers that AFFO is a useful measure for shareholders and management because it assists in assessing the Company's underlying operating performance. This non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities. The calculation of AFFO has been reviewed by Asset Plus' auditor, Grant Thornton Audit Limited. A reconciliation between Net Profit After Tax and AFFO can be found on page 18.

NET TANGIBLE ASSETS

44.0

cents per share

▼ **reduced from 44.8 cps**

Munroe Lane development approximately 54% complete - completion expected in quarter ending 30 June 2023

DIVIDEND PAYOUT RATIO OF

97%

of AFFO

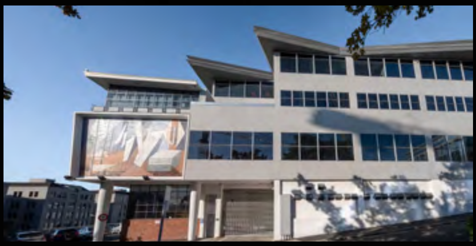
(97% at 31 March 2021)

WALE

2.21

years

▼ **down from 2.75 years in the prior year. Following sale of Eastgate, the WALE reduces to ~1.40 years (excluding Munroe Lane)**



Sale of 35 Graham Street for $65 million - shareholder vote passed 3 June 2022

Performance of the portfolio

The portfolio performed largely in line with prior years on a normalised basis, however the result for the period was impacted by relatively flat valuations and loss of rental income on the 35 Graham Street property following the expiry of the Auckland Council lease.

The Eastgate settlement was deferred from this financial year to next, bolstering operating income for the period. Stoddard Road continues to retain 100% occupancy, with renewals representing 14.7% of the centre's income renewed during the period. The Kamo property has now been unconditionally sold, for $2.7m with settlement to occur on 30 November 2022. The sale proceeds will be utilised to repay debt and bolster working capital for the company to facilitate the completion of the Munroe Lane development.

Post-balance date, the company also announced the sale of 35 Graham Street, approved by shareholders at a Special Meeting held on 3 June 2022 for $65.0 million, with a deferred settlement in December 2023 – or December 2024 if additional consideration of $3.0 million is paid.

A reduced dividend was paid for the third quarter, representing a payout ratio of 97% of Adjusted Funds From Operations (AFFO), with the fourth quarter dividend suspended until sufficient operating earnings are generated to support an ongoing sustainable dividend.

	Carrying Value ($m)	Occupancy (%)	WALT (Years)	Passing Rent Yield (%)
Eastgate	43.46	96.0	3.93	8.10
Stoddard Road	43.50	100.0	3.50	6.37
35 Graham Street	59.00	-	-	-
6-8 Munroe Lane	67.52	NA	NA	NA
Kamo	2.90	NA	NA	NA
Total	**216.38**	**58.0**	**2.21**	

Covid-19 Impacts

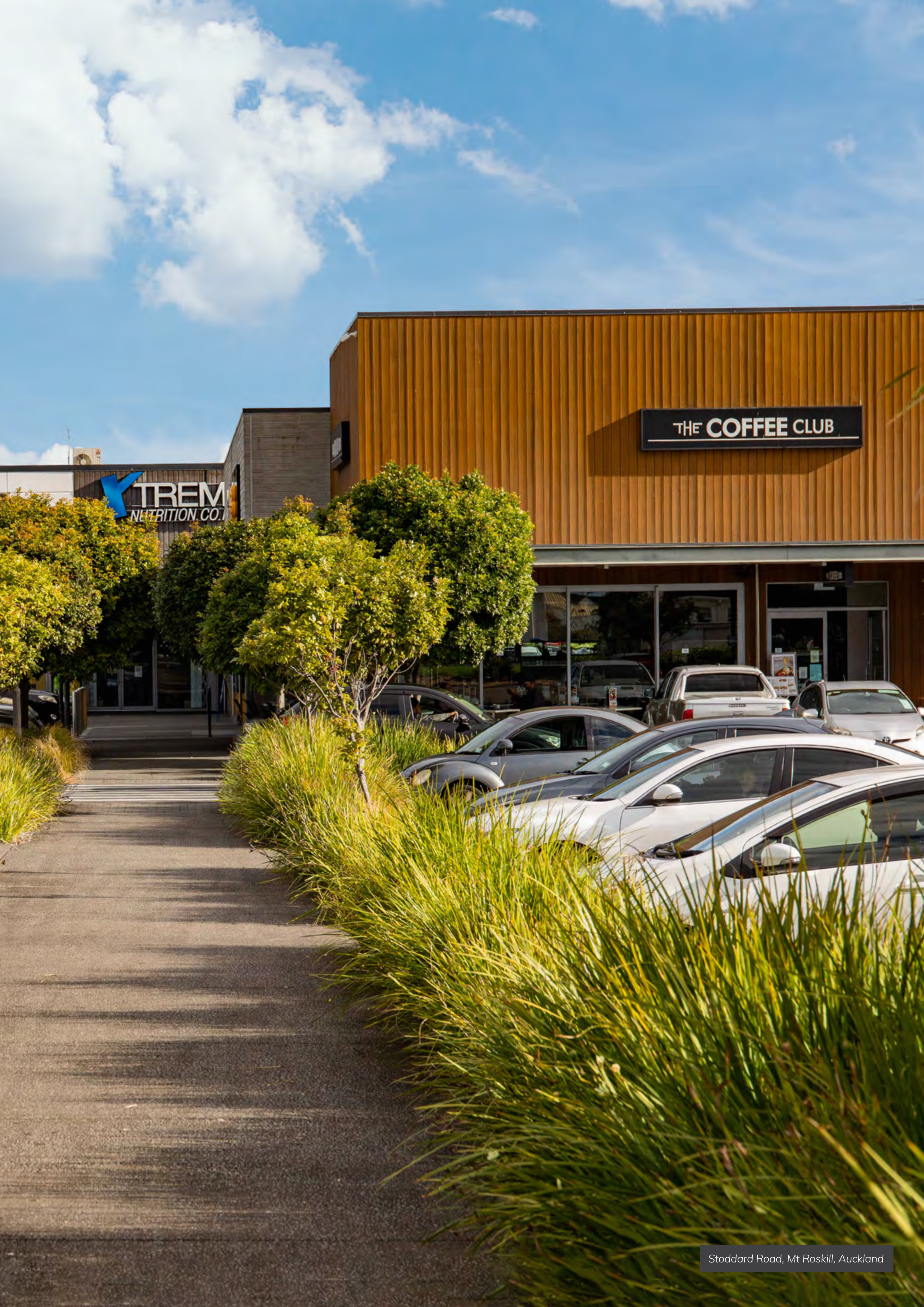
The Covid-19 pandemic created a level of material future uncertainty in the real estate market. The immediate impacts were widespread as a result of the government mandated lockdowns nationally and at local levels. Those lockdowns, and evolving variants of Covid-19 meant that the impacts have endured for longer than was initially anticipated.

Rental abatements and relief were provided again throughout the financial year to support tenants with $0.286m granted, equating to approximately 2.8% of the rental income for the financial year. Total abatements and relief as a result of the Covid-19 pandemic now total $0.686m ($0.4m in FY21).

The Government also enacted legislation in November 2021 forcing framework on both Landlords and Tenants to resolve any disputes around an appropriate level of relief and/or abatement.

The impacts of Covid-19 on the office sector have been more profound than the industrial, commercial and retail sectors with office workers largely forced to work from home for a prolonged period of time and businesses typically not making property decisions or commitments given wider uncertainty, and the enduring nature of the pandemic. This has been showcased through the subdued leasing commitments to date in both the balance of Munroe Lane, and the 35 Graham Street property.

The construction sector has also been heavily impacted by Covid-19, in terms of logistics, supply chain, and procurement issues, the availability of labour, and interruptions from government restrictions and lockdowns and the flow on impact of working at reduced capacity. Extension of Time claims of 73 working days relating to Covid-19 impacts on the Munroe Lane site have been approved in the period with further Covid-19 related delays ongoing. Management have mitigated these impacts on the Munroe Lane development, where possible, by procuring materials in advance, and storing them on site.



Stoddard Road, Mt Roskill, Auckland

ESG Initiatives

A number of initiatives have been implemented over the course of the year across the property portfolio.

Social

Eastgate

- Hosted Youthtown in a vacant tenancy at no charge. Youthtown provide afterschool and weekend programmes for disadvantaged youth
- Hosted charity collections for SPCA, RSA, Heart Appeal, Cholmondeley Children's Centre, Aviva and NZ Guide Dogs
- Hosted mobile breast screening in car park for 8 weeks a year
- Worked in with The Loft to support their services, including hosting a pop-up Citizens Advice, a problem gambling stand 6 times per year, and ran a food appeal through the centre and social media channels

Munroe Lane

- Supplier diversity implemented through Icon's procurement process in conjunction with Amotai (NZ Governments intermediary for supplier diversity) with 6 Amotai registered subcontractors engaged on the project
- The site is registered with Mates in Construction, with on-site health and wellbeing workshops being provided to all site personnel on a regular basis
- Commitment to engage ten apprentices, cadets and/or trainees through the construction phase, with a target of 50% from priority groups. Eight apprentices currently working on the site with five belonging to priority groups

35 Graham Street

- Salvageable components from the soft-strip out of the existing fit-out were recovered and sent to Tonga as part of a disaster relief package post the Tsunami in early 2022

Environmental

Eastgate

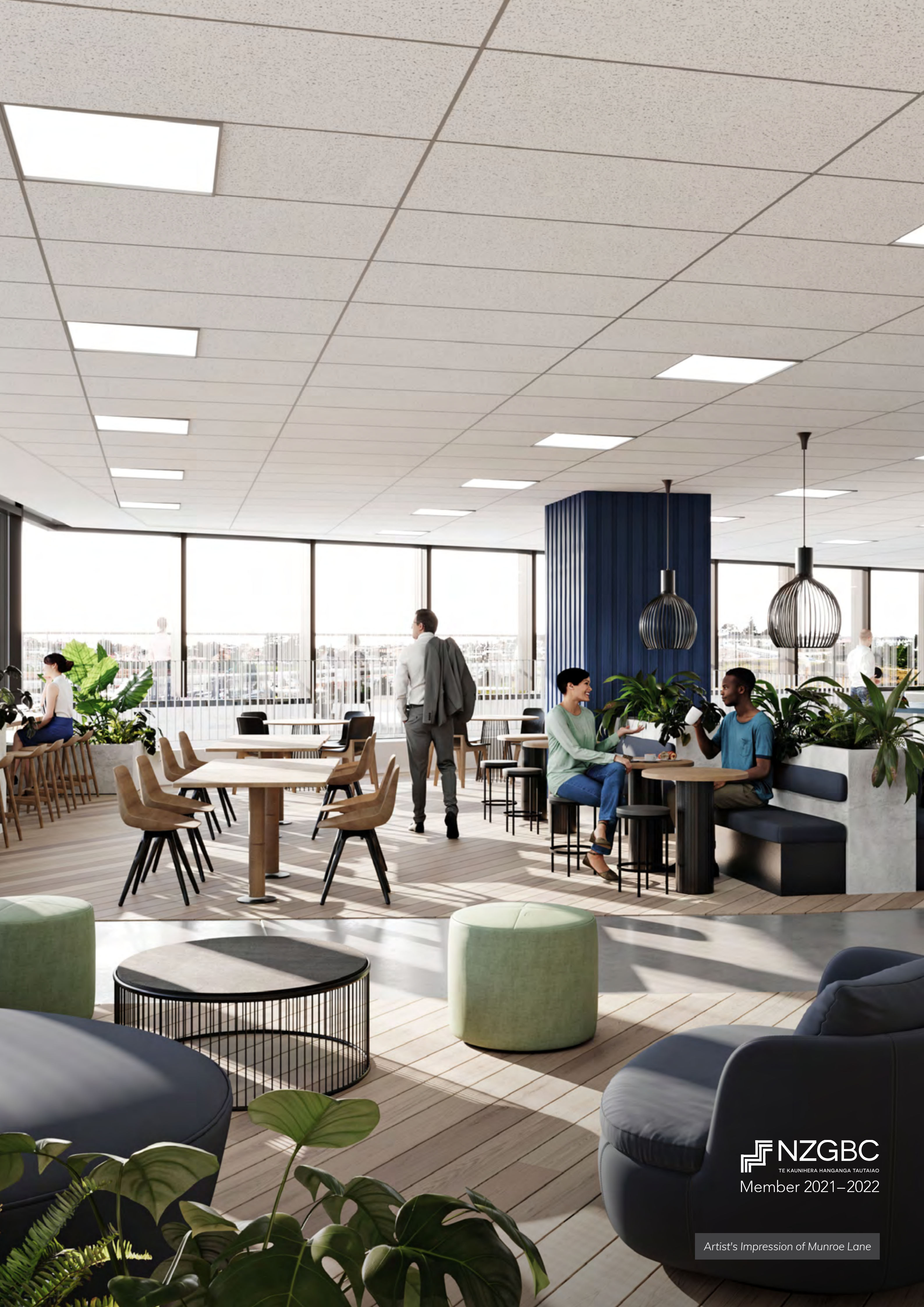
- Waste audit completed on site in a bid to reduce landfill waste

Munroe Lane

- 5 Star Green Star Design and As Built rating obtained for the development. This is estimated to be approximately 60-65% more efficient than a non-Green Star rated building and is estimated to reduce emissions
- All steel waste from site has been 100% recycled
- 81.7% of the total construction waste to date has been diverted from landfill against a target 70.0%
- 80% of the sheet piles (equating to 250 tonnes of material) have been reused from gold mines in the South Island
- All materials excavated from site have been tested and cleared of contaminants and repurposed as bulk fill materials for other sites within the area

Staff

Given the external management of the company there are no staff employed by the Company. The Manager's employees operate under Centuria Capital Group's ESG framework.



NZGBC
TE KAUNIHERA HANGANGA TAUTAIAO
Member 2021–2022

Artist's Impression of Munroe Lane

Munroe Lane
– Development progressing

Munroe Lane,
Albany, Auckland

The Munroe Lane development is progressing well, albeit delayed as a result of Covid-19 impacts. The as-if complete valuation has increased from $146.85m to $147.50m (on a fully leased basis).

The company's construction delivery partner, Icon, continue to progress construction of this development despite the ongoing impacts of Covid-19 on both resource and labour availability. Construction timeframes have been adversely impacted by 73 working days, through both the regional Auckland government mandated lockdowns, positive Covid-19 cases, or close contacts for people working both on site, and off-site through the various supply chains. A number of mitigation strategies have been implemented to combat the effects of these issues on the delivery of Munroe Lane.

Munroe Lane	31-Mar-21	31-Mar-22
Carrying Value	$25.02m	**$67.52m**
Valuation as-if Complete*	$146.85m	**$147.50m**
Net Contract Income	$-	**$-**
Passing Initial Yield	N/A	**N/A**
WALT (years)	N/A	**N/A**
Occupancy (As-complete)	63%	**63%**

Those Covid-19 impacts and associated mitigation strategies have incurred approximately $1.5m of additional costs to date that will be funded from the projects contingency. Management now anticipate completion of the development in the quarter ending June 2023, as compared to the originally scheduled completion date of December 2022.

The majority of costs were fixed with Icon when the contract was entered into, therefore current escalation in construction costs to date have largely been avoided, except where changes have been made or variations instructed. The company retains some working capital facilities that will be available should Covid-19 impacts continue to endure and adversely impact the project.

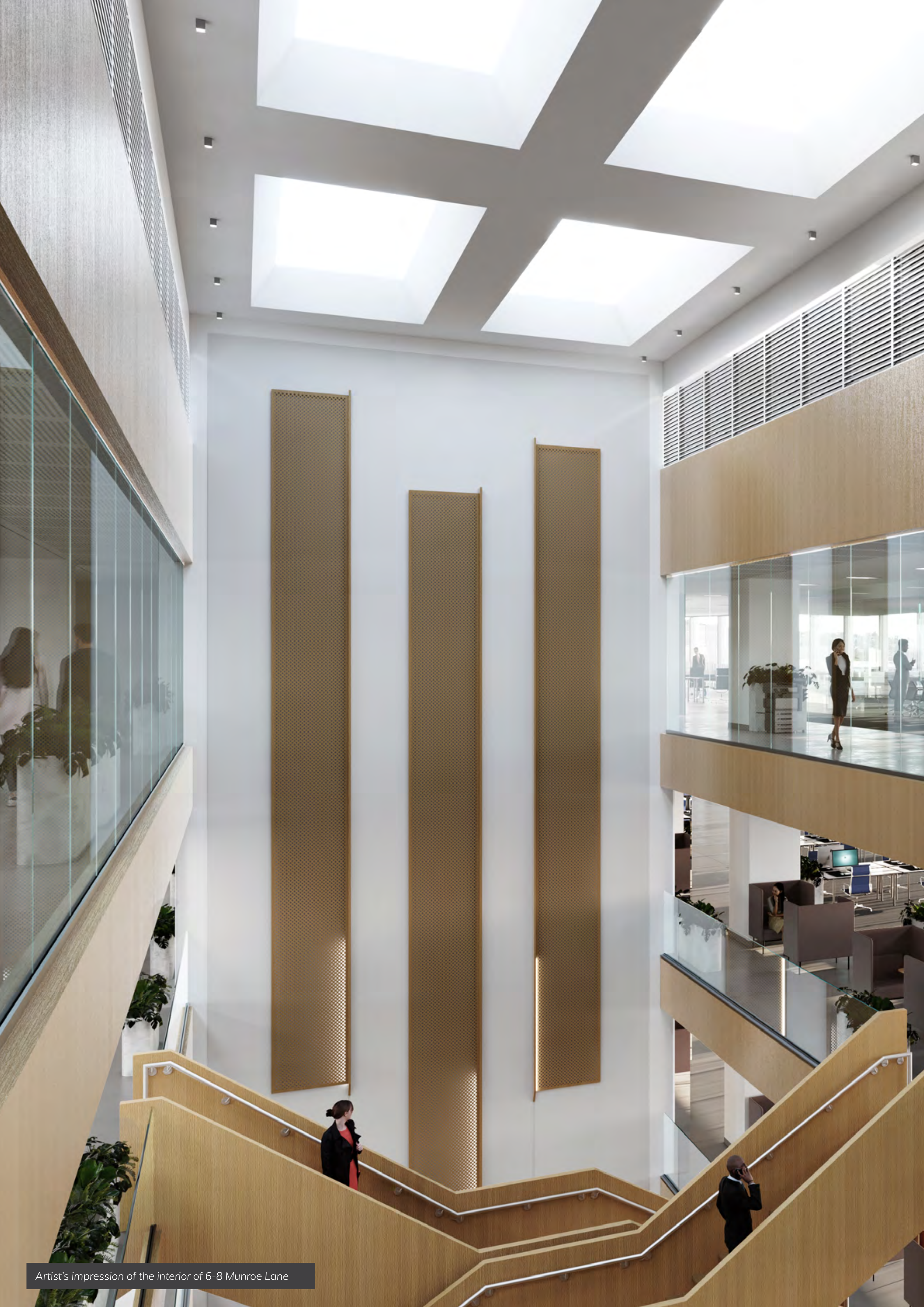
The 5 Star Green-Star Design rating has now been obtained for the development with a number of sustainability initiatives implemented to date, including recycling all steel waste from site, diverting 81.7% of construction waste from landfill, and recycling 80% of the projects sheet piles.

The company continues to retain a very close working relationship with the anchor tenant, Auckland Council, who have a 15-year lease from completion over 63% of the building (by income). Leasing activity for the balance of the space has been subdued as a result of the impacts of Covid-19 on the office market, and subsequent large increase in sub-lease space becoming available on the North Shore. Leasing interest however has increased through 2022 as the building has substantially now come out of the ground, companies have been returning back to their offices, and available sub-lease space is being taken up. A number of leasing proposals have been made to prospective tenants, with all real estate agencies actively engaged on leasing the available space. Management remain confident in the appeal of the property and its decentralised location to prospective tenants.

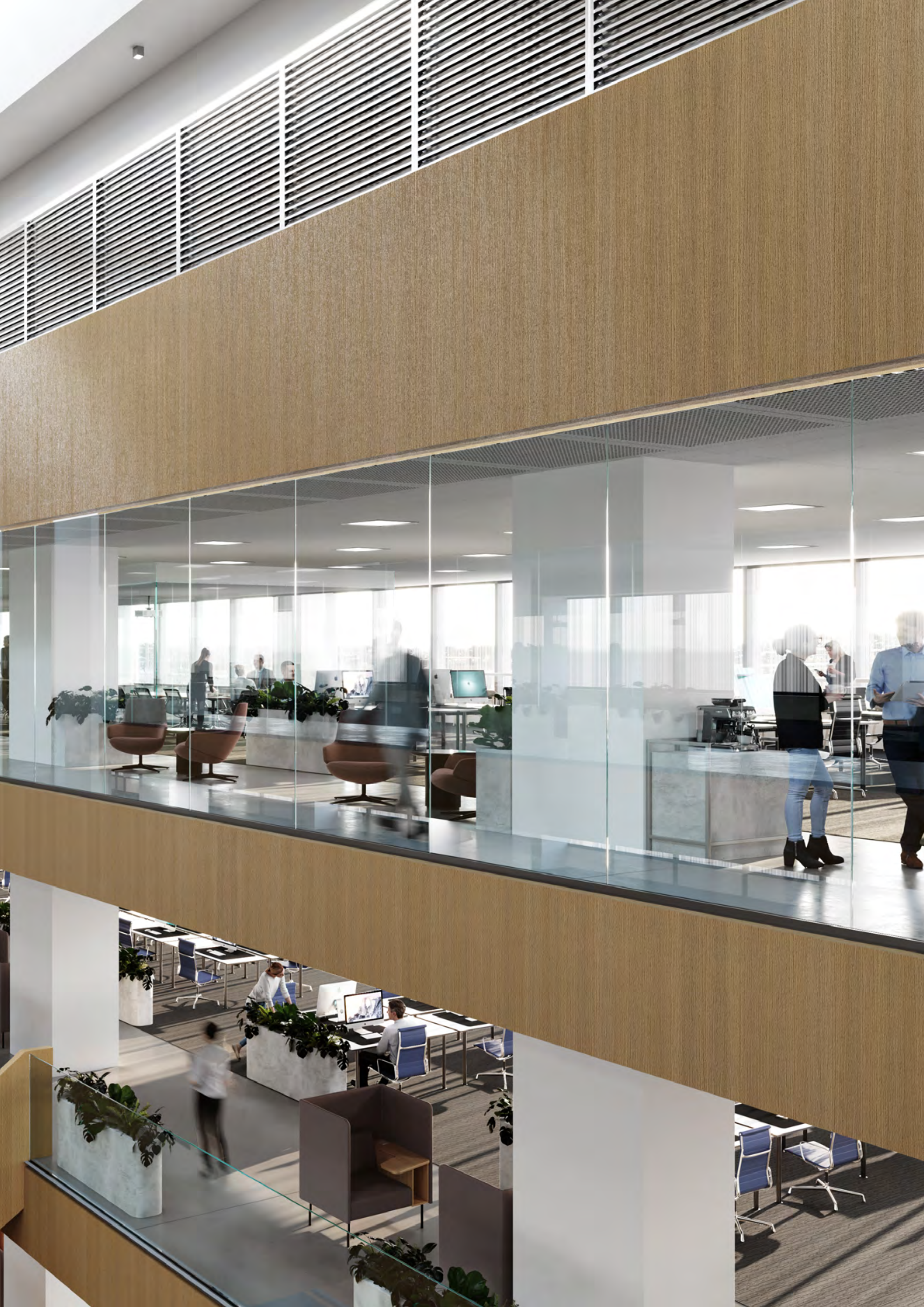
*The valuation as-if complete is on a fully leased basis

“Council wishes to acknowledge the efforts undertaken by Asset Plus to work closely with us to develop a great office building that supports council staff to deliver great service outcomes for Auckland residents. We also appreciate Asset Plus' commitment to meeting New Zealand Green Star 5 rating which supports our overall objectives to reduce our carbon footprint and their willingness to embrace our “He Kaupapa” guidelines by incorporating Māori design outcomes embedded in the development of the building, supporting who we are and how we serve our communities.”

- Rod Aitken, Head Of Corporate Property, Auckland Council



Artist's impression of the interior of 6-8 Munroe Lane



35 Graham Street
– Unconditionally sold

35 Graham Street, Auckland CBD

Shareholders approved the divestment of 35 Graham Street on the 3rd of June for $65.0m to Mansons TCLM, with settlement scheduled for 1 December 2023. Mansons have a right to extend settlement to 1 December 2024, and in exchange the purchase price will increase to $68.0m and the deposit payable will increase from $6.5m to $13.6m.

35 Graham Street	31-Mar-21	31-Mar-22
Carrying Value*	$61.0m	**$59.0m**
Net Contract Income	$3.98m	**$0m (but $0.55m of OPEX)**
Passing Initial Yield	6.69%	**N/A**
Cap. Rate	5.75%	**N/A**
Net Market Rental	$4.335m	**N/A**
WALT (years)	0.5	**0.0**

The property was purchased pre the Covid-19 pandemic in 2019, with the strategy to redevelop the property under a full redevelopment scenario adding 2-3 floors, or a partial redevelopment or refurbishment of the property. Resource consents were obtained, and marketing undertaken to secure leasing commitments. However, in the intervening period market conditions have drastically changed with the onset of the Covid-19 pandemic, and its subsequent impacts, particularly on the office leasing market.

Those changes in market conditions have adversely impacted the company's intended strategy of unlocking value from the asset with an acceptable risk profile, and after receiving an unsolicited offer to purchase the property by Mansons it was deemed to be in the best interests of shareholders by the Board and management to accept the offer. Shareholders then approved the sale at a special shareholders meeting on the 3rd of June, with the $6.5m deposit payable being received and utilised to retire debt.

As a result of the sale the company will no longer have any leasing or development risk on the property, borrowings will reduce to approximately $19m or a 10% LVR, and the sale realises the asset at a premium to the independent 31 March JLL valuation of $56.0m. Once settled the operating expenses currently being covered by the company (given the property is vacant) will cease, management fees will reduce, and significant interest cost savings will be derived after proceeds are utilised to repay debt.

Management are actively working on short term leasing and income opportunities ahead of settlement, to offset outgoings on the property. However, it is not expected that any material leases will be entered into given the short tenure available ahead of settlement and the internal quality and presentation of the property.

*The carrying value represents the discounted forecast cash flows up to settlement.

Stoddard Road

22 Stoddard Road,
Mt Roskill, Auckland

Indicative lines only

This large format and convenience retail property has performed well during the period with the valuation increasing from $41.5 million to $43.5 million.

22 Stoddard Road	31-Mar-21	31-Mar-22
Valuation	$41.5m	**$43.5m**
Net Contract Income	$2.69m	**$2.77m**
Passing Initial Yield	6.50%	**6.37%**
Cap. Rate	6.00%	**5.88%**
Net Market Rent	$2.55m	**$2.58m**
WALT (years)	4.18	**3.50**

This retail asset has continued to perform well over the past year with full tenant retention maintained. As a result of government mandated lockdowns and restrictions the landlord provided rental abatement, and support where necessary to the tenants within the centre, through varying degrees of rent relief and abatement.

The centre continues to perform well and sentiment is improving as New Zealand continues to manage the evolving Covid-19 landscape. Feedback from tenants is optimistic as turnover trade continues to return to normal market levels.

During the financial year lease renewals were completed making up 14.7% percent of the Centre's income stream. As a result of rent reviews and renewals completed during the year, the net contract income has increased by $0.08m per annum.

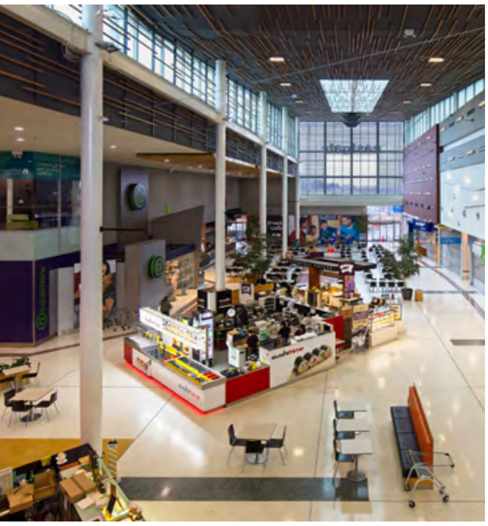
Management's future leasing focus has now turned to the one lease renewal due in the next financial year, making up 3.7 percent of the total rental income for the Centre, and working with The Warehouse whose lease comes up for renewal in 2025.

Some capital was invested throughout the year to help enhance the overall appearance of the Centre and proactive maintenance has been a focus to ensure longevity of the assets.

Eastgate

– Unconditionally sold

Cnr Buckleys Road & Linwood Avenue, Christchurch



Eastgate	31-Mar-21	31-Mar-22
Carrying Value (Sale Price)	$42.6m	**$43.46m**
Net Rental Income	$3.64m	**$3.51m**
Passing Initial Yield	8.0%	**8.1%**
Cap. Rate	N/A	**N/A**
Net Market Rent	N/A	**N/A**
WALT (years)	4.15	**3.93**

The Centre has been unconditionally sold with settlement set to occur 15 working days after new titles are granted for the property following a subdivision the purchaser is completing. If titles are not issued by 1 July 2022, Asset Plus has an option to terminate the sale and purchase agreement. This right is not available to the purchaser. Management expect the new titles to be issued during July, or early August dependant on LINZ processing times with settlement to follow 15 working days thereafter. $40m of the sale proceeds will be applied as a debt repayment, with the balance of funds retained as working capital for the Company.

Covid-19 has continued to impact the Centre and a moderate amount of rent relief and abatement was granted to a number of tenants during the 3-week government mandated Level 3 & 4 lockdown in August/September 2021.

Despite the impacts of Covid-19 on the retail industry two new tenants were secured with Caroline Eve occupying 3 historically vacant tenancies and Techpro backfilling a space previously occupied by EB Games. A licence was also granted to the medical centre located on the mezzanine to use a vacant tenancy as a vaccine clinic. A further 11 leases were renewed or extended over the past year. There have also been several lease assignments as businesses were sold to new owners.

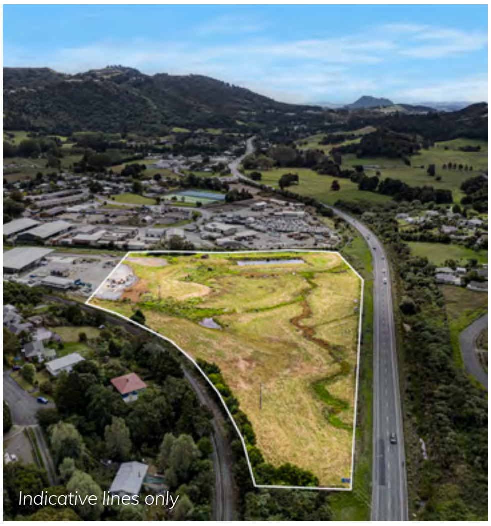
Construction of Taco Bell's first South Island store was completed in June 2021 with the 10-year lease commencing on 11 June 2021. The store has been a positive addition to the Centre with Restaurant Brands noting it was one of the best performing opening weeks of any store globally.

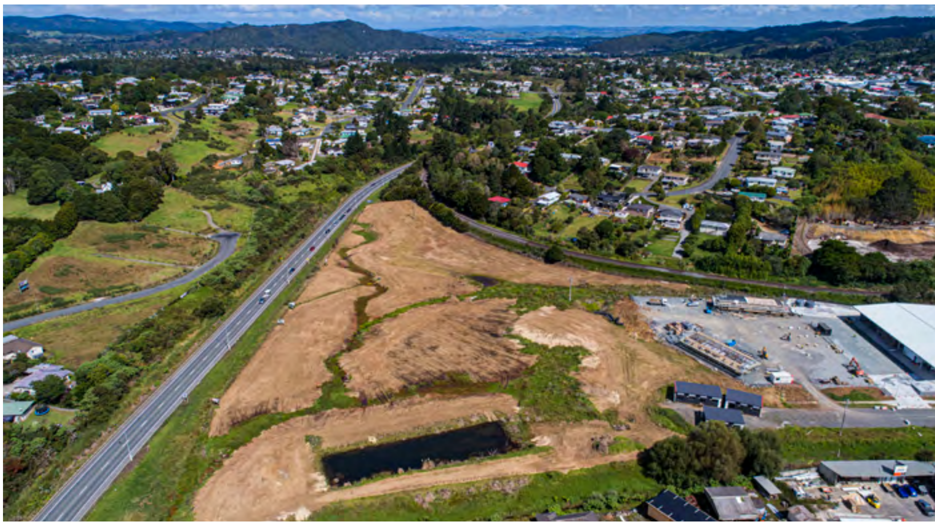
The carrying value represents the sale price ($43.455m).

Kamo

– Unconditionally sold

38 Springs Flat Road,
Kamo, Whangarei





Kamo	31-Mar-21	31-Mar-22
Valuation	$2.7m	**$2.9m**
Net Contract Income	$-	**$-**
Passing Initial Yield	N/A	**N/A**
Cap. Rate	N/A	**N/A**
Net Market Rent	N/A	**N/A**
WALT (years)	N/A	**N/A**

This industrial zoned land adjacent to SH1 in Kamo, Whangarei has now been unconditionally sold for $2.7m with settlement to occur on 30 November 2022 post a marketing campaign undertaken earlier this year. The sale proceeds will be utilised to repay debt and provide further working capital for the company, and remove any future capital requirements relating to the property.

Finance Report

Five Year Financial Summary

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Total Net Revenue	7,729	9,953	10,959	9,151	11,704
Administration Expenses	(1,711)	(1,736)	(1,644)	(1,766)	(2,225)
Redundancy Costs	-	-	-	-	(726)
Net Finance Costs	(1,549)	(1,144)	(1,664)	(1,079)	(2,821)
Total Operating Income	4,469	7,073	7,651	6,306	5,932
Unrealised Interest Rate Swap Gain/(Loss)	-	-	-	133	79
Realised and unrealised gain/(loss) on investment property and PP&E"	(1,005)	8,866	(19,069)	(2,696)	(5,944)
Transaction Costs	-	(12)	(1,774)	(224)	(686)
Sale of Management Rights	-	-		-	4,500
Net Profit/(Loss) Before Taxation	3,464	15,927	(13,192)	3,519	3,881
Income Tax Expense	(533)	22	(1,496)	284	(786)
Profit and Total Comprehensive Income	2,931	15,949	(14,688)	3,803	3,095
Basic and Diluted Earnings Per Share	0.81	6.00	(9.07)	2.35	1.91
AFFO	4,222	5,819	4,744	4,739	6,148

Financial Result Summary

	2022 $'000	2021 $'000	Variance $'000	Comments
Total Net Revenue	**7,729**	**9,953**	**(2,224)**	Net rental revenue reduced by $2.22m due to the reduced income at 35 Graham Street. From late June 2021 the rent reduced by ~50%, then became 100% vacant from late December 2021. Eastgate and Stoddard Road were both impacted by further Covid-19 abatement and relief in FY22. Total abatements and relief as a result of Covid-19 now total $0.686m. $0.286m in FY22 and $0.4m in FY21.
Administration Expenses	(1,711)	(1,736)	25	
Net Finance Costs	(1,549)	(1,144)	(405)	Net Finance Costs increased by $0.4m due to higher debt levels being drawn on the investment facility to fund Munroe Lane. The FY22 net finance costs include: • Line fees $766k (FY21: $638k); • Interest of $730k (FY21: $402k); • Loan Establishment fees amortisation of $66k (FY21: $104k)
Total Operating Income	**4,469**	**7,073**	**(2,604)**	
Loss on Sale of Investment Property	212	(321)	533	Reversal of partially impaired receivable in respect to the AA Centre which has subsequently been received.
Fair Value Loss in Value of Investment Property	(1,217)	9,187	(10,404)	The movement in fair value is mainly due to a $3.4m loss at 35 Graham Street reflecting the forecast future discounted cash flows of the sale up to the settlement on 1 December 2023 partially offset by growth at Stoddard Road totalling $1.9m. The fair value loss of $1.2m is a 1% loss against carrying values. The prior year movement was mainly attributed to a rebound in valuations following a significant downgrade in valuations as a result of Covid-19 in FY20.
Transaction Costs	-	(12)	12	
Net Other Gains\ Losses	**(1,005)**	**8,854**	**(9,859)**	
Net Profit / (Loss) Before Taxation	**3,464**	**15,927**	**(12,463)**	
Income Tax	(533)	22	(555)	Tax in the prior year represents the impact of the released deferred tax liability at Eastgate ($1.14m) as there is no depreciation recovery on sale.
Profit and Total Comprehensive Income	**2,931**	**15,949**	**(13,018)**	

Adjusted Funds from Operations - Reconciliation to Net Profit After Tax

	2022 $'000	2021 $'000
Statutory Net Profit After Tax	**2,931**	**15,949**
Investment Property and Inventory		
Loss/ (Gain) From Sales of Investment Property	(212)	321
Fair value (gain) / loss on investment property	1,217	(9,187)
Deferred Tax		
Deferred Tax Expense	210	(1,143)
Net Operating Income After Tax	**4,146**	**5,940**
Amortisation of Lease Incentives and Costs	191	143
Amortisation of Rent Relief due to Covid-19	70	141
Funds From Operations (FFO)	**4,407**	**6,224**
Incentives Granted/Commissions Paid	(96)	(51)
Rent relief due to Covid-19	(31)	(332)
Maintenance CAPEX	(58)	(22)
Adjusted Funds From Operations	**4,222**	**5,819**
AFFO (CPS)	1.16	2.19

Balance Sheet

	2022 $'000	2021 $'000
Cash	4,387	3,109
Investment Properties	170,016	130,234
Properties Held for Sale	46,355	42,560
Other Assets	3,935	3,070
Total Assets	**224,693**	**178,973**
Bank Debt	55,700	9,400
Other Liabilities	9,439	7,212
Total Liabilities	**65,139**	**16,612**
Equity	**159,554**	**162,361**
Net Tangible Assets Per Share ($)	**0.440**	**0.448**

Investment Property

Investment Property, including properties held for sale, total $216.4m as at 31 March 2022 ($172.8m in the prior year). The increase is primarily due to development progress at Munroe Lane totalling $42.5m, which is approximately 54% complete as at 31 March 2022. No development margin has been reflected at this stage of the development. Properties held for sale include Eastgate ($43.5m) and Kamo ($2.9m).

Capital Management

$55.7 million of debt is currently drawn which represents a LVR of 25.7% as at 31 March 2022 (5.4% in the prior year). The loan facility limit as at 31 March 2022 is $130 million, the remaining undrawn debt totalling $74.3 million will primarily be used to Fund the development at Munroe Lane. This limit reduces to $83.5 million post the upcoming debt repayments on settlement of Eastgate ($40 million) and receipt of the 35 Graham Street deposit ($6.5 million). Other Liabilities include $5 million of capex accruals in relation to the Munroe Lane development which will be funded through debt utilisation. The NTA is now 44.0 cents per share down from 44.8 cents per share in the prior year.

Dividends

Total cash dividends paid for the year are 1.125 cents per share which represents a pay out ratio of 97% (based on AFFO). The dividend remains subject to quarterly review but is currently suspended until sufficient operating earnings are generated to support an ongoing sustainable dividend.

Director Profiles

Bruce Cotterill

**Chairman,
Non-Executive Independent Director**

Bruce Cotterill joined the Board of Asset Plus in April 2017. Bruce is an experienced CEO, Chairman and Company Director, who has excelled in a number of sectors and in a range of extremely demanding roles. This includes businesses going through major transformation brought about by financial performance, structural change and cultural issues. As a CEO he has led real estate group Colliers, both in New Zealand and Australia, Kerry Packer's ACP Magazines, and iconic New Zealand sportswear company Canterbury International. As CEO of Yellow Pages Group he was appointed to lead that company through a period of dramatic change, including the restructure of the Company's $1.8 billion of debt. Bruce was Chairman of Noel Leeming Group for 8 years until that Company's sale to The Warehouse.

Carol Campbell

Non-Executive Independent Director

Carol Campbell joined the Board of Asset Plus in May 2015 and chairs the Audit and Risk Committee. Carol is a Fellow Chartered Accountant and a member of Chartered Accountants Australia and New Zealand. Carol has extensive financial experience and a sound understanding of efficient Board governance. Carol holds a number of directorships across a broad spectrum of companies, including T&G Global, New Zealand Post, NZME and the Fisher Listed Investment companies – Kingfish, Barramundi and Marlin Global, where she is also Chair of the Audit and Risk Committee. She is also a Director of Kiwibank. Carol was a Director of The Business Advisory Group for 11 years, a Chartered Accountancy Practice, and prior to that a partner at Ernst & Young for over 25 years.

Paul Duffy

Non-Executive Director

Paul Duffy has over 36 years' experience in the property investment/development industry, including CEO/executive director of DNZ Property Fund (now named Stride Property) for 13 years. During his career, Paul held the position of General Manager of Fletcher Property Limited and was Joint Managing Director of US Real Estate Subsidiaries for the Abu Dhabi Investment Authority. In this role he oversaw the formation of a large real estate portfolio in the United States and Europe. Paul is currently a Director of Leighs Construction and a number of private companies. Paul is the former chairman of the Manager, and is therefore not an independent director.

Paul joined the Board in April 2017.

John McBain

Non-Executive Director

John joined the Centuria Capital Limited ("CNI") Board (formerly Over Fifty Group) on 10 July 2006. He was appointed as Chief Executive Officer of the Over Fifty Group in April 2008 and serves as Joint CEO with Jason Huljich. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by the Over Fifty Group in July 2006. Prior to joining CNI, John held senior positions in a number of property development and property investment companies in Australia, New Zealand and the United Kingdom. As a director of both the largest shareholder and the Manager, John is therefore not an independent director. John joined the Board in September 2020.

Allen Bollard

Non-Executive Independent Director

Allen has a long background in accounting, business analysis, risk management, tax, and finance, mostly in property and construction. Starting as a partner in a major accounting firm, he was then CFO for three listed property companies and for ten years was CEO/CFO of Tramco Group, which managed and financed several large privately held leasehold land owning partnerships including Viaduct Harbour Holdings, Tram Lease, Quay Lease, Kiwi Forests, Wairakei Pastoral and Calland Properties Ltd. He is now an independent business and finance consultant and Director, still advising Tramco and is an independent trustee for the Wyborn and Green families. He is the Government approved independent director of Tamaki Makaurau Community Housing Joint Venture and Chair of the Odyssey House Board of Trustees.

Allen joined the Board in April 2017.

The Manager

Centuria NZ is a leading fund manager with operations across New Zealand and Australia. Centuria NZ owns or manages 94 properties across the office, retail and industrial sectors, with $2.9 billion of assets under management.

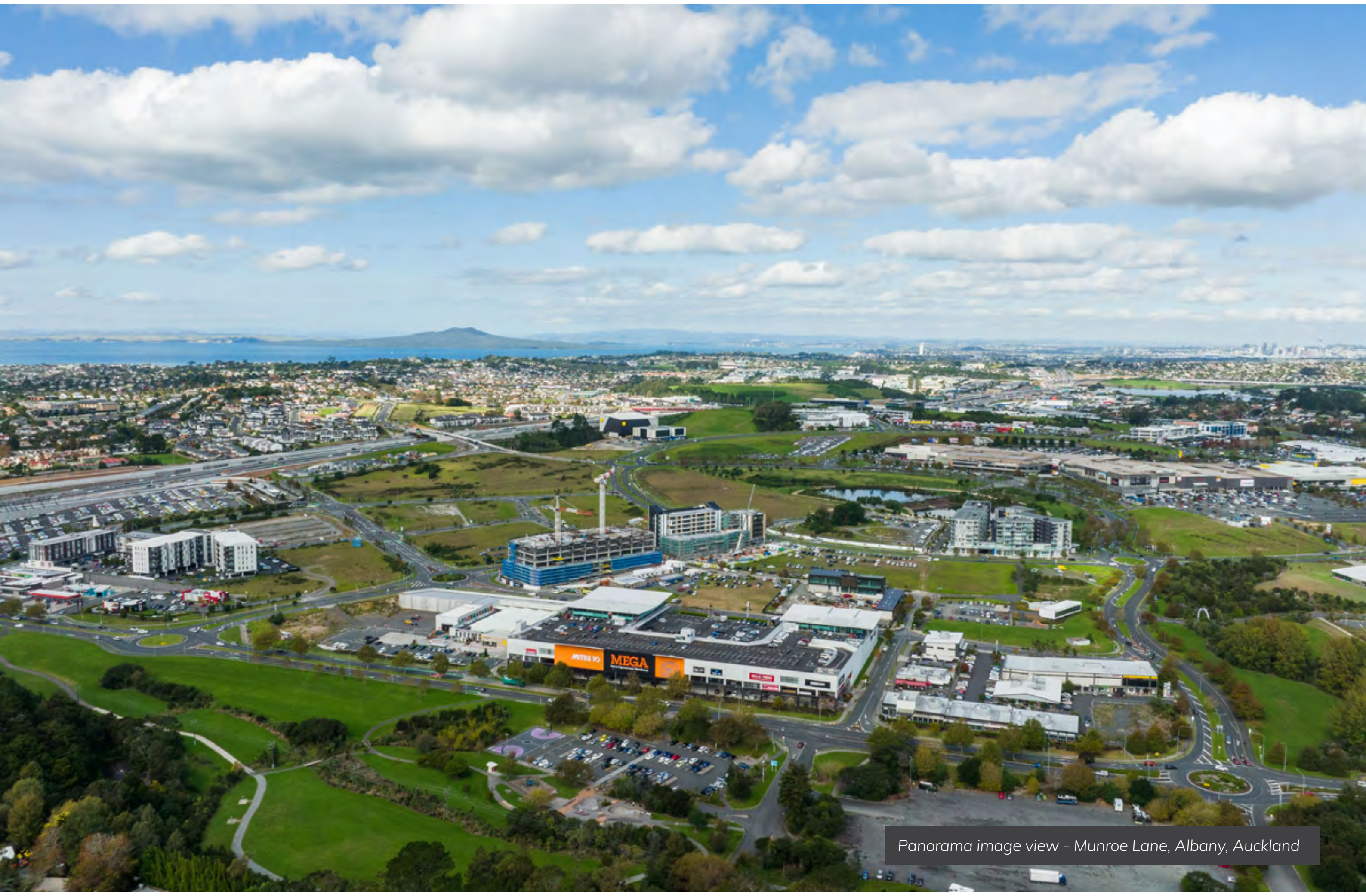
Centuria NZ employs 42 staff across offices in Auckland, Christchurch and New Plymouth, with specialist expertise in asset management and development management, as well as other essential professional functions including accounting, treasury and investor relations, legal,compliance and company secretariat.

The Manager of Asset Plus, Centuria NZ, underwent a change of ownership following ASX listed Centuria Capital Group's takeover of Augusta Capital, which became effective on 7 September 2020. Centuria Capital manages A$20.2 billion of real estate across Australia and New Zealand.

The scale of Centuria's business allows a vantage point from which to understand the market and unlock real estate opportunities. Centuria has comprehensive and up-to-date knowledge and insights pertaining to property buyers/sellers, tenants and, importantly, the constant and subtle shifts to lending and bank sentiment.

Centuria Capital (NZ) No.1 Ltd, as the shareholder of the manager, owns 19.99% of Asset Plus.

Centuria



Panorama image view - Munroe Lane, Albany, Auckland

Corporate Governance

The Board of Asset Plus is committed to maintaining the highest standards of business behaviour and accountability.

Accordingly, the Board has adopted corporate governance policies and practices designed to promote responsible conduct.

The corporate governance framework is set out in Asset Plus' Corporate Governance Manual, a copy of which can be found at the Company's website: www.assetplusnz.co.nz/corporate-governance.

This section sets out Asset Plus' corporate governance policies, practices and processes with reference to the NZX Corporate Governance Code's eight key principles and supporting recommendations. The Board considers that it has followed the recommendations of the NZX Corporate Governance Code except as set out below under each Principle.

This Corporate Governance Statement is current as at 31 March 2022.

Principle 1 – Code of Ethical Behaviour

> Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

A Code of Ethics has been adopted by which the Company has set out expectations for all Directors, officers, any employees and representatives to act in a manner consistent with its guiding principles and the values set out in its Code of Ethics. This Code sets out clear expectations of ethical decision-making and personal behaviour in regard to confidentiality, securities trading, transparency, company information, conflict resolution processes, gifts and stakeholder interaction. A copy of the Code of Ethics is included in the Corporate Governance Manual available at www.assetplusnz.co.nz/corporate-governance.

Any illegal or unethical behaviour is to be reported to the Board. The Chairman will determine the seriousness of the behaviour and what action needs to be taken. The Chairperson may decide that a sub-committee of the Board will be formed to determine what action should be taken.

Asset Plus' manager, Centuria, has also adopted a Code of Conduct which applies to its employees and directors. The Code sets out the minimum standards expected of Centuria's employees and directors and is intended to facilitate decisions that are consistent with Centuria values, business goals and legal and policy obligations. A copy of the Centuria Code of Ethics is available at https://centuria.com.au/wp-content/uploads/2021/11/Centuria-Code-of-Conduct.pdf.

Asset Plus has also adopted a Share Trading Policy which sets out the rules for dealing in the listed financial products of Asset Plus. The policy prohibits trading by directors of Asset Plus without the written consent of the Chairperson. There are also 'no trade' periods around the release of the Annual and Interim reports. A copy of the policy is available at www.assetplusnz.co.nz/corporate-governance.

Centuria has also adopted an Insider Trading Policy which sets out the rules for dealing in the financial products of any entity that Centuria NZ manages (including Asset Plus). The policy prohibits trading by any employee or director of Centuria without the written consent of the Centuria NZ Chair. Other than in exceptional circumstances, all trading is prohibited during blackout periods for 30 days prior to half- and full-year balance dates until the first trading day after the relevant results are announced.

Principle 2 – Board Composition and Performance

> To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board Charter

The Asset Plus Board has adopted a Board Charter and Governing Principles which sets out that the specific responsibilities of the Board and its Committees include:

- oversight of the Company including its control and accountability procedures and systems;
- setting the strategic direction and objectives of the Company;
- overseeing the audit and monitoring risk;
- approval of operating plans including annual business plans and budgets;
- monitoring actual results against the annual business plan, budget and strategic objectives;
- delegating the appropriate authority of the management of the Company, and monitoring management's performance on a regular basis;
- setting the remuneration of the Directors;
- approval and monitoring capital expenditure, capital management initiatives and acquisitions and divestments;
- approval of capital structure and dividend policies; and
- oversight of disclosure and monitoring of price sensitive matters affecting the Company.

Director nominations and appointments

The Board has adopted a Nomination Committee Charter which sets out the procedure for nominating and appointing potential directors to the Board. Given its size, the full Board of Asset Plus acts as the Nominations Committee. The responsibilities set out in the Nomination Committee Charter are:

- to identify and nominate candidates to fill Board vacancies as and when they arise;
- before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board and, in light of the evaluation, to determine the role and capabilities required for the appointment;
- to formulate succession plans for Directors taking into account the challenges and opportunities facing the Company and the skills and expertise accordingly required to govern the Company in the future;
- to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make any changes; and
- to consider such other matters relating to Board nomination or succession issues as may be identified by the Board.

Formal agreements are entered into with all new directors.

Board composition

Director profiles are on page 20 and director shareholdings are listed on page 29.

Directors undertake continuing education to keep their skills current and understand how to best perform their duties.

The Board Charter sets out that the Board will review its performance as a whole on an annual basis and instigate additional comprehensive reviews as may be deemed necessary from time to time. External consultants may be commissioned as needed to assist in the assessment of individual director performance, the effectiveness of the Board's processes and/or the Board's own effectiveness.

The factors relevant to determining that Bruce Cotterill, Allen Bollard and Carol Campbell were independent directors were that they are non-executive directors, they have either no shareholder or, in the case of Carol Campbell, a holding of less than 1% and that they have no other business relationship with Asset Plus.

The factors relevant to determining that Paul Duffy is not an independent director is that, until recently, he is a director of both the Manager and the largest shareholder.

The factors relevant to determining that John McBain is not an independent director is that, he is a director and beneficial owner of both the Manager and the largest shareholder.

Diversity

Asset Plus has not adopted a diversity policy as it no longer has any employees following externalisation of management to Centuria and accordingly has not complied with this recommendation for the entire period in which the NZX Corporate Governance Code has been in place. This practice has been approved by the Asset Plus Board.

Breakdown of Gender Composition of Asset Plus' Directors and Officers.

	Male		Female	
Financial Year	**Directors**	**Officers**	**Directors**	**Officers**
Year ending 31 March 2022	4	3	1	0
Year ending 31 March 2021	4	3	1	0

Chair and CEO

In accordance with the NZX Corporate Governance Code and as a result of management being externalised, Asset Plus' Chair is not also its CEO.

Principle 3 – Board Committees

> The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The Asset Plus Board has established a separate Audit and Risk Committee comprising of three directors. The Corporate Governance Manual also includes charters for Nominations Committee and Remuneration Committee. However, the full Board undertakes the responsibilities of those Committees. Given the size and operations of Asset Plus, the Board does not consider that any further committees are necessary.

Audit and Risk Committee

The Audit and Risk Committee's primary objectives are:

- to set the principles and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of the external audit. This objective enables the Board to satisfy itself that management is discharging its responsibilities in accordance with established processes and, wherever practical, best practice methodologies; and
- to ensure the efficient and effective oversight and management of all business risks.

Key responsibilities for the Audit and Risk Committee include:

- Establishing guidelines for the selection, appointment and/ or removal of the external auditor as well as the rotation of the lead partner of the audit firm;
- Revising and recommending to the Board the appointment and removal of the external auditor if the Committee considers necessary;
- Ensuring the external auditor is discharging its responsibilities, including monitoring the effectiveness, objectivity and independence of the external auditor;
- Reviewing draft financial statements, NZX preliminary announcements and annual and interim reports;
- Reviewing accounting policies and practices;
- Reviewing the risk management policy and the Manager's risk management reporting; and
- Reviewing the Delegated Authority Policy annually.

The members are all independent directors being Carol Campbell (Chair), Allen Bollard and Bruce Cotterill. The Audit and Risk Committee is required to meet at least twice a year, with 4 meetings being held in the 2022 financial year.

Representatives of the Manager only attend meetings of the Audit and Risk Committee at the invitation of the committee.

Remuneration Committee

The full Board acts as the Remuneration Committee. The Remuneration Committee Charter is included in the Corporate Governance Manual. The responsibilities include setting and reviewing all components of the remuneration of non-executive Directors.

Nominations Committee

The full Board acts as the Nominations Committee. The Nominations Committee Charter is included in the Corporate Governance Manual. The responsibilities are as set out on page 23.

Takeover protocols

In June 2018, the Board adopted protocols setting out the procedures to be followed if a takeover offer is received.

Principle 4 – Reporting and Disclosure

> The board should demand integrity in financial and non financial reporting, and in the timeliness and balance of corporate disclosures.

Continuous disclosure

Asset Plus has adopted a disclosure policy setting out its approach to disclosing material information and communication with shareholders or analysts. Asset Plus recognises that the cornerstone of New Zealand and international securities law is full and fair disclosure of material information and that the timely, non-exclusionary distribution of information to the public is crucial to the efficiency and integrity of the capital markets.

A copy of the policy is available on Asset Plus' website at www.assetplusnz.co.nz/corporate-governance, along with the Corporate Governance Manual.

Principle 5 – Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

Remuneration of directors is reviewed by the Board.

The director remuneration pool was approved at $300,000 when Asset Plus was formed following the corporatisation of the National Property Trust in 2011. In June 2017, the Asset Plus Board approved the following director fees which have continued to be paid during the past year:

Director remuneration

Director	Base director fees	Committee fees	Annual fee	Amount paid during the year
Bruce Cotterill	$90,000 – chair	-	$90,000	$90,000
Carol Campbell	$65,000	$10,000 – Chair of Audit and Risk Committee	$75,000	$75,000
Allen Bollard	$65,000	$5,000 – Member of Audit and Risk Committee	$70,000	$70,000
Paul Duffy	$65,000	-	$65,000	$65,000
John McBain	-	-	-	-
Total			$300,000	$300,000
Approved pool			$300,000	

As Asset Plus no longer has any employees, it does not have a remuneration policy. Accordingly, Asset Plus has not complied with this recommendation for the entire period in which the NZX Corporate Governance Code has been in place. This practice has been approved by the Asset Plus Board.

Chief Executive remuneration

Following the externalisation of management to Centuria, Asset Plus no longer has a CEO.

Principle 6 – Risk Management

> Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Asset Plus relies on Centuria's risk management framework to identify, oversee, manage and control risks that Asset Plus faces. Key risks have been identified including interest rate and treasury risk, leasing risk, cyber security, construction and development risk, compliance with regulatory obligations, property risks (such as tenant default), fraud and health and safety risks.

Centuria is responsible under the management agreement for advising the Asset Plus Board on risk management matters. The Audit and Risk Committee receives such reports and oversee risk management.

Health and safety

Centuria oversees health and safety compliance on a day to day basis for Asset Plus in conjunction with the property managers for each property. Each property has a hazard register which is managed on a day to day basis by the property managers and overseen by Centuria's asset managers.

Centuria's management team oversees compliance with Centuria's health and safety framework including regular reporting to the Board. This includes regular reporting to the Board on key health and safety statistics, incidents and hazard remedies.

The Asset Plus Board also considers health and safety issues at each board meeting and as they arise if necessary. A key focus for the Asset Plus Board is ensuring that hazards are identified and remedied and that reporting identifies the progress with remedial actions.

A health and safety assessment is conducted on all new properties to identify all relevant hazards prior to acquisition.

Principle 7 – Auditors

> The board should ensure the quality and independence of the external audit process.

The Audit and Risk Committee Charter sets out Asset Plus' framework for managing relationships with its auditor. This includes the ability for directors to communicate directly with auditors and for auditors to attend meetings of the Audit and Risk Committee without management present. Any non-audit services provided by the audit firm must be approved by the Audit and Risk Committee.

Grant Thornton is the auditor of Asset Plus with the audit partner rotated every 5 years. Grant Thornton attends each annual shareholder meeting and is available to answer shareholder questions at the meeting.

Asset Plus has no separate internal audit function as it has no employees. It relies on the Manager's compliance assurance and risk management processes for ensuring continued improvement.

Principle 8 – Shareholder Rights and Relations

> The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Asset Plus' website at www.assetplusnz.co.nz includes a range of information including bios for directors, copies of the Corporate Governance Manual, the constitution and historical annual and interim reports.

The Company engages with shareholders through annual and interim reports, results conference calls, presentations to shareholders and the annual shareholder meeting.

Shareholders have the right to receive communications electronically by notifying the share registrar. Major decisions which require approval under the NZX Main Board Listing Rules are submitted to shareholders for approval. All voting at shareholder meetings (such as the 2020 meeting for the Munroe Lane development) is conducted by a poll.

The annual shareholders notice of meeting in 2021 was provided to shareholders at least 20 working days prior to the annual meeting.

Statutory disclosures

Principal Activities

Asset Plus Limited is a listed commercial property investment company investing solely in New Zealand real estate.

Board Composition

The table below sets out details of the current directors of Asset Plus Limited and its subsidiary, including the date on which they were appointed.

No one ceased to be a director of the Company or its subsidiary during the year ending 31 March 2022.

Director	Date Appointed
Bruce Cotterill	21 April 2017
Carol Campbell	25 May 2015
Allen Bollard	21 April 2017
Paul Duffy	21 April 2017
John McBain	8 September 2020

Board Attendance

Directors attended the following formal meetings of the Board in the year to 31 March 2022.

Director	Board Meetings Held while a Director	Board Meetings attended	Audit & Risk Committee Meetings attended
Bruce Cotterill	9	9	4
Carol Campbell	9	9	4
Allen Bollard	9	8	3
Paul Duffy	9	9	-
John McBain	9	7	-

Interest Register Record

There were no entries made in the interests register during the year ended 31 March 2022.

Share Dealings by Directors

There were no share dealings by Directors during the year ended 31 March 2022.

Securities of the Company in which each Director had a relevant interest as at 31 March 2021:

Director	Holding	Security Held	Nature of Relevant Interest
Carol Campbell	99,504	Ordinary Shares	Registered holder and beneficial owner

Indemnity and Insurance

The Company has effected Directors and Officers liability insurance at prevailing rates for all Directors.

The Company and its subsidiaries have continued to indemnify the Directors for any costs referred to in Section 162(3) of the Companies Act 1993 and any liability or costs referred to in Section 162(4) of the Act.

Donations

The Company did not make any donations in the year to 31 March 2022 (2021: Nil).

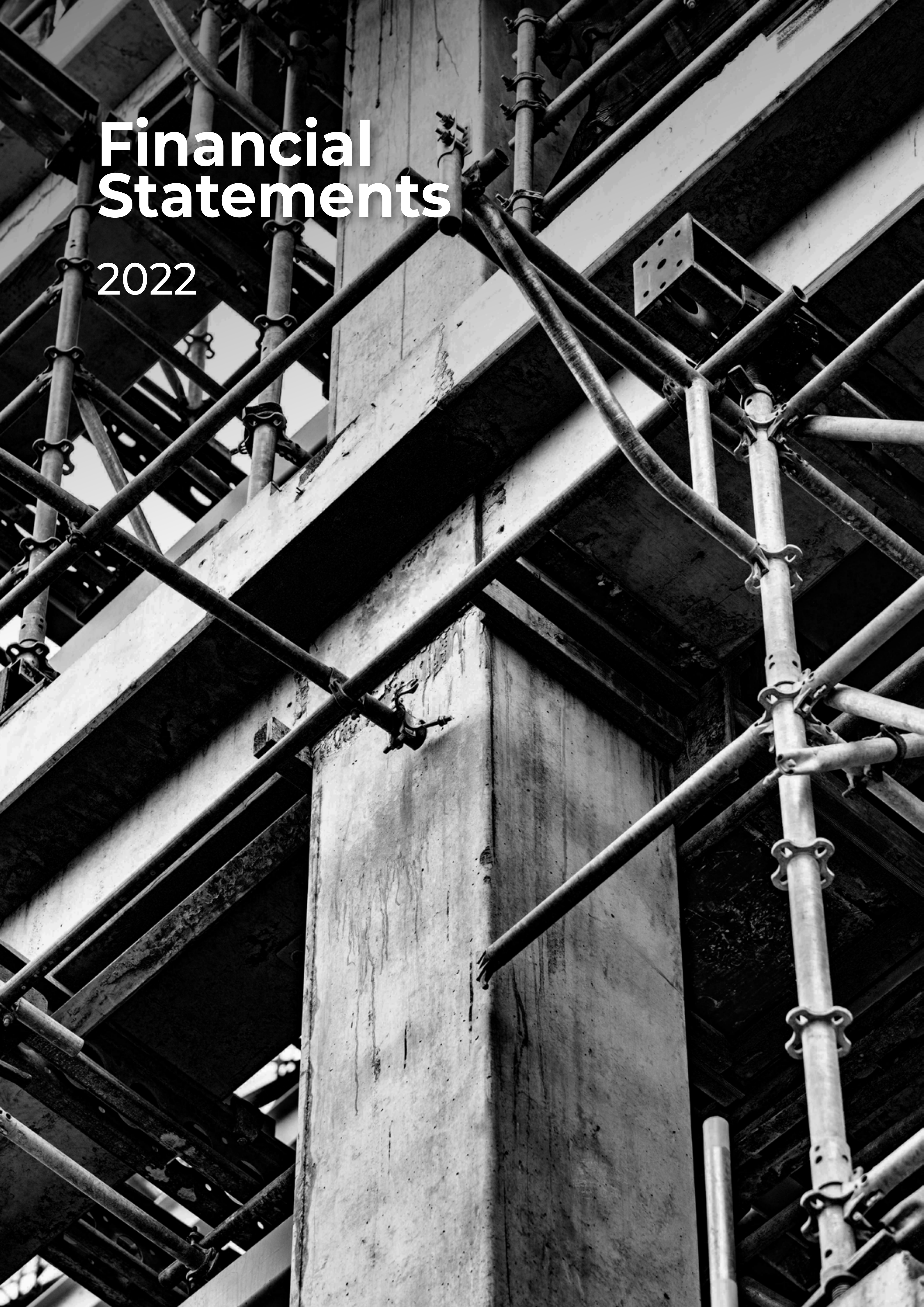
Audit Fees

Amounts paid to the Auditor of the Company:

	2022 $'000	2021 $'000
Grant Thornton Audit Fees	68	65
In addition to the audit fee the following other fees were paid to Auditors:		
Other Assurance Services	25	49
Total	93	114

Financial Statements

2022



Contents

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Gross Rental Revenue		11,932	13,900
Direct Property Operating Expenses		(4,203)	(3,947)
Net Rental Revenue	**5**	**7,729**	**9,953**
Administration Expenses	6	(1,711)	(1,736)
Net Finance Costs	6	(1,549)	(1,144)
Net Total Operating Expenses		**(3,260)**	**(2,880)**
Total Operating Income		**4,469**	**7,073**
Gain/(Loss) in on Sale of Investment Property		212	(321)
Fair Value Gain/(Loss) in Value of Investment Properties		(1,217)	9,187
Transaction Costs		-	(12)
Net Profit Before Taxation		**3,464**	**15,927**
Income Tax	**7**	**(533)**	**22**
Net Profit After Taxation		**2,931**	**15,949**
Other Comprehensive Income		-	-
Total Comprehensive Income For the Year, Net of Tax		**2,931**	**15,949**
Basic/Diluted Earnings Per Share	16	0.81	6.00

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Note	Share Capital $'000	Accumulated Losses $'000	Total $'000
Opening Balance at 01 April 2020		134,089	(42,294)	**91,795**
Net Profit After Taxation		-	15,949	**15,949**
Total Comprehensive Income For the Year, Net of Tax		**-**	**15,949**	**15,949**
Shares Issued	15	60,239	-	**60,239**
Issue Costs		1,602	-	**1,602**
Dividends	17	-	(4,020)	**(4,020)**
Closing Balance at 31 March 2021		**192,726**	**(30,365)**	**162,361**
Opening Balance at 01 April 2021		192,726	(30,365)	**162,361**
Net Profit After Taxation		-	2,931	2,931
Total Comprehensive Income For the Year, Net of Tax		**-**	**2,931**	**2,931**
Dividends	17	-	(5,738)	(5,738)
Closing Balance at 31 March 2022		**192,726**	**(33,172)**	**159,554**

Consolidated Statement of Financial Position

As at 31 March 2022

	Note	2022 $'000	2021 $'000
Current Assets			
Cash and Cash Equivalents		4,387	3,109
Trade and Other Receivables	9	3,084	2,291
Taxation Receivable		396	-
Prepayments	9	309	340
Total Current Assets		**8,176**	**5,740**
Properties Held for Sale	**11**	**46,355**	**42,560**
Non-Current Assets			
Investment and Development Properties	10	170,016	130,234
Prepayments	9	146	439
Total Non-Current Assets		**170,162**	**130,673**
Total Assets		**224,693**	**178,973**
Current Liabilities			
Trade Payables, Accruals and Provisions	13	8,720	5,807
Taxation Payable		-	866
Other Current Liabilities		305	335
Total Current Liabilities		**9,025**	**7,008**
Non-Current Liabilities			
Borrowings	12	55,700	9,400
Deferred Taxation	7	414	204
Total Non-Current Liabilities		**56,114**	**9,604**
Total Liabilities		**65,139**	**16,612**
Net Assets		**159,554**	**162,361**
Share Capital		192,726	192,726
Accumulated Losses		(33,172)	(30,365)
Shareholders' Equity		**159,554**	**162,361**

The Board of Directors of Asset Plus Limited approved the consolidated financial statements for issue on 19 May 2022.

Bruce Cotterill
Chairman

Carol Campbell
Chair Audit and Risk Committee

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	2022 $'000	2021 $'000
Cash Flows from Operating Activities Cash was provided from/(applied to):		
Gross Rental Revenue	11,694	12,812
Other Income	4	5
Operating Expenses	(6,158)	(5,967)
Interest Income	13	-
Interest Expense	(1,485)	(930)
Taxation Paid	(1,589)	(961)
Lease Incentives & Commissions Paid	(201)	-
Net Cash Inflow from Operating Activities	**2,278**	**4,959**
Cash Flows from Investing Activities Cash was provided from/(applied to):		
Sale of Investment Property	-	2
Deposit Received from Investment Property Held for Sale	-	1,500
Purchase of Investment Property	-	(2,277)
Capital Expenditure on Investment Properties	(40,359)	(15,014)
Capitalised Finance Costs on Investments	(1,197)	(1,507)
Tenant Deposits Received/Repaid	(5)	-
Net Cash Outflow from Investing Activities	**(41,561)**	**(15,881)**
Cash Flows from Financing Activities Cash was provided from/(applied to):		
Repayment of Borrowings	-	(55,600)
Proceeds from Borrowings	46,300	15,750
Loan Establishment Costs	-	(835)
Distributions made to Shareholders	(5,739)	(4,020)
Net Proceeds from Capital Raise	-	60,239
Share Capital Raising Costs	-	(1,601)
Net Cash Inflow from Financing Activities	**40,561**	**13,933**
Net Increase in Cash and Cash Equivalents	1,278	3,011
Cash and Cash Equivalents at the Beginning of the Year	3,109	98
Cash and Cash Equivalents at the End of the Year	**4,387**	**3,109**

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

Reconciliation of Net Profit to Net Cash Flow from Operating Activities

For the year ended 31 March 2022

	2022 $'000	2021 $'000
Net Profit after Taxation	**2,931**	**15,949**
Items Classified as Investing or Financing Activities:		
Unrealised (Gain)/Loss in Fair Value of Investment Properties	1,217	(9,187)
Loss/(Gain) on Disposal of Investment Property	(212)	321
Movement in Deferred Taxation	(210)	(1,142)
Amortisation of Loan Establishment Costs	66	103
Movements in Working Capital Items:		
Accounts Receivable and Prepayments	(701)	(965)
Covid-19 Rent Relief	190	(191)
Amortisation of Lease Costs and Incentives	169	143
Leasing Fees Paid and Leasing Fees Granted	(96)	(69)
Trade and Other Payables	(231)	(161)
Taxation Payable	(845)	158
Net Cash Inflow from Operating Activities	**2,278**	**4,959**

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

1. Corporate Information

The consolidated financial statements comprise of Asset Plus Limited (the "Company") and its subsidiary (collectively the "Group").

The Company is a limited liability company incorporated and domiciled in New Zealand whose shares are listed on the New Zealand Stock Exchange. The Company is a FMC reporting entity under the Financial Markets Conduct Act 2013. The registered office is located in Level 2, Bayley's House, 30 Gaunt Street, Wynyard Quarter, Auckland.

The nature of the operations and principal activities of the Group are investing in commercial property in New Zealand.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), the Companies Act 1993, the requirements set out in section 7 of the Financial Markets Conduct Act 2013 and the Main Board Listing Rules of the NZX. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties which have been measured at fair value.

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), except where otherwise indicated.

(b) Statement of Compliance

The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards (IFRS), as appropriate for a profit-oriented entity that falls into the Tier 1 for profit category as determined by the New Zealand Accounting Standards Board.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except where new accounting standards which have been issued and are effective for the current reporting period, or which are issued but not yet effective and may be early adopted, have been adopted for the first time. No accounting standards have been early adopted.

The Group has adopted the accounting standards which are issued and effective for reporting periods beginning on or after 1 January 2021. These have not had a material impact on the financial statements.

New standards, interpretations and amendments adopted by the Group from 1 April 2021, but that have not had a material impact on the financial statements:

- Amendments to NZ IFRS 9 Financial Instruments
- Amendments to NZ IAS 39 Financial Instruments: Recognition and measurement
- Amendments to NZ IFRS 7 Financial Instruments: Disclosures
- Amendments to NZ IFRS 4 Insurance Contracts
- Amendments to NZ IFRS 16 Leases

Accounting standards that are issued but not yet effective

Several other amendments and interpretations apply for the first time from 1 April 2022, but are not expected to have a material impact on the consolidated financial statements of the Group.

(c) Basis of Consolidation

The consolidated financial statements incorporate the assets, liabilities and equity at the end of the annual reporting period and revenue, expenses and cash flows during the year ended 31 March 2022, and its comparative period, of the entities controlled by the Company. A controlled entity is any entity over which Asset Plus Limited has the power to direct relevant activities, exposure or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of investor return. The existence and effect of potential voting rights that are currently exercisable or convertible are considered, if those rights are substantive, when assessing whether a Company controls another entity.

In preparing these consolidated financial statements, subsidiaries are consolidated from the date the Group gains control until the date on which control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The table below represents the Company's investment in its subsidiary at each reporting date:

	Percentage Held	
	31 March 2022	31 March 2021
Asset Plus Investments Limited	100%	100%

(d) Goods and Services Tax (GST)

Revenue and expenses are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the item as applicable.

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All items in the consolidated statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced. Cash flows are included in the consolidated statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities is classified as part of operating activities.

3. Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with NZ IFRS requires Directors to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Although the Group has internal control systems in place to ensure that estimates can be reliably measured, actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value measurements

A number of the Group's accounting policies and disclosures require measurement at fair value. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique adopted as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Key Judgements

The areas involving a high degree of judgement or areas where assumptions are significant to the Group include the following:

- Determination of Deferred Taxes (Note 7)
- Impairment of Receivables (Note 9)
- Determination of Fair Value of Investment Property (Note 10)
- Classification of Investment Property Held for Sale (Note 11)

Covid-19 global pandemic

The outbreak of the Coronavirus (Covid-19) was declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020. In response to the pandemic, regions of New Zealand entered into periods of different alert levels with the implementation of varying travel restrictions and a range of quarantine and "social distancing" measures. Any rental abatement or relief provided to tenants to assist them with any negative impact of these measures is detailed in Note 5.

Effective from 18 August 2021, the Government enacted an amendment to the Property Law Act in response to the continued economic impacts of Covid-19. The amendment implied a new clause into every lease (where there was not already an equivalent clause) which applied if there was an epidemic and tenants were unable to gain access to their premises to fully conduct their operations because of reasons of health or safety relating to the epidemic. Where the new clause applies, only "a fair proportion" of the rent is payable.

Going Concern

The financial statements have been prepared under the going concern assumption, which assumes the Group will be able to pay its debts as they fall due in the normal course of business. As part of management's assessment of the Group's ability to continue as a going concern, the following uncertainties relating to events or conditions have been taken into account:

At 31 March 2022, the current liabilities of the Group exceeded its current assets by $849,000.

The Board has considered all information available at the date of signing the consolidated financial statements (refer to subsequent event Note 21) and is of the opinion that the Group is a going concern based on:

- Available liquidity levels, undrawn and available debt on the loan facilities and forecast cashflows for at least 12 months being sufficient to cover future obligations when they fall due;
- Forecast cashflows have taken into consideration known tenant circumstances, costs to be incurred in respect to developments, expected future expenses and provisions to fund any anticipated cash requirements in the current environment.

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

4. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank loans, cash, trade receivables and payables. Financial assets and liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and fair value risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has exposure to interest rate risk to the extent that it borrows for fixed terms at floating interest rates.
The Directors assess this risk on an ongoing basis and if deemed significant, will instruct the Group to enter into interest rate swaps to manage material exposure. The Group's exposure to interest rate risk and the effective weighted interest rates for each class of financial asset and financial liability were:

As at 31 March 2022	Effective interest rate range	Less than 1 year $'000	1 - 2 years $'000	2 years + $'000
Financial Assets				
Cash and Cash Equivalents	0.00% - 1.00%	4,387	-	-
Trade Receivables and Other Receivables		3,084	-	-
Total Financial Assets		**7,471**	**-**	**-**
Financial Liabilities				
Trade Payables and Other Payables		2,610	-	-
Borrowings	2.16% - 3.41%	-	55,700	
Total Financial Liabilities		**2,610**	**55,700**	**-**
As at 31 March 2021				
Financial Assets				
Cash and Cash Equivalents	0.05% -0.25%	3,109	-	-
Trade Receivables and Other Receivables		2,291	-	-
Total Financial Assets		**5,400**	**-**	**-**
Financial Liabilities				
Trade Payables and Other Payables		2,040	-	-
Borrowings	1.31% - 2.17%	-	-	9,400
Total Financial Liabilities		**2,040**	**-**	**9,400**

The Group's assets and liabilities which are subject to interest rate changes, consist of cash and cash equivalents and secured bank loans. The following demonstrates the sensitivity to the Group profit and equity, resulting from a reasonably possible change in interest rates. This analysis assumes all other variables remain constant.

	2022 $'000	2021 $'000
1% increase		
Cash and Cash Equivalents	37	16
Borrowings	(557)	(94)
1% decrease		
Cash and Cash Equivalents	(37)	(16)
Borrowings	557	94

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For the year ended 31 March 2022

Fair value risk

A comparison between financial assets and financial liabilities fair value and carrying amounts is set out below. The net fair value is not materially different from the carrying value. The methods used for determining fair value have been disclosed in Note 14.

As at 31 March 2022	Note	Designated as fair value $'000	Amortised cost $'000	Total carrying amount $'000	Fair value $'000
Financial Assets					
Cash and Cash Equivalents		-	4,387	4,387	4,387
Trade Receivable and Other Receivables		-	3,084	3,084	3,084
Total Financial Assets		**-**	**7,471**	**7,471**	**7,471**
Financial Liabilities					
Trade Payables and Other Payables		-	(2,610)	(2,610)	(2,610)
Borrowings	12	-	(55,700)	(55,700)	(55,700)
Total Financial Liabilities		-	(58,310)	(58,310)	(58,310)
As at 31 March 2021					
Financial Assets					
Cash and Cash Equivalents		-	3,109	3,109	3,109
Trade Receivable and Other Receivables		-	2,291	2,291	2,291
Total Financial Assets		**-**	**5,400**	**5,400**	**5,400**
Financial Liabilities					
Trade Payables and Other Payables		-	(2,040)	(2,040)	(2,040)
Borrowings	12	-	(9,400)	(9,400)	(9,400)
Total Financial Liabilities		-	(11,440)	(11,440)	(11,440)

Credit risk

In the Board's opinion, the Group trades only with recognised, creditworthy third parties, whose obligations to the Group are contractually enforceable under tenancy agreements and car park licences. Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances, receivables and advances to tenants.

With respect to credit risk arising from the other financial assets of the Group, which comprise interest received on cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Bank of New Zealand, who is the counter party in respect to these financial assets of the Group, currently holds an AA- credit rating (issued by Standard & Poors)

Liquidity risk

Liquidity risk arises from the Group's financial liabilities and the ability to meet all its obligations to repay financial liabilities as and when they fall due. The Group actively monitors its position to ensure that sufficient funds are available to meet liabilities as they arise. Liquidity is monitored on a regular basis and reported to the Board regularly.

The table below reflects all contractually fixed pay-offs for settlement and repayments resulting from recognised financial liabilities. This table is based on all interest rate variables being held constant over the relevant period of time. It does not allow for potential future margin or base rate changes as these can not be easily identified as at balance date. All payments are undiscounted and the timing of the cash flows is based on the contractual terms of the underlying contract. Interest payable is based on the drawn debt at balance date.

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

As at 31 March 2022	Balance $'000	Contractual cash flows $'000	On demand $'000	< 1 year $'000	1 - 2 years $'000	2 - 5 years $'000	> 5 years $'000
Financial Liabilities							
Non-derivative financial liabilities							
Trade payables and Other payables	2,610	2,610	-	2,610	-	-	-
Borrowings (Note 12)	55,700	55,700	-	-	55,700	-	-
Interest and fees payable to the bank	458	4,418	-	2,943	1,475	-	-
Total	**58,768**	**62,728**	**-**	**5,553**	**57,175**	**-**	**-**

As at 31 March 2021	Balance $'000	Contractual cash flows $'000	On demand $'000	< 1 year $'000	1 - 2 years $'000	2 - 5 years $'000	> 5 years $'000
Financial Liabilities							
Non-derivative financial liabilities							
Trade payables and Other payables	2,040	2,040	-	2,040	-	-	-
Borrowings (Note 12)	9,400	9,400	-	-	-	9,400	-
Interest and fees payable to the bank	448	4,839	-	1,941	1,931	968	-
Total	**11,888**	**16,279**	**-**	**3,981**	**1,931**	**10,368**	**-**

Capital Management

The Group's capital includes contributed capital and accumulated loss.

When managing capital, the Director's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders. As the market is constantly changing, management and the Board of Directors consider capital and management initiatives. The Directors have the discretion to change (or cease) the amount of dividends to be paid to shareholders accordingly, issue new shares or sell investment property to reduce debt. Capital is also monitored through the gearing ratio.

The Group's policies in respect of capital management and allocation, including loan covenants are reviewed quarterly by the Board of Directors.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial Instruments

Classification of financial instruments.

The Group classifies its financial assets as fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") and amortised cost according to the Group's business objectives for managing the financial assets and based on the contractual cash characteristics of the financial assets. At each reporting date, the Group classifies all its financial liabilities as amortised cost or FVTPL.

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For the year ended 31 March 2022

5. Net Rental Revenue

Accounting policy

Rental Revenue

Rental revenue is the Group's primary revenue stream. Net rental revenue is recognised in accordance with NZ IFRS 16 Leases. Substantially all property owned by the Group is leased to third party tenants. As the Group retains substantially all the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases and begins recognising income when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognised on a straight-line basis over the term of the lease; including any lease incentives which are amortised to profit and loss over the same period and reduce rental income recognised.

Net rental revenue is measured based on the consideration specified in the relevant rental agreement. The lease term varies between properties and individual tenants within those properties.

Rental abatements were provided to some of the tenants due to Covid-19 and this has reduced the rental income for the year. Total abatements for the year ended 31 March 2022 are $254,000 (2021: $65,000). In addition rental relief was provided to some of the tenants due to Covid-19 which was classified as a lease modification. Total relief granted for the year ended 31 March 2022 is $31,000 (2021: $332,000). The relief granted has been capitalised and is amortised on a straight-line basis over the remaining lease period.

Effective from 18 August 2021, the Government enacted an amendment to the Property Law Act in response to the continued economic impacts of Covid-19. The amendment implied a new clause into every lease (where there was not already an equivalent clause) which applied if there was an epidemic and tenants were unable to gain access to their premises to fully conduct their operations because of reasons of health or safety relating to the epidemic. Where the new clause applies, only "a fair proportion" of the rent is payable.

	2022 $'000	2021 $'000
Rental charged to tenants in the ordinary course of business	10,139	12,174
Operating cost recoveries from tenants and customers	2,386	2,071
Capitalised lease incentive adjustments	(274)	(143)
Lease abatement due to Covid-19	(254)	(65)
Lease relief due to Covid-19	(31)	(332)
Spreading of rent relief Covid-19	(39)	191
Total gross operating revenue	**11,927**	**13,896**
Other revenue	5	4
Gross rental revenue	**11,932**	**13,900**
Direct Property operating costs[1]	**(4,203)**	**(3,947)**
Net rental revenue	**7,729**	**9,953**

[1] *Property operating costs represent property maintenance and operating expenses.*
Leasing fees are capitalised and amortised over the lease term to which they relate.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	2022 $'000	2021 $'000
Within one year	2,578	7,522
After one year but not more than five years	6,228	7,589
More than five years	605	1,495

The rental receivables on the previous page are based on contracted amounts as at 31 March 2022 and 31 March 2021. Actual rental amounts collected in future will differ due to upward rental review provisions within the lease agreements. There are multiple leases and tenants. The rent review mechanisms and frequency vary for each lease. Each lease has renewal dates whereby the lessee has the right to renew for an agreed term. The minimum lease payments receivable reflect the minimum lease terms and do not include any options for renewal due to the uncertainty as to whether the options will be exercised. The figures above also exclude the recovery of rates and insurance disclosed under lease income in accordance with NZ IFRS 16 since this is a variable lease payment that does not depend on an index or rate.

The future minimum receivable rental for the Eastgate Shopping Centre is assumed to be the earliest varied settlement date for the unconditional sale of Eastgate Shopping Centre, being 1 April 2022. Refer to Note 11 for further details on the sale of the Eastgate Shopping Centre.

6. Administration Expenses and Net Finance Costs

Accounting policy

Interest Revenue

Interest revenue consists of interest accrued on cash deposits and is recognised using the effective interest method.

Interest and Finance Costs

Finance costs, including borrowing costs and interest payable on borrowings, are recognised in the consolidated statement of comprehensive income when incurred. Borrowing costs incurred that do not relate to qualifying assets are treated as an expense and are not capitalised. Prepaid loan establishment fees are recognised on the consolidated statement of financial position and capitalised (if related to a qualifying asset) or expensed over the term of the loan agreement (Note 12) on a straight line basis.

	Note	2022 $'000	2021 $'000
Administration expenses			
Management fees		(987)	(788)
Directors' fees	18	(300)	(300)
Auditor's remuneration		(93)	(114)
Professional fees		(173)	(280)
Other administration costs[1]		(158)	(254)
Total administration expenses		**(1,711)**	**(1,736)**
Net finance costs			
Interest and finance costs*		(1,562)	(1,144)
Interest income		13	-
Total net finance costs		**(1,549)**	**(1,144)**

** In addition to Interest paid on the loan the Interest and finance costs include line fees of $970,000 (PY: $400,000) and amortised loan establishment fees of $220,000 (PY: $104,000).*

		2022 $'000	2021 $'000
Auditor's remuneration as follows:			
Audit of the annual financial statements		(68)	(65)
Other assurance services		(25)	(49)
Total auditor's remuneration		**(93)**	**(114)**

[1] Other administration costs include office costs, registry, New Zealand Stock Exchange fees and shareholder communications costs.

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7. Income Tax

Accounting policy

Income tax in the consolidated statement of comprehensive income comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax on the taxable income for the year, using rates enacted or substantially enacted at balance date, and any adjustment to income tax payable in respect of previous periods. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

Deferred tax is provided for using the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- In respect of the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of any deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

The Group has applied the rebuttable presumption under NZ IAS 12 that deferred tax on investment property measured using the fair value model in NZ IAS 40 is determined on the basis that its carrying amount will be recovered through sale.

The Group holds investment properties for the purpose of capital appreciation and rental income and therefore the measurement of any related deferred tax reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. In New Zealand there is no capital gains tax, therefore the tax consequences on sale will be limited to depreciation previously claimed for tax purposes (i.e. depreciation recovered).

Major components of income tax for the year ended 31 March are:

	2022 $'000	2021 $'000
Current tax		
Current income tax charge	(373)	(1,143)
Prior year tax adjustment	50	22
Current tax	**(323)**	**(1,121)**
Net deferred income tax		
Investment property building depreciation	(212)	1,135
Other	2	8
Net deferred income tax	**(210)**	**1,143**
Income tax reported in the consolidated statement of comprehensive income	**(533)**	**22**

A reconciliation of the income tax expense applicable to net profit before income tax at 28%, to the income tax expense in the consolidated statement of comprehensive income for the year ended 31 March is as follows:

	2022 $'000	2021 $'000
Net profit/(loss) before tax	3,464	15,927
Income taxation expense (28%)	**(970)**	**(4,460)**
Adjust for revaluations of investment property	(333)	2,498
Adjust for non-deductible expenses	(9)	(7)
Adjust for capital loss on disposal of investment property	59	(90)
Adjust for development loan facility fees	334	139
Adjustment for deferred tax (depreciation on buildings)	(212)	1,135
Adjustment for prior period	-	22
Adjustment for depreciation (claimed in financial year)	570	653
Other	28	131
Income tax reported in the consolidated statement of comprehensive income	**(533)**	**22**

Deferred income tax	2022 $'000	2021 $'000
Net deferred income tax liability relates to the following:		
Deferred income tax liabilities		
Recoverable depreciation on Investment properties	(425)	(213)
Other	11	9
Net deferred income tax liabilities	**(414)**	**(204)**
Deferred taxation	**(414)**	**(204)**

8. Segment Reporting

The principal business activity of the Group is to invest in New Zealand properties. Investment properties have similar economic characteristics, methods of management and are under leases of various terms. Segment reporting is presented in a consistent manner with internal reporting provided to the chief operating decision maker, the Board. The Board receives internal financial information on a property by property basis, assesses property performance and decides on the resource allocation. The Group operates only in New Zealand. On this basis all of the Group's properties have been aggregated into a single reporting segment to most appropriately reflect the nature and financial effects of the business activities. The Group has no unallocated revenue, expenses, assets or liabilities and this approach has been applied to comparative periods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

9. Trade and Other Receivables

Accounting policy

Trade receivables, other receivables and prepayments are initially recognised at fair value plus transaction costs and subsequently carried at amortised costs using the effective interest rate method less an allowance for any impairment losses. Due to their short term nature, trade receivable, other receivables and prepayments are not discounted.

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses. The impairment of trade receivables is assessed on a collective basis (grouped based on the days past due), as they possess shared credit risk characteristics.

Further disclosure details on the expected credit loss model have not been included in the financial statements as the amounts involved are considered by the Directors of the Group to be immaterial.

	2022 $'000	2021 $'000
Trade receivables	549	441
GST receivable	773	201
Expected credit losses	(73)	(75)
Total trade receivables	**1,249**	**567**
Colliers Property Trust Account (Eastgate)	1,323	1,056
Other receivables	512	668
Total other receivables	**1,835**	**1,724**
Total trade and other receivables	**3,084**	**2,291**

Trade receivables are non-interest bearing and are on < 30 day terms.

Loan establishment fees (unamortised)	439	731
Other prepayments	16	48
Prepayments	**455**	**779**
Current Prepayments	309	340
Non-Current Prepayments	146	439
Prepayments	**455**	**779**

Non current prepayments include $146,000 of unamortised loan establishment fees (31 March 2021: $439,000). All other prepayments are classified as current.

10. Investment & Development Properties

Accounting policy

Investment properties which are held exclusively to earn rentals and/or for capital appreciation are classified as investment properties at their acquisition date. These are initially recognised at cost plus related costs of acquisition. After initial recognition, investment properties are stated at fair value as determined by an independent registered valuer. Investment properties are valued annually. The fair value is based on market values, being the price that would be received to sell the property in an orderly transaction at the date of valuation after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Investment properties that are being constructed or developed for future use are classified as development properties and are measured at cost, as cost represents the fair value. Development properties are carried at fair value when fair value can be reliably determined, which is expected to be upon completion. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure is capitalised. Gains or losses arising from changes in the fair value of development properties held at fair value are included in profit or loss in the year in which they arise. Development properties are carried at fair value when fair value can be reliably determined, which is expected to be upon completion. Development properties are re-classified as Investment properties upon practical completion of the development and the property is held to be leased out under an operating lease.

In the absence of an active market, alternative valuation techniques are utilised which may include discounted cash flow projections, capitalisation of income or sales comparison approach as appropriate to the property being valued. The valuations are prepared by considering the aggregate of the estimated cash flows expected from rental income, the occupancy rates, average lease terms and capitalisation rates which reflect the current market conditions. The estimate of fair value is a judgement which has been made based on the market conditions which apply at each reporting date.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in profit or loss in the period of derecognition.

The tables below outline the movements in the carrying values for all directly owned investment properties:

As at 31 March 2022

Investment Properties	Opening fair value balance $'000	WIP reclassified $'000	Capex $'000	Lease amortisation & other $'000	Gain/ (loss) on revaluation $'000	Transfer to assets held for sale $'000	Carrying value at balance date $'000	WIP[1] $'000	Closing balance $'000
Stoddard Road	41,500	-	97	7	1,896	-	43,500	-	43,500
Graham Street	59,500	1,508	1,344	-	(3,352)	-	59,000	-	59,000
Development Properties									
Munroe Lane	7,761	-	-	-	-	-	7,761	59,755	67,516
Kamo*	2,600	107	62	-	131	(2,900)	-	-	-
Total investment & development properties	**111,361**	**1,615**	**1,503**	**7**	**(1,325)**	**(2,900)**	**110,261**	**59,755**	**170,016**

*Kamo was transferred to held for sale when an active marketing campaign to sell the property commenced on 16 March 2022.

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As at 31 March 2021

Investment Properties	Opening fair value balance $'000	Acquisitions $'000	Capex $'000	Lease amortisation & other $'000	Gain/ (loss) on revaluation $'000	Transfer to assets held for sale $'000	Carrying value at balance date $'000	WIP[1] $'000	Closing balance $'000
Eastgate Shopping Centre*	46,950	-	308	26	(4,724)	(42,560)	-	-	-
Stoddard Road	37,500	-	-	91	3,909	-	41,500	-	41,500
Graham Street	50,100	-	-	-	9,400	-	59,500	1,508	61,008
Development Properties									
Munroe Lane	7,500	-	-	-	261	-	7,761	17,258	25,019
Kamo**	-	2,259	-	-	341	-	2,600	107	2,707
Total investment & development properties	**142,050**	**2,259**	**308**	**117**	**9,187**	**(42,560)**	**111,361**	**18,873**	**130,234**

** Eastgate Shopping Centre was transferred to held for sale when the sale and purchase agreement became unconditional on 22 February 2021.*
*** The acquisition of 34 Springs Flat Road, Kamo, Whangarei, was settled on 29 July 2020.*

[1] WIP (work in progress) relates to costs incurred in relation to future development work which were not included in the inputs to the valuation calculation by the independent valuers. These costs include design, consents and other direct costs capitalised as development costs.

The independent valuations are adjusted for the carrying value of capitalised lease incentives and capitalised leasing fees as in determining the carrying amount of investment property under the fair value model, an entity does not double count assets or liabilities that are recognised as separate assets or liabilities.

The fair value of Stoddard Road is determined by the independent valuation using the capitalisation and discounted cashflow approach.

The independent valuation was conducted by an independent registered valuer, listed below, who is a member of the Institute of Valuers of New Zealand. The valuer is experienced in valuing commercial properties.

The 35 Graham Street fair value has been determined based on the forecast future discounted cash flows of the sale up to the settlement on 1 December 2023. The forecast future cash flows include the initial deposit received of $6.5 million assuming the shareholder vote has passed in early June 2022, the forecast operating expenditure and the settlement proceeds. A discount rate of 5.5% has been used which reflects the assumed forecast credit characteristics, including funding costs, of the counterparty up to settlement. Historical WIP in respect to 35 Graham Street has been reclassified as capital expenditure to determine the carrying value, prior to the revaluation. On 12 April 2022 a sale and purchase agreement was entered into for the sale of 35 Graham Street (refer to note 21). 35 Graham Street did not meet the criteria to be held for sale as at 31 March 2022.

Munroe Lane is held at cost representing the accumulated gross development cost as at 31 March 2022 in accordance with IAS 40.78. Munroe Lane is not held at fair value due to the lack of a reliable assessable fair value at its stage of development as at 31 March 2022. Accumulated cost has been tested for impairment.

The Eastgate Shopping Centre fair value represents the contracted sale price.

The Kamo fair value represents the assessed realisable value determined by the independent land valuation.

In the prior year, all properties, excluding development property, that are not expected to be sold in the next 12 months were valued on a fair value basis at each reporting date by independent registered valuers, listed below, who are members of the Institute of Valuers of New Zealand. These valuers are experienced in valuing commercial properties. The WIP in relation to the future development at Graham Street is carried at cost. The land at Munroe Lane and at Kamo is valued separately from the WIP from the development, Land is valued at fair value, WIP is carried at cost.

As at 31 March 2022	Valuer	Capitalisation rate %	Occupancy rate %	WALE Years	Valuation $'000
Stoddard Road 22 Stoddard Road, Auckland	Jones Lang LaSalle	5.88	100.00	3.50	43,500
Kamo 34 Springs Flat Road, Kamo, Whangarei	Jones Lang LaSalle	N/A	N/A	N/A	2,900
					46,000

Eastgate Shopping Centre and 35 Graham Street have not been independently valued as at 31 March 2022.

As at 31 March 2021

	Valuer	Capitalisation rate %	Occupancy rate %	WALE Years	Valuation $'000
Stoddard Road 22 Stoddard Road, Auckland	Jones Lang LaSalle	6.00	100.00	4.18	41,500
Graham Street 35 Graham Street, Auckland Central	Jones Lang LaSalle	5.75	100.00	0.50	59,500
Munroe Lane 6 - 8 Munroe Lane, Albany, Auckland	Jones Lang LaSalle	N/A	N/A	N/A	7,761
Kamo 34 Springs Flat Road, Kamo, Whangarei	Jones Lang LaSalle	N/A	N/A	N/A	2,600
			97.56	**2.72**	**111,361**

The valuation techniques and significant unobservable inputs are as follows:

Valuation technique	Unobservable inputs	2022	2021	Sensitivity Of Fair Value To Changes In the estimated fair value would increase/(decrease):
Capitalisation of net income	Market Capitalisation rate (%)	5.88%	5.75% - 6.00%	Capitalisation rate was lower (higher)
	Market rental ($ per sqm)*	$307.16	$302.56 - $349.48	Retail and office rental income per square meter was higher (lower)
Discounted Cash Flow	Discount rate (%)	6.75%	6.50% - 7.00%	The discount rate was lower (higher)
	Rental growth rate (%) over 10 years	2.20%	0.50% - 3.00%	Rental growth was higher (lower)
	Occupancy rate (%)	100%	100%	The occupancy rate was higher (lower)
	Letting up period (months)**	6 months	6 - 9 months	Letting up period was lower (higher)
Sales Income Approach	Price per square meter rate ($ per sqm)	$75	$67.5 - $1,850	Rate per square metre was higher (lower)

The represents the valuers' assessment of the net market income which a property is expected to achieve under a new arm's length leasing transaction.

***Represents the period of time that has been allowed to re-let a tenancy at the end of each existing lease of the properties.*

Investment property values are assessed within a range indicated by at least two valuation approaches, other than undeveloped land. Most commonly the capitalisation of net income approach and the discounted cash flow approach are used to value income producing properties. The sales comparison approach is used to appraise both developed and undeveloped plots of land.

Estimates are used in these valuations. These include the capitalisation rate in the income capitalisation approach, the discount rate in the discounted cash flow approach and rate per square meter in the sales comparison approach. The approaches are also influenced by other estimates relating to market rental levels, vacancy rates, letting-up allowances and the cost of ongoing operating expenses, capital expenditure, other capital payments, time, location, quality and overall condition.

Among other factors, all valuation approaches consider the quality of the building and its location, tenant quality, lease terms and any lease incentive costs such as rent-free periods and other costs not paid by the tenant.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

Impact of Covid-19

The valuations take into account the impact of Covid-19 in inputs and market evidence adopted. Some valuations state that there may be a greater range around their opinion of "market value" than would normally be the case and/or that values and incomes may change more rapidly and significantly than during standard market conditions.

Valuation Sensitivity

This sensitivity analysis outlines how movements in the discount rate and capitalisation rate impact to the fair value of the investment properties that use the Discounted Cash Flow and Capitalisation valuation approaches. The discount rate is used in the discounted cash flow approach and the capitalisation rate is used in the capitalisation approach.

Stoddard Road	+25bps $'000	Value $'000	-25bps $'000
Capitalisation rate	41,800	43,700	45,700
Discount rate	42,200	43,000	43,800
Adopted Value	**42,000**	**43,500**	**44,750**

35 Graham Street	-100bps	-50bps	Adopted Value	+50bps	+100bps
Discount rate	4.50%	5.00%	5.50%	6.00%	6.50%
Value $'000	59,861	59,428	59,000	58,578	58,162

The sensitivity analysis are estimates only and assume all other variables used to calculate the property valuations remain constant.

11. Properties Held for Sale

Accounting policy

Investment property is transferred to investment property held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. The property is held at the realisable value, being fair value less cost to sell. These properties are held for immediate sale in their present condition. The value of these properties is reassessed at each reporting date with gains and losses arising from changes in fair values being recognised in profit and loss.

Investment properties which meet the requirements of assets held for sale will be reclassified on the date these requirements are met. These properties will continue to be measured under the fair value model with any gains or losses being recognised in profit or loss in accordance with NZ IAS 40 Investment Properties. Revenue on the sale of properties held for sale is recognised when the risks and rewards have transferred to the buyer. The carrying value represents the sale price in respect to the property.

The table below outlines the movements in the carrying values for all properties held for sale during the year:

As at 31 March 2022

Property	Opening balance $'000	Transfer from investment properties $'000	Capex $'000	Lease amortisation & other $'000	Gain/ (loss) on revaluation $'000	Disposal $'000	Closing balance $'000
Eastgate Shopping Centre	42,560	-	882	(96)	109	-	43,455
Kamo	-	2,900	-	-	-	-	2,900
Total	**42,560**	**2,900**	**882**	**(96)**	**109**	**-**	**46,355**

As at 31 March 2021

Property	Opening balance $'000	Transfer from investment properties $'000	Capex $'000	Lease amortisation & other $'000	Gain/ (loss) on revaluation $'000	Disposal $'000	Closing balance $'000
Eastgate Shopping Centre	-	42,560	-	-	-	-	42,560
Total	**-**	**42,560**	**-**	**-**	**-**	**-**	**42,560**

On 4 October 2021 the settlement date for the Sale and Purchase agreement ("SPA") of Eastgate was varied to 1 April 2022. On 24 February 2022 the agreement was further amended to allow the Purchaser to carry out a subdivision of the property. Under the amendment, settlement will be 15 working days following new titles being issued for the property. If new titles have not issued by 1 July 2022, Asset Plus may provide written notice to the Purchaser that they intend to terminate the agreement. If the Purchaser does not settle within 7 working days of that notice, Asset Plus may terminate the agreement, and retain the deposit paid (31 March 2021: On 22 February 2021 the Group entered into an unconditional sale of purchase agreement to dispose of Eastgate Shopping Centre. A $1.5m deposit was received on 23 February 2021 in relation to the sale and is included in trade payables, accruals and provisions).

An active marketing campaign to sell Kamo commenced on 16 March 2022.

These properties were initially classified as investment properties and were subsequently reclassified to properties held for sale.

12. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. They are initially recognised at fair value of the consideration less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are recognised as an expense when incurred, unless they relate to a qualifying asset and are capitalised when incurred. Borrowing costs capitalised on qualifying assets during the year were $1.69m (2021:$497k).

Facility	Bank	Loan maturity	2022 $'000	2021 $'000
Working Capital Facility	BNZ	30/09/2023	4,500	-
Investment Facility	BNZ	30/09/2023	51,200	9,400
Development Facility	BNZ	30/09/2023*	-	-
Total			55,700	9,400

** The development facility expires the earlier of 30 September 2023 and the Conversion Date, being the date the loan converts to an Investment Facility. In the loan agreement the conversion date is defined as the date that the Agent (acting on the instructions of the Majority Lenders) determines that Practical Completion has occurred.*

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

Financing facilities available

At reporting date, the following financial facilities had been negotiated and were available:

	2022 $'000	2021 $'000
Facilities drawn at reporting date - secured bank loan (BNZ)	55,700	9,400
Facilities undrawn at reporting date - secured bank loan (BNZ)	74,300	120,600
Total	130,000	130,000

Loan security

The loan is secured by a registered first mortgage over the investment properties of the Group, an assignment of leases over all present and after acquired properties mortgaged to the BNZ Bank and a first general security interest over the assets of the Group. The facility limit was increased from $75 million to $130 million on 30 October 2020. The current facility matures in September 2023.

Loan covenants – BNZ bank

During the year ended 31 March 2022 all loan covenants were met (2021: all met).

13. Trade Payables, Accruals and Provisions

Accounting policy

Trade and other payables

Trade payables are classified as financial liabilities and are initially measured at fair value less any transaction costs and subsequently carried at amortised cost and due to their short term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect to the purchase of these goods and services.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

	2022 $'000	2021 $'000
Trade payables	134	196
Other payables	2,476	1,844
Total trade and other payables	**2,610**	**2,040**
Interest accrual	20	10
Opex accruals	899	1,066
Capex accruals	5,094	2,691
Total accruals	**6,013**	**3,767**
Provisions for Covid-19 support	97	-
Total provisions	**97**	**-**
Total trade payables, accruals and provisions	**8,720**	**5,807**

Trade payables are non-interest bearing and are normally settled on 30 day terms. Interest payable is settled quarterly throughout the financial year. Other payables are non-interest bearing and have an average term of 6 months.

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

14. Fair Value Measurement

Accounting policy

Financial assets/liabilities classified as fair value through profit and loss ("FVTPL") are initially recognised at their fair value and are subsequently measured at fair value at each reporting date. Gains and losses recorded on each revaluation date are recognised within profit or loss. Transaction costs of financial assets classified as FVTPL are expensed in the consolidated statement of comprehensive income.

The table below sets out the comparison by category of carrying amounts, fair values, and fair value movement hierarchy of the Group's investment properties and borrowings:

		Year ended 31 March 2022			Year ended 31 March 2021		
		Quoted market Price (Level 1)	**Market observable** Outputs (Level 2)	**Non market** Outputs (Level 3)	**Quoted market** Price (Level 1)	**Market observable** Outputs (Level 2)	**Non market** Outputs (Level 3)
Investment properties	Note 10	-	-	170,016	-	-	130,234
Properties held for sale	Note 11	-	-	46,355	-	-	42,560
Borrowings	Note 12	-	(55,700)	-	-	(9,400)	-

The quoted market price (Level 1) represents the fair value determined based on quoted prices in active markets as at the reporting date. For financial instruments not quoted in active markets (Level 2) the Group uses present value techniques, with a comparison to similar instruments for which market observable prices exist and other relevant models used by market participants, which includes current swap rates on offer and also the current floating interest rate (interest rate swaps). For properties held for sale and investment properties (Level 3), the Group uses present value techniques based on forecasted future earnings.

There are no transfers between Level 1, 2 or 3 during the financial year ended 31 March 2022 (2021: None).

The Group has also assessed possible impairment for 12-month expected loss or life-time expected loss on trade and other receivables and notes that the outcome of this is $73,000 (2021: $75,000).

15. Equity

Accounting policy

Equity instruments issued by the Group are recorded as the proceeds are received, net of direct issue costs.

Issued capital and reserves

	2022	2021
Ordinary shares		
Number of issued and fully paid shares	362,718	362,718

Ordinary shares have no par value. Fully paid and ordinary shares carry one vote per share, and share equally in dividends and any surplus on winding up.

On 10 September 2020, the Company announced an equity raising of approximately $60.2 million (200.8 million shares) via a $12.1 million underwritten placement (40.5 million shares) and a $48.1 million entitlement offer (160.3 million shares). On 2 October 2020, the Company successfully completed the equity raising.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

16. Earnings Per Share

Accounting policy

Earnings per share is calculated by dividing the profit/(loss) attributable to shareholders (excluding distributions) of the Group by the weighted average number of ordinary shares on issue during the period.

	2022 $'000	2021 $'000
Total comprehensive gain/(loss) for the year, net of tax	2,931	15,949
Weighted average number of ordinary shares ('000)	362,718	265,683
Earnings per share (cents) - basic and fully diluted	**0.81**	**6.00**

17. Dividends Paid to Shareholders

Dividends paid during each reporting period comprised:

	2022 CPS	2022 $'000	2022 Date Paid	2021 CPS	2021 $'000	2021 Date Paid
Q4 prior year net dividend	0.450	1,641	11/06/21	-	-	N/A
Q1 net dividend	0.450	1,638	13/09/21	0.450	740	12/08/20
Q2 net dividend	0.450	1,638	14/12/21	0.450	1,640	11/12/20
Q3 net dividend	0.225	821	25/03/22	0.450	1,640	3/03/21
Total paid during the year	**1.575**	**5,738**		**1.350**	**4,020**	

	2022 $'000	2021 $'000
Imputation credit account		
At 31 March the imputation credits available for use in subsequent reporting periods are	131	943

18. Remuneration

Key management personnel costs	2022 $'000	2021 $'000
Directors' remuneration	300	300
Total	**300**	**300**

The notes set out on pages 37 to 55 form part of, and should be read in conjunction with, the consolidated financial statements.

19. Related Parties

Centuria Funds Management (NZ) Limited (formerly Augusta Funds Management Limited) owns the management contract rights of the Group. The parent of Centuria Funds Management (NZ) Limited, Centuria Capital (NZ) No.1 Limited (formerly Augusta Capital Limited), owns 19.99% of Asset Plus Limited (2021:19.99%). Transactions with Centuria Funds Management (NZ) Limited are deemed to be related parties because the Company is managed by Centuria Funds Management (NZ) Limited under the terms of the signed management contract.

	2022		2021	
Fees paid and owing to the manager ($'000)	**Fees charged**	**Fees owed**	**Fees charged**	**Fees owed**
Management fees	987	523	788	213
Lease renewal fees	144	-	843	-
Property management fees	154	42	171	44
Development management fees	1,300	169	335	88
Total	**2,585**	**734**	**2,137**	**592**

Consolidated Statement of Changes in Equity	**2022 $'000**	**2021 $'000**
Dividend paid to Centuria Capital No.1 Limited	1,142	762

20. Commitments and Contingencies

Capital commitments

At 31 March 2022 the Group has the following capital commitments:

- Capital commitments of $Nil (31 March 2021: $850,000) in regards to fit out works for Taco Bell at Eastgate Shopping Centre.
- Capital commitments of $49,506,000 (31 March 2021: $104,444,000) in regards to the development at Munroe Lane.
- Capital Commitments of $215,000 (31 March 2021: $Nil) in regards to demolition works at 35 Graham Street.

Guarantees

BNZ has provided a bond to the New Zealand Stock Exchange for the sum of $75,000, being the amount required to be paid by all Issuers listed on the New Zealand Stock Exchange, and the Company has provided a General Security Agreement over its assets in favour of BNZ as security for this bond (31 March 2021: $75,000).

Contingent liabilities

At the reporting date the Group had no material contingent liabilities (2021: nil).

21. Subsequent Events

The following events occurred subsequent to year-end:

- On 12 April 2022 the company signed a conditional sale and purchase agreement to sell 35 Graham Street for $65 million. The settlement date is 1 December 2023 with the purchaser having the a right to extend settlement to 1 December 2024. The agreement is subject to a shareholder vote to be held on 3 June 2022. 35 Graham Street did not meet the criteria to be held for sale as at 31 March 2022.
- On 19 May 2022 the Company signed an amendment to the loan facility agreement. The key change is the future testing of the interest cover ratio, which won't be tested from 1 April 2022 to 31 March 2023 inclusive.

Independent Auditor's Report

Grant Thornton

To the Shareholders of Asset Plus Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asset Plus Limited (the "Company") and its subsidiary (together the "Group") on pages 32 to 55 which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2022 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other related assurance assignments for the Group. The firm has no other interest in the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Why the matter is significant	How our audit addressed the Key Audit Matter
Investment property and non-current assets held for sale valuations The Group's investment properties and non-current assets held for sale have an assessed value of $170 million and $46.4 million respectively and make up most of the assets of the Group. In the application of NZ IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates, assumptions and methodology for determining the values are specific to the nature, location and expected future rental income for each property. Where appropriate, the Group engaged independent registered valuers or used a contractual selling price to determine the value of the property. If the property is under construction and the Group were unable to determine a value of a property, management carried the property at its cost price. The estimates, assumptions and methods used in determining the value of the properties, may not be appropriate and as a result we have considered these to be significant to our audit	We have: • Obtained and agreed the schedule of investment properties to the respective independent valuation reports, performed by valuation experts or management; • Evaluated the independence, qualifications and work of each valuation expert, for each of the investment properties; • Inquired about and documented the methods and assumptions used by the expert and considered the appropriateness of those assumptions and methods used, for each property valuation; • Confirmed each property valuation was performed in accordance with appropriate accounting standards for use in determining the carrying value of investment property as at 31 March 2022; • Verified the accuracy of any costs capitalised against properties (with a focus on development properties which are carried at cost) by selecting a sample of transactions, tracing it to supporting documentation and validating whether the transactions meets the criteria for capitalisation; • Recalculated the fair value adjustment to be recorded for the year for each investment property as at 31 March 2022; • Considered the adequacy of the disclosures made in Note 3 Significant Accounting Estimates and Judgements, Note 10 Investment and Development Properties and Note 11 Properties Held for Sale, to the consolidated financial statements, which sets out the key judgements and estimates including valuation techniques and significant unobservable inputs applied to determine fair value of the investment property; and • Discussed with management changes in the investment property portfolio, including any property development, controls in place surrounding the valuation process and the impact Covid-19 pandemic has had on the investment property portfolio including rental abatements, occupancy risk, growth rates.

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Other Information

The Directors are responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Directors' responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

Ryan Campbell
Auckland
19 May 2022

Shareholder Statistics

Twenty Largest Shareholders

Top 20 Shareholders (with expanded NZCSD Sub-Register) as at 17 June 2022.

Rank	Investor Name	Total Shares	% Issued Capital
1	Centuria Capital (NZ) No.1 Limited	72,507,288	19.99
2	Accident Compensation Corporation	38,774,527	10.69
3	HSBC Nominees (New Zealand) Limited	29,259,273	8.07
4	Forsyth Barr Custodians Limited	16,151,563	4.45
5	FNZ Custodians Limited	12,219,042	3.37
6	Leveraged Equities Finance Limited	9,993,202	2.76
7	New Zealand Depository Nominee	8,981,264	2.48
8	Wairahi Investments Limited	5,000,000	1.38
9	Tea Custodians Limited	4,523,261	1.25
10	Forsyth Barr Custodians Limited	3,465,216	0.96
11	Investment Custodial Services Limited	3,329,123	0.92
12	Elizabeth Beatty Benjamin & Michael Murray Benjamin	3,000,000	0.83
13	National Nominees New Zealand Limited	2,992,000	0.82
14	Francis Ivor Charles Jasper & Victoria Jane Carpenter & Anthony Francis Segedin	2,900,000	0.8
15	Cypress Capital Limited	2,621,326	0.72
16	Cogent Nominees Limited	2,274,030	0.63
17	Forsyth Barr Custodians Limited	2,194,830	0.61
18	New Zealand Permanent Trustees Limited	2,154,496	0.59
19	BHC Trustee 68 Limited	1,880,000	0.52
20	FNZ Custodians Limited	1,757,353	0.48

Spread of shareholders

The following is a spread of quoted security holders as at 17 June 2022.

Range	Holders	Shares	% Issued Shares
1-1,000	91	58,968	0.02
1,001-5,000	375	1,133,527	0.31
5,001-10,000	341	2,700,659	0.74
10,001-50,000	811	20,627,235	5.69
50,001-100,000	273	20,733,049	5.72
Greater than 100,000	296	362,717,801	87.52

Substantial Security Holders

As at 31 March 2022 the following Shareholders had filed substantial security notices in accordance with the Financial Markets Conduct Act 2013.

Shareholder	Number of ordinary shares relevant interest disclosed for
Centuria Capital (NZ) No.1 Limited	72,507,288
Salt Funds Management Limited	32,415,353
Westpac Banking Corporation (and related bodies corporate)	29,455,484
Accident Compensation Corporation	31,086,689*
Total ordinary shares on issue at 31 March 2022	**362,717,801**

**Accident Compensation Corporation has subsequently disclosed on 10 June 2022 that it now holds 38,774,527 ordinary shares.*

This annual report is dated 30 June 2022 and is signed on behalf of the board by:

Bruce Cotterill

Chairman

Carol Campbell

Chair Audit and Risk Committee

Directory

Company

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Bruce Cotterill
Allen Bollard
Carol Campbell
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