

FINANCIAL STATEMENTS 2022



ASSET PLUS+
— MANAGED BY Centuria

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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

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			
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

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

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

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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

Notes to the Consolidated Financial Statements

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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							
<i>Non-derivative financial liabilities</i>							
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							
Financial Liabilities							
<i>Non-derivative financial liabilities</i>							
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.

Notes to the Consolidated Financial Statements

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 costs¹	(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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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).			
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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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

	2022 \$'000	2021 \$'000
<i>Current tax</i>		
Current income tax charge	(373)	(1,143)
Prior year tax adjustment	50	22
Current tax	(323)	(1,121)
<i>Net deferred income tax</i>		
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

	2022 \$'000	2021 \$'000
Deferred income tax		
Net deferred income tax liability relates to the following:		
<i>Deferred income tax liabilities</i>		
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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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.

Notes to the Consolidated Financial Statements

For the year ended 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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.

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:

	CPS	2022 \$'000	Date Paid		CPS	2021 \$'000	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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

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.

Fees paid and owing to the manager (\$'000)	2022		2021	
	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	2021
	\$'000	\$'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



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 2 to 25 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.



Why the matter is significant

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

How our audit addressed the Key Audit Matter

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.



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

A handwritten signature in dark ink that reads "Grant Thornton".

Ryan Campbell
Auckland
19 May 2022

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