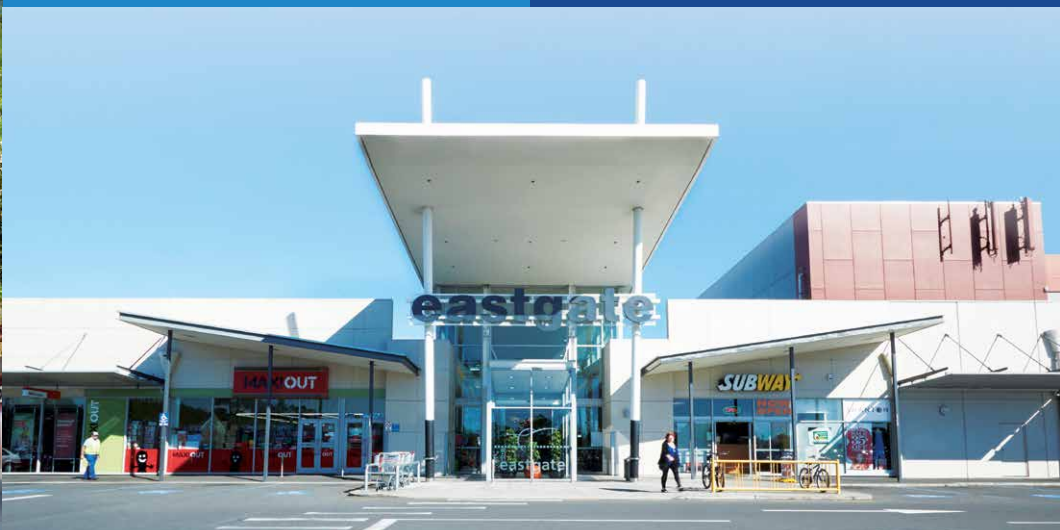
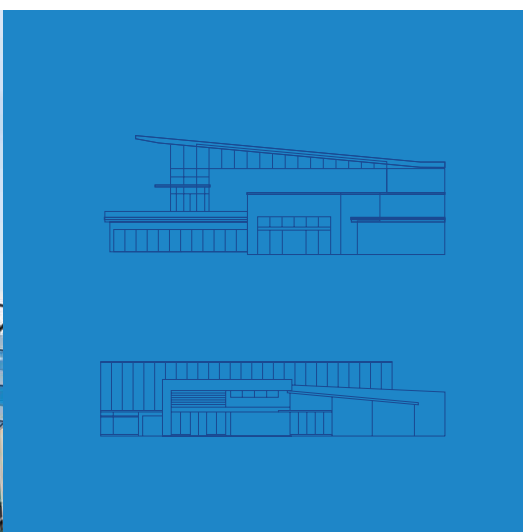




Annual Report
For the twelve months
ended 31 March 2016

Optimised property investments



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Net Profit after tax of \$8.4m
up 31.5% on last year through
a steady operating
performance and a 2.0%
uplift in portfolio value.



Chairman's Report



On behalf of the Board of Directors of NPT Limited, I am pleased to present the 2016 Annual Report. The result for the year ended 31 March 2016 shows a continuation of the steady progress made by NPT over the last few years.

Net Profit after tax of \$8.4m was up 31.5% on last year through a combination of a steady operating performance and a 2.0% uplift in the value of the property portfolio. Importantly, Distributable Profit, NPT's calculation of underlying earnings, showed a 1.0% increase on the prior year from \$6.0m to \$6.1m (3.75 cents per share to 3.79 cents per share), in a year where we had significant development works underway at Eastgate Shopping Centre and the AA Centre.

NPT's property portfolio increased in value from \$158.2m to \$169.4m as at 31 March 2016, a net increase of 2.0% when taking into account the capital works invested in the portfolio across the year.

Net Tangible Asset backing (NTA) as at 31 March 2016 was 74.0 cents per share, an increase of 2.0% on the prior year.

I would also like to take this opportunity to acknowledge and thank Tony McNeil and Kerry Hitchcock for their services to NPT over many years.

Dividends

Following review by the Board, NPT has amended its distribution policy going forward. To better align dividend payments with the underlying earnings of the business NPT has adopted a new calculation methodology common across the listed property sector. The Company's updated policy is to pay between 90% and 100% of Distributable Profit, which is defined as net profit before income tax adjusted for non-cash items and/or non-recurring items and current tax.

The Board has declared a cash dividend of 0.875 cents per share for the fourth quarter ended 31 March 2016 with Imputation Credits of 0.154 cents per share attached. This brings the total cash distribution for the year to 3.50 cents per share, in line with guidance. Looking ahead to the FY17 year, the Directors are expecting to pay a cash dividend of 3.60 cents per share, up 2.9%, based on current projections for the portfolio.

Looking Ahead

NPT remains focussed on maximising returns for shareholders through continuing to investigate ways to unlock value within its existing portfolio. Additionally, the Company remains with capacity to add to the portfolio should a suitable opportunity arise.

We are pleased to see the development works at Eastgate Shopping Centre progressing to plan and look forward to the opening of The Loft and the Restaurant Brands outlet by July.

On behalf of the Board, I would like to thank all shareholders for their support over the past 12 months and we look forward to continuing to work with you in the year ahead.

A handwritten signature in black ink, reading 'J. A. Anderson'.

Sir John Anderson
Chairman



NPT is focused on optimising its portfolio through selective development works, closer relationships with our tenants and seeking longer term strategic opportunities.



Chief Executive's Report



NPT is entering the new financial year in a solid position, with a continuing focus on optimising its existing portfolio through selective development works.

We have moved away from contracting out the management of our properties by bringing property management in-house. Benefits of doing this include creating cost efficiencies, establishing closer relationships with tenants, providing an improved standard of service and giving us the ability to be highly responsive to additional opportunities for improvements as we identify them.

Another advantage of managing our properties is that we are able to understand more about the longer term capital expenditure needs of our assets. As we get more intimately involved with each property, we are making better longer term decisions about future investment in maintaining them. Our valuation models are being regularly refined to ensure that this expenditure is factored in.

We are committed to keeping our staff, contractors and customers safe and to this end we are working on continuously improving our Health and Safety processes and procedures. This is of course an ongoing, key focus for the business.

An update of each of the Company's properties follows.

Eastgate Shopping Centre



Linwood Avenue
& Buckleys Road,
Linwood,
Christchurch

Net lettable area
27,102m²

Market value
\$58m

Occupancy
96.1%

WALT
6.1 years



Eastgate occupies a high profile position about 3km east of the Christchurch CBD, with 36 specialty stores and a food court to complement our anchor tenants.

Foot count comparisons for March 2016 compared to March 2015 show continuing gains. The increase is in part attributable to the relocation of the Linwood Library to the upper level and it is expected that significant foot traffic increases will result from the redevelopment of the first floor space previously occupied by Farmers.

In addition to the first floor development work, completion of a Restaurant Brands outlet on the Linwood Avenue frontage is rapidly

approaching. We expect this new, fast food outlet to commence trading in June this year.

Our next focus is to continue with our development plans for the Centre including another fast food outlet on the site currently occupied by the medical centre and advancement of a "mini major" larger format retail block. These further development opportunities will only be undertaken on a committed basis and at rental levels that provide an appropriate return on investment.





The Loft will be home to a wide range of community health and wellbeing services on Eastgate's first floor.

the loft **Ki te Tihi
Community
Wellbeing
Services**

The Loft is a child, family and community health and wellbeing centre that represents a significant advance in the provision of health and social services in Christchurch.

The name not only identifies the physical space within the Centre but also reflects the concept of moving forward and rising high (Ki te tihi means 'to the summit') and embraces Christchurch's diverse and multi-cultural community.

One side of the new centre will be dedicated to social services, and the other will deliver an Integrated Family Health Centre that supports mental, emotional, social and physical health.

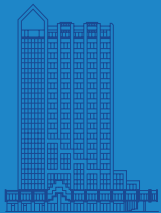
The Health Centre includes doctors, nurses, midwives, pharmacy, physio-rehab and mental health counsellors. The Loft will also house the Nurse Maude district nursing services hub, the CDHB Older Person's Health Coordination Hub, Aviva (formerly Christchurch Women's Refuge), Family Help Trust, He Waka Tapu, NZ Red Cross and more.

The Loft is a combined health and wellbeing service centre that is a significant advance in the provision of health and social services in Christchurch and will provide strong, growing foot traffic to support our retail tenants.

These combined health & wellbeing services, including the public library, create an extensive range of services for the local community and will provide strong, growing foot traffic to support retail centre tenants.

The Loft will have 150 staff supporting over 10,000 clients, occupies 2,058 square metres and opens in July.

AA Centre



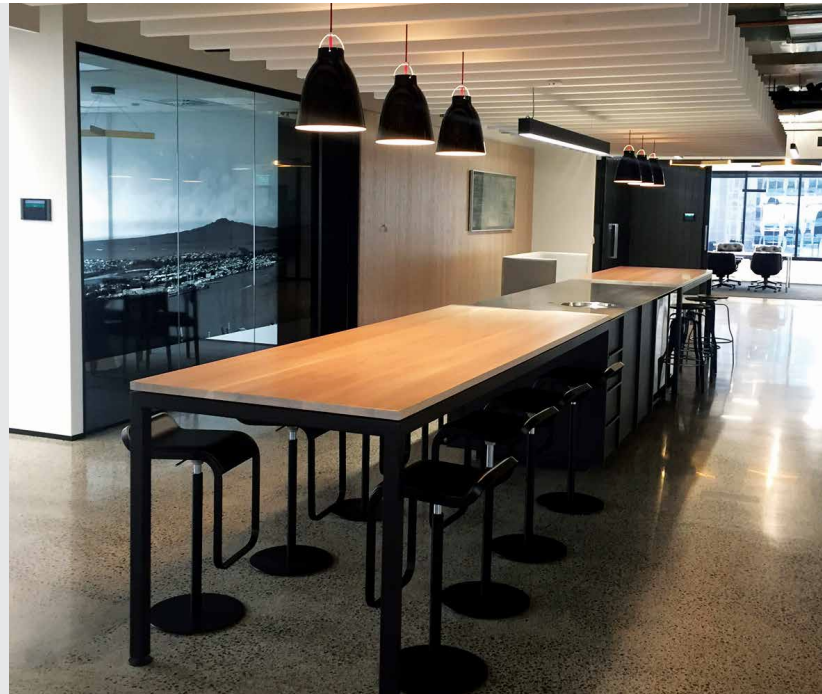
**99 Albert Street,
Auckland**

Net lettable area
12,284m²

Market value
\$36.2m

Occupancy
100.0%

WALT
2.7 years



Located on the corner of Albert and Victoria Streets, this central location adjoins the popular Federal Street entertainment and dining precinct. The AA Centre is an 18 level high-rise office tower with ground floor retail space and a basement car park.

Auckland Transport has recently commenced enabling works for the City Rail Link (CRL) which will culminate in the Aotea Station being constructed adjacent to our building, further enhancing the location.

In April 2016 we moved our office into the completely refurbished thirteenth floor. The interior fit out designed by Athfield Architects is an example of the best in contemporary office layout, function and design; featuring shared spaces, sunny bay window seating areas with great views and a choice of meeting rooms using an electronic booking system.

This floor is a template for refurbishing other floors as leases expire. Several floors, including the eighth floor, will be refurbished over the next few years, taking advantage of the strong Auckland CBD office leasing market, thereby creating improved revenue and attracting quality long term tenants.

The recent Level 13 interior fit out showcases a contemporary office layout, function and design that will be used as a template for the remaining floors. This will enable us to take advantage of the strong Auckland CBD office leasing market, improving revenue and attracting quality long term tenants.

The building is unit titled with NPT owning the majority of the floors excluding levels 16 and 17 and the ground floor retail.



Heinz Wattie's National Distribution Centre



**113 Elwood Road,
Hastings**

**Net lettable area
60,059m²**

**Market value
\$27.2m**

**Occupancy
100.0%**

**WALT
10.8 years**



A 6.3 hectare industrial site housing a contemporary dry storage facility with sealed yards, security fencing and operative rail siding.

It is home to one of New Zealand's largest stand-alone distribution centres with a floor area of over 50,000m². The property enjoys a long-term lease to Heinz Wattie's.

During the year, it was announced that Heinz Wattie's would merge with Kraft Foods to become The Kraft Heinz Company which would be the fifth-largest food and beverage company in the world. The property is strategically located next to the Heinz Wattie's Tomoana production facility on the northern fringe of Hastings.

The strength of the locality has been further boosted recently with the development on nearby sites of a substantial new water packaging facility and the announcement that another of Heinz Wattie's key suppliers is to establish a significant production facility next year.

Our building is one of the largest stand-alone distribution centres in New Zealand with a floor area of over 50,000m². Heinz Wattie's enjoys a long-term lease with the site.

22 Stoddard Road

22 Stoddard Road,
Mt Roskill,
Auckland

Net lettable area
8,453m²

Market value
\$35.0m

Occupancy
94.55%

WALT
6.6 years



The new 22 Stoddard brand was developed in tandem with our retailers to better reflect the community in which they work.



The development of this retail property was completed in early 2013 with NPT having purchased it from the original developer during the course of construction. With occupancy at 94.55%, the Centre has 20 specialty retail spaces and 335 carparks.

Initially known as The Roskill Centre, a new brand was developed in conjunction with some of our retailers that better reflected the specific location within the catchment. The result of that process was the

adoption of the brand "22 Stoddard" which will give us an excellent cue to use for marketing the Centre.

22 Stoddard is well located in a strengthening catchment and benefits from having a New World supermarket on an immediately adjoining site.

Tenancy mix is still evolving and we are managing this process to ensure the appropriate types of retail offering are present at the property.



Print Place



**17 Print Place,
Middleton,
Christchurch**

Net lettable area
12,800m²

Market value
\$13.m

Occupancy
100.0%

WALT
2.4 years



An industrial property set in attractive grounds including a high-stud warehouse and factory space with associated office space. The property is well located in the Middleton industrial area of Christchurch with excellent access to the southern motorway system.



In Summary



The focus for the year ahead remains to optimise value and maximise sustainable returns to our shareholders.

The completion of the current works at Eastgate Shopping Centre will be a significant milestone in the first half of the coming year and we expect this to have a positive effect on long-term earnings.

Looking further ahead, there remain further expansion opportunities at Eastgate Shopping Centre which management continues to carefully investigate. We are confident in being able to progressively reposition the AA Centre and increase returns from this property assisted by a very supportive Auckland CBD office leasing market.

Our Balance Sheet remains with capacity to fund additional development works and with room for acquisitions, should a suitable opportunity arise.

Our Balance Sheet remains with capacity to fund additional development works, with room for acquisitions should a suitable opportunity arise.

The commercial property market remains extremely strong and we expect this to continue across the 2017 financial year. NPT is well positioned to deliver positive results to shareholders in the year ahead.

Tony Osborne
Acting Chief Executive Officer

Board of Directors



Sir John Anderson
Chairman, Non-Executive
Independent Director

One of New Zealand's most respected business leaders, Sir John was appointed to the Board as Chairman of NPT Limited on 1 April 2011. His reputation was forged as the Chief Executive of the National Bank, and then ANZ National for two decades.

Until recently Sir John was Chairman of PGG Wrightson and is currently Chairman of Steel & Tube Holdings and Deputy Chair of T & G Global. Sir John is also a Director of the Commonwealth Bank of Australia and APN News and Media.

As well as many business awards Sir John also received a 2010 Halberg Award for leadership excellence in sport and in 2005 was the inaugural winner of the Blake Medal.



Jim Sherwin
Non-Executive
Independent Director

Jim Sherwin joined the National Property Trust Board in March 2007 and was Chairman from April 2010 until the Trust was corporatised on 1 April 2011. A Chartered Accountant, Jim is the former Managing Partner of Crowe Horwarth (formerly Sherwin Chan and Walshe and WHK), a Wellington-based accounting firm he established in 1984.

Jim is Chairman of Nees Hardware and Building Supplies Limited (Mega Mitre 10), and Preston Corp Limited. He is also a director of Cuthbert Stewart Limited, Energy Solution Providers Limited and past Chairman of Te Omanga Hospice. He is a member of the Institute of Directors and acts as a strategic adviser to the motor industry and retailing sector.



Carol Campbell
Non-Executive
Independent Director

Carol Campbell joined the Board of NPT in May 2015. Carol is a chartered accountant and a member of the Chartered Accountants Australia and New Zealand. Carol is also a Director of The Business Advisory Group, a chartered accountancy practice, where she advises privately owned businesses.

Prior to that, Carol was a partner at Ernst & Young for over 25 years. 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, Kiwibank and New Zealand Post where she is also Chair of the Audit and Risk Committee. Carol is Chair of Ronald McDonald House Charities in New Zealand.

Executive Management Team



Tony Osborne
Acting Chief Executive Officer

Tony joined NPT in February 2014 as General Manager Property. He has over 25 years experience in property and construction across such asset classes as retail, commercial, industrial, medical and education. Prior to NPT, Tony was Manager Property at Port Marlborough NZ for five years where he created a commercial property business within the wider port business by initiating a successful property development programme that provided purpose-built facilities for a range of customers.

Tony was recruited to NPT to mirror this success and to achieve improved returns from the property portfolio. After early gains, his achievements were recognised by the Board and he was asked to take up the role of CEO in March 2016 in an acting capacity.



Stephen Reid
Chief Financial Officer

Stephen joined NPT in December 2015 as Chief Financial Officer. Stephen has over 15 years experience within the property industry and was most recently Vice President, Equity Research at First NZ Capital responsible for coverage of the listed property sector. Prior to this Stephen spent 7 years at NZX listed property company DNZ Property Fund (now renamed Stride Property), where he was most recently Manager, Analytics & Investors Relations responsible for group planning and analytics, Investor Relations and NZX Compliance. Stephen is an Associate Chartered Accountant (ACA) and has also held various finance and accounting roles both here and in the UK including roles at NZX listed entities Metlifecare and ING Property Trust.

Portfolio Summary

Property	Location	Type	Valuation	Net Lettable Area (m ²)	Occupancy (%)	WALT (Yrs)	Major Tenants
99 Albert Street	99 Albert Street Auckland	Commercial	36.200 m	12,284	100.00	2.7	NZ Automobile Association, Department of Internal Affairs, AA Insurance & Ministry of Justice
113 Elwood Road	113 Elwood Road Hastings	Industrial	27.200m	60,059	100.00	10.8	Heinz Wattie's Ltd & Tomoana Warehousing Ltd
Eastgate Shopping Centre	Cnr Buckleys Road & Linwood Avenue Christchurch	Retail	58.000m	27,627	96.1	6.1	The Warehouse, Warehouse Stationery, Countdown, Lincraft, Linwood Library & Medical Centre
17 Print Place	17 Print Place Christchurch	Industrial	13.000m	12,559	100.00	2.4	Dynamic Controls, Abnote NZ Ltd & Canterbury District Health Board
22 Stoddard Road	22 Stoddard Road Mt Roskill Auckland	Retail	35.000m	8,453	94.5	6.6	The Warehouse, ANZ , Stoddard Road Pharmacy, Snap Fitness, Reduced to Clear & Westpac
Group Total			169.400m	120,952	97.1	5.4	

Corporate Governance

NPT Limited's Board and Management are committed to ensure that the Company maintains the highest ethical standards and integrity while delivering their primary objective, building long-term security holder value.

NPT's Board has therefore developed a Corporate Governance Manual which guides directors, officers, employees and representatives of NPT so that their business conduct is consistent with NPT's business standards and best practice governance policies. The Governance Manual encompasses the decision-making policies and the mechanisms used to manage the Company.

NPT's corporate governance policies are also designed to ensure that the Company obtains maximum benefit from directors' expertise and judgement and creates an environment in which the Board can set a clear strategic direction and effectively monitor Company performance.

The Governance Manual incorporates the NZX Corporate Governance Best Practice Code Recommendations and the Financial Markets Authority Governance Principles and Guidelines.

The Governance Manual is available to view on NPT's website (www.npt.co.nz).

NPT Limited's Board Charter And Governing Principles

The Role of the Board

The Board establishes the Company's objectives, the major strategies for achieving those objectives, the overall policy framework within which the business of the Company is conducted, and monitors Management's performance with respect to these matters.

The Board delegates responsibility for the day-to-day operation and management of the Company to the Chief Executive Officer ("CEO"). However, the Board has processes and systems in place to ensure that significant issues, risk and major strategic decisions are always considered at Board level. This allows the Company to operate on a day-to-day basis in a manner which maximises security holder value and manages risk while seeking to ensure that the interests of security holders are adequately protected.

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 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;
- appointment of the CEO and Chief Financial Officer ("CFO"), and 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 within parameters agreed by shareholders;
- approval and monitoring of the progress of 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.

Board Performance

The Board reviews its performance as a whole on an annual basis and instigates 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 an individual director's performance, the effectiveness of the Board's processes and/or the Board's own effectiveness.

Composition of the Board

During the year the Board of Directors comprised of five members, Sir John Anderson (Chairman), Jim Sherwin, Kerry Hitchcock, Tony McNeil and Carol Campbell. Carol Campbell was appointed to the Board on 25 May 2015, Tony McNeil resigned from the Board on 15 February 2016 and Kerry Hitchcock resigned from the Board on 8th March 2016. In accordance with NZX Listing Rule 3.3.2 the Board has determined that Sir John Anderson, Jim Sherwin and Carol Campbell are independent directors.

Constitution

The Board is subject to the rules in the Company's Constitution (last revised in November 2010). The Constitution, which provides further details on the Board composition, rotation of directors and Board meeting procedures, is available to view on the Company's website. The Company's Constitution allows for no less than three or no more than six directors and at least two of the directors must be resident in New Zealand. Each year one third of the directors shall retire but will be eligible for re-election.

Board Committees

Committees assist the Board to conduct its responsibilities in respect to all material matters and issues requiring Board decisions.

Standing committees of the Board are the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee. The Board has considered that the Company's size prevents them from establishing separate committees at this time and therefore the full Board will fulfil the obligations of the committee Charters. This decision will be reviewed from time to time. The Board may create ad hoc committees where necessary to examine specific issues on its behalf.

Diversity Policy

NPT Limited has established a diversity policy for the Group whereby the value of diversity is recognised as beneficial to decision making, improving and increasing corporate and shareholder value and enhancing the probability of achieving NPT's objectives. Management monitors, reviews and reports to the Board on NPT's progress under the policy.

With respect to gender diversity, the Board considers a merit-based approach for selection and promotion of employees and executives, and for determining the composition of the Board, and as such has not set specific targets for gender diversity.

In accordance with NZX Listing Rule 10.4.5(j) set out below is the breakdown of the gender composition of the directors and officers as at balance date and the prior balance date.

	Current Year		Previous Year	
	Male	Female	Male	Female
Number of Directors	2	1	5	0
Percentage of Directors	67%	33%	100%	0%
Number of Officers	2	0	3	0
Percentage of Officers	100%	0%	100%	0

Share Trading

Directors are encouraged to own securities in the Company in their own name or through associated interests.

Directors' security trading is subject to the Company's Share Trading Policy (contained in the Governance Manual), the NZX Listing Rules and the Financial Markets Conduct Act 2013. All changes in the shareholdings of Directors are reported to the Board and the NZX. The Directors' shareholdings and changes to those shareholdings are also listed in this Annual Report on page 47.

Governing Principles

The Company's Directors and Management are strongly committed to high standards of corporate governance and adherence to the following guiding principles:

Principle 1 – The Company expects its directors, officers, employees and representatives to act in a manner consistent with its guiding principles and the values set out in its Code of Ethics section of the Company's Governance Manual.

Principle 2 – The Board will work effectively if it is composed of persons with a balance of independence, skills, knowledge, experience and perspectives.

Principle 3 – The Board enhances its effectiveness in key areas through the use of committees which develop, review and analyse Company policies and strategies and operate under specific charters. These charters are detailed in the Governance Manual.

Principle 4 – The Board demands integrity both in financial reporting and in the timeliness and balance of disclosures on Company affairs. The Company is committed to providing the investment market with prompt and accurate information on all major events that influence the Company. The Company's Disclosure Policy, contained in the Governance Manual, is designed to ensure a high standard of compliance with NZX's continuous disclosure requirements.

Principle 5 – The Board ensures that the remuneration of directors and executives is transparent, fair and reasonable.

Principle 6 – The Board regularly verifies that the Company has appropriate processes that identify and manage potential and relevant risk. It establishes an acceptable risk tolerance and actively identifies, analyses, evaluates and appropriately treats risk that may impact on the business.

Principle 7 – The Board ensures the quality and independence of the external audit process, monitors developments in the areas of audit and any threats to audit independence, to ensure its policies and practices are consistent with best practice.

Principle 8 – The Board fosters constructive relationships with security holders which encourage them to engage with the Company. The Board is committed to give all security holders comprehensive, timely and accessible information of all material matters concerning the Company, ensuring that security holders can assess the Company's performance.

Principle 9 – The Board respects the interests of stakeholders within the context of the Company's ownership type and its fundamental purpose: to work to protect and enhance, long-term, the value of the assets of the Company in the interests of its security holders.

Share Trading Policy

The Company is committed to transparency and fairness in dealing with all of its stakeholders and to ensure adherence to all applicable laws and regulations. No director, officer or employee may use their position of knowledge of the Company or its business to engage in securities trading for personal benefit or to provide benefit to any third party. The full share trading policy of the Company is contained in the Governance Manual.

Audit and Risk Committee Charter

The Audit and Risk Committee oversees the Company's compliance with the Audit and Risk Charter. The Board has considered that the Company's size prevents them from establishing a separate Audit and Risk Committee and therefore the full Board fulfils the obligations and is guided by the Audit and Risk Charter.

Corporate Governance (continued)

The primary objectives of the Charter are as follows:

- 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 management of all business risks, and the efficient and effective compliance with the Risk Management Policy.

In respect to the external Audit, the Audit and Risk Committee:

- establishes guidelines for the selection and appointment of the external auditor and the rotation of the principal external audit partner (at least once every five years).
- determines the appointment and removal of the external auditor.
- ensures through liaison with the external auditor that the Company is discharging its responsibilities to meet relevant legislation and regulatory requirements governing corporate entities, including generally accepted accounting practice and reporting standards.
- approves the annual audit plan, timetable, audit fee and non-audit fees (if applicable).
- monitors the effectiveness, objectivity and independence of the external auditor.
- Full details of the Charter are set out in the Company's Governance Manual.

Investor Relations

Share Listing on the NZX

The shares in NPT Limited can be bought or sold on the NZX. The Company's NZX code is "NPT".

Annual and Interim Reports

The Company's Annual Reports and Interim Reports are available to shareholders in June and December respectively on the Company's website (www.npt.co.nz). Printed reports will be provided to all shareholders who have requested these in writing.

NPT Website

The Company's website is located at www.npt.co.nz. The website contains information on the history, structure and governance of NPT, including details of the property portfolio, historical annual and interim reports of the Company and of its predecessor Trust, together with copies of past newsletters and news releases.

Announcements

All announcements to the NZX are posted on the Company's website at www.npt.co.nz.

Dividend Distributions

Dividend Distributions are direct credited into a nominated New Zealand bank account or can be paid by cheque. Changes to bank account details should be directed in writing to the Registrar (see below).

Share Registrar

The Registrar for the Company's shares is:

Link Market Services Limited
PO Box 91976, Auckland, 1142
Telephone: (09) 375 5998
Fax: (09) 375 5990
Email: enquiries@linkmarketservices.co.nz

Shareholders can view their holdings and make changes to their details by logging in to the Registrar's website www.linkmarketservices.co.nz and clicking on the "Investor Login" menu heading.

Shareholders will need their Holder or CSN Number and their FIN. Shareholders experiencing any problems with this service should contact Link Market Services directly.

Contact NPT

NPT can be contacted by phoning 0800 867 858 or emailing npt@npt.co.nz.

Treasury Management

Managing Interest Rate Risk

NPT's policy is to manage its cash flow interest rate risk by using floating-to-fixed Interest Rate Swaps. Such Interest Rate Swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, NPT raises borrowings at floating rates and swaps them into fixed rates that are lower than those available if NPT borrowed at fixed rates directly. Under the Interest Rate Swaps, NPT agrees with other parties to exchange, at specific intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Changes in the fair value of swaps are recognised in the Statement of Comprehensive Income.

Interest Rate Swaps have been entered into by NPT to hedge against movements in the variable interest rates on

its loan facility. This results in NPT holding fixed rate debt and hence there is a risk that the economic value of the Swap will fluctuate because of changes in market interest rates. Any unrealised gain or loss is expected to unwind over the longer term.

As at 31 March 2016, approximately 62.50% (2015: 85.37%) of the Group's bank loan is at a fixed rate of interest. The fair value of Swaps shown in the table below represents the amount of unrealised gains and losses, whereas the notional amount is an aggregate exposure value of all contracts. The fair value of Interest Rate Swaps at the reporting date is determined by discounting the future cash flows using the yield curves at reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balance at the end of the period.

	AVERAGE FIXED INTEREST RATE		NOTIONAL PRINCIPAL AMOUNT		FAIR VALUE LEVEL 2	
	2016	2015	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Less than 1 year	-	-	-	-	-	-
Greater than 1 year but less than 5 years	4.45%	4.52%	30,000	35,000	1,651	974
5 years +	-	-	-	-	-	-
			30,000	35,000	1,651	974

Please refer to Note 21 in the Financial Statements for additional information on financial instruments.

Bank Debt

As at 31 March 2016 total bank debt was \$48 million, up from \$41 million as at 31 March 2015. The debt-to-loan ratio for bank covenant purposes was 28.24% as at 31 March 2016, compared to 25.63% as at 31 March 2015. The current gearing ratio is comfortably within the bank covenant of 50%.

On 16 July 2015 the Company entered into a new bank facility agreement of \$70million with the Bank of New Zealand. The facility is secured by way of General Security

Agreements granted by NPT Limited and each subsidiary of the Company. In addition, the facility is secured by registered first mortgages over all of the real property assets and the cross guarantee of each of the Group's subsidiary companies. The facility is for 60 consecutive months and is due to expire on 22 July 2020.

Refer to Note 17 in the Financial Statements for further information on NPT's banking facility.



2016 financials

FINANCIAL STATEMENTS
For the year ended 31 March 2016

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2016

	Note	GROUP 2016 \$000	GROUP 2015 \$000
Gross Rental Income		16,977	16,521
Direct Property Operating Expenses	5	(5,468)	(5,059)
Net Rental Income		11,509	11,462
Property Management Income		63	-
Other Income		3	13
Interest Income	6	75	116
Total Operating Income		11,650	11,591
Interest and Finance Charges	6	(2,523)	(2,520)
Administration Expenses	7	(2,318)	(2,112)
Total Indirect Operating Expenses		(4,841)	(4,632)
Gross Operating Profit/(Loss) Before Other Gains/(Losses)		6,809	6,959
Net Gain/(Loss) on Sale of Plant and Equipment		-	1
Unrealised Gain/(Loss) in Fair Value of Interest Rate Swaps	9	(677)	(829)
Unrealised Gain/(Loss) in Fair Value of Investment Properties	13	3,160	1,187
Total Other Gains		2,483	359
Net Profit Before Taxation		9,292	7,318
Income Tax Expense	10	895	933
Net Profit After Taxation		8,397	6,385
Other Comprehensive Income		-	-
Total Comprehensive Income		8,397	6,385
Earnings Per Share		Cents Per Share	
Basic and Diluted Earnings per Share	22	5.19	3.94

The notes set out on pages 24 to 43 form part of, and should be read in conjunction with the financial statements

Consolidated Statement of Changes in Shareholders Funds

For the year ended 31 March 2016

	NOTE	GROUP 2016 \$000	GROUP 2015 \$000
Shareholders' Funds at the Beginning of the Year		117,425	116,219
Net Profit after Taxation		8,397	6,385
Other Comprehensive Income		-	-
Total Comprehensive Profit/(Loss) for the Year		8,397	6,385
Distributions Paid and Payable to Shareholders	23	(6,030)	(5,179)
Shareholders' Funds at the End of the Year		119,792	117,425

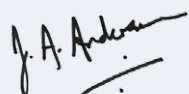
The notes set out on pages 24 to 43 form part of, and should be read in conjunction with the financial statements

Consolidated Statement of Financial Position

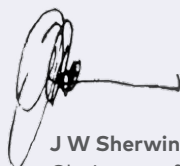
as at 31 March 2016

	NOTE	GROUP 2016 \$'000	GROUP 2015 \$'000
Current Assets			
Cash and Cash Equivalents		3,101	2,549
Accounts Receivable	11	342	225
Prepayments	12	779	741
Total Current Assets		4,222	3,515
Non-Current Assets			
Prepayments	12	1,494	1,261
Investment Properties	13	169,400	158,225
Property Work in Progress		559	1,773
Plant & Equipment	15	700	699
Total Non-Current Assets		172,153	161,958
Total Assets		176,375	165,473
Current Liabilities			
Trade and Other Payables	16	3,754	1,585
Distribution Payable to Shareholders	23	-	1,295
Tax Payable	10	279	17
Total Current Liabilities		4,033	2,897
Non-Current Liabilities			
Bank and Other Loans	17	48,000	41,000
Trade and Other Payables	16	5	18
Deferred Tax Liability	10	2,894	3,159
Interest Rate Swaps	9	1,651	974
Total Non-Current Liabilities		52,550	45,151
Shareholders' Funds			
Contributed Capital	18	134,089	134,089
Reserves	19	(14,297)	(16,664)
Total Shareholders' Funds		119,792	117,425
Total Shareholders' Funds and Liabilities		176,375	165,473

The Board of NPT Limited approved the financial statements for issue on 23 May 2016.



Sir John Anderson
Chairman



J W Sherwin
Chairman of the Audit Committee

The notes set out on pages 24 to 43 form part of, and should be read in conjunction with the financial statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	NOTE	GROUP 2016 \$'000	GROUP 2015 \$'000
Cash Flows from Operating Activities			
Cash was provided from/(applied to):			
Gross Rental Income		16,861	16,787
Interest Income		75	106
Taxation Paid		(899)	(1,610)
Other Income		65	13
Operating Expenses		(5,592)	(7,741)
Interest Expense		(2,491)	(2,480)
Net Cash Inflow from Operating Activities		8,019	5,075
Cash Flows from Investing Activities			
Cash was provided from/(applied to):			
Plant & Equipment		(108)	(168)
Capital Expenditure on Investment Properties		(7,034)	(2,469)
Net Cash Outflow from Investing Activities		(7,142)	(2,637)
Cash Flows from Financing Activities			
Cash was provided from/(applied to):			
(Repayment)/Drawdown of Bank and Other Loans (Secured)		7,000	1,000
Distributions made to Shareholders	23	(7,325)	(5,179)
Net Cash Outflow from Financing Activities		(325)	(4,179)
Net Increase/(Decrease) in Cash and Cash Equivalents		552	(1,741)
Cash and Cash Equivalents at Beginning of Year		2,549	4,290
Cash and Cash Equivalents at the End of the Year		3,101	2,549

Reconciliation of Net Profit to Net Cash Flow from Operating Activities

	GROUP 2016 \$'000	GROUP 2015 \$'000
Net Profit after Taxation	8,397	6,385
Items Classified as Investing or Financing Activities:		
Unrealised (Gain)/Loss in Fair Value of Investment Properties	(3,160)	(1,187)
Net (Gain)/Loss on Sale of Plant and Equipment	-	(1)
Unrealised (Gain)/Loss in Fair Value of Interest Rate Swaps	677	829
Movement in Deferred Taxation	(265)	(345)
Movements in Working Capital Items:		
Accounts Receivable and Prepayments	(156)	30
Trade and Other Payables	2,158	(393)
Taxation Payable	262	(342)
Non-Cash Item		
Depreciation	106	99
Net Cash Inflow from Operating Activities	8,019	5,075

The notes set out on pages 24 to 43 form part of, and should be read in conjunction with the financial statements

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

01. Reporting Entity

The reporting entity is the consolidated group comprising NPT Limited ("the Company") and its New Zealand subsidiaries together referred to as ("the Group"). NPT Limited is a limited liability company incorporated and domiciled in New Zealand. NPT Limited is registered under the Companies Act 1993, is listed on the New Zealand Stock Exchange (NZX) and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The principal activity of the Company is the investment in industrial, retail and commercial property in New Zealand.

02. Statement of Compliance and Basis of Preparation

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as appropriate for a profit-orientated entity that falls into the Tier 1 for profit category as determined by the External Reporting Board.

The consolidated financial statements comply with International Financial Reporting Standards ('IFRS').

The accounting policies below have been applied consistently to all periods presented in these financial statements.

Basis of Measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of investment properties and certain financial instruments.

Cost is based on the fair value of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, therefore ensuring that the substance of the underlying transactions or other events are reported.

Functional and Presentation Currency

The Financial Statements are presented in New Zealand Dollars (NZD), which is the Group's functional currency, rounded to the nearest thousand dollars (000's).

Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In the application of NZ IFRS, Management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Investment Properties — Note 13

(ii) Deferred Tax — Note 10

03. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of Consolidation

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, equity, income, expenses and cash flows of entities controlled by NPT Limited at the end of the reporting period or from time to time during the reporting period. A controlled entity is any entity over which NPT 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 investors returns.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

All material intra-group transactions, balances, income and expenses are eliminated on consolidation.

(b) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially brought to account 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 six monthly. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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.

Any gains or losses arising from changes in the fair value of investment properties are included in the Profit or Loss within the Statement of Comprehensive Income in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The net gain or loss on disposal of assets is calculated as the difference between the carrying amount of the investment property at the time of the disposal and the proceeds on disposal and is included in the Profit or Loss within the Statement of Comprehensive Income in the period in which the disposal occurred.

(c) Plant & Equipment

Each class of fixed assets is stated at cost less accumulated depreciation and any impairment.

Depreciation

Depreciation is charged on a straight-line basis to write down the cost of fixed assets to its estimated residual value over its estimated useful life.

Summary of rates used:-

Computer Equipment & Software	30% - 40%
Plant & Equipment	7% - 67%
Furniture & Fittings	8.5% - 30%
Lease Fitouts	8.40%

(d) Operating Leases

(i) Group as Lessor

Property leases under which all the risks and rewards of ownership are effectively retained by the lessor (the Group) are classified as operating leases. Annual rental income and expenditure are included in the Profit or Loss within the Statement of Comprehensive Income on a systematic basis over the term of the lease.

03. Significant Accounting Policies (continued)

(d) Operating Leases (continued)

(ii) Group as Lessee

Property leases are recognised as an expense on a straight line basis over the lease term.

(e) Lease Incentives

In the event lease incentives are provided to lessees, such incentives are recognised as an asset. The aggregate benefits provided are amortised to the Profit or Loss within the Statement of Comprehensive Income on the straight line basis over the period of the lease as a reduction in rental income, except where another systematic basis is more representative of the time pattern in which benefits provided are consumed.

(f) Impairment of Assets

Assets other than investment properties and deferred tax assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets (cash generating units).

(g) Borrowing Costs

Where the Group borrows funds generally and uses them to fund a qualifying asset, the amount of borrowing costs capitalised is determined by applying the capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of funding a qualifying asset.

Other borrowing costs are expensed when incurred and are recognised using the effective interest rate.

(h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental received and property expenses recovered in the normal course of business. The following specific recognition criteria must be met before revenue is recognised:

(i) Rental Income

Rental Income from Operating Leases is recognised on a straight line basis over the term of the relevant lease including any lease incentives.

(ii) Interest Income

Interest Income is recognised on an effective interest method.

(iii) Sale of Investment Properties/Non-Current Assets Held for Sale

Revenue on the sale of Investment Properties/Non-Current Assets Held for Sale is recognised when the risks and rewards have transferred to the buyer.

(iv) Property Management Income

Property management income is recognised on completion of service.

(i) Taxation

(i) Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

03. Significant Accounting Policies (continued)

(i) Taxation (continued)

(ii) Deferred Tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred Tax Liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax credits can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

If a deferred tax liability or asset arises from investment property that is measured at fair value, there is rebuttable assumption that the carrying amount of the investment property will be recovered through sale. The presumption has not been rebutted.

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).

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(j) Goods and Services Tax (GST)

All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. All items in the Statement of Comprehensive Income are stated exclusive of GST.

Cash flows are included in the Statement of Cash Flow on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to the taxation authority, are classified as an operating cash flow.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise 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.

(l) Financial Instruments

Financial Assets and Financial Liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

03. Significant Accounting Policies (continued)

(I) Financial Instruments (continued)

(i) Accounts Receivable and Loans to Tenants

Accounts Receivable and Loans to Tenants are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss within the Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(ii) Accounts Payable

Accounts Payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(iii) Equity Instruments

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

(iv) Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices as at each reporting date.

The fair value of derivative financial instruments is based on quoted market prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The nominal value less estimated credit risk adjustments of accounts receivable and payable are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market vs. interest rate that is available to the Group for similar financial instruments.

(v) Loans and Borrowings

All loans and borrowings are initially recognised at fair value plus transaction costs. After initial recognition, these loans and borrowings are subsequently measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the loan or borrowing. Amortised cost is calculated taking into account any issue costs and any discount or premium on drawdown. Interest accrued on Loans and Borrowings is separately disclosed under Trade & Other Payables (refer Note 16).

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount of the financial instrument.

Loans and borrowings are classified as current liabilities (either advances or current portion of term debt) unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(vi) Derivative Financial Instruments

The Groups activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to manage these exposures.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at reporting balance date. The gain/loss on re-measurement to fair value is recognized in the profit and loss within the Statement of Comprehensive Income.

In determining the fair value of derivatives, a credit valuation adjustment (CVA) is included to reflect the creditworthiness of the counterparty only if material.

(vii) Changes in Accounting Policy

A number of minor revisions and amendments to existing standards came into effect for annual periods beginning on or after 1 January 2014 but none of these directly impact the financial statements of the Group.

04. Standards and Interpretations on Issue not yet Adopted

The Group has elected not to early adopt the following standards, which have been issued by the International Accounting Standards Board and the External Reporting Board in New Zealand.

NZ IFRS 9 Financial instruments (Effective for periods beginning on or after 1 January 2018)

The New Zealand Accounting Standards Board (NZASB) issued the completed version of NZ IFRS 9 Financial Instruments, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace NZ IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of NZ IFRS 9.

NZ IFRS 15 Revenue from Contracts with Customers (Effective for periods beginning on or after 1 January 2018)

NZ IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of NZ IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

NZ IFRS 16 Leases (Effective for periods beginning on or after 1 January 2019)

NZ IFRS 16 changes the relevant information to be reported by lessors and lessees with a view to faithful representation of information to the users of financial statements so they can assess the effect leases have on cash flow, financial performance and the financial position of the entity. The standard requires the lessee to recognise assets and liabilities for the rights and obligations created by those leases. Lessors reporting requirements are similar to the previous standard NZ IAS 17 Leases.

The Directors are currently evaluating the impact of these new standards on the consolidated financial position and performance of the Group. From the analysis undertaken these changes are not expected to materially impact the consolidated statement of financial position, the consolidated statement of financial performance or consolidated statement of cash flows.

05. Direct Property Operating Expenses

	GROUP 2016 \$000	GROUP 2015 \$000
Tenant Operating Expenses	(3,988)	(3,634)
Owner Operating Expenses	(1,392)	(1,372)
Bad Debts	(81)	(47)
Movement in Allowance for Doubtful Debts	(7)	(6)
Total Direct Property Operating Expenses	(5,468)	(5,059)

06. Finance Costs

	GROUP 2016 \$000	GROUP 2015 \$000
Interest Received	75	116
Interest and Finance Charges	(2,523)	(2,520)
Net Finance Costs	(2,448)	(2,404)

07. Administration Expenses

	GROUP 2016 \$000	GROUP 2015 \$000
Fees paid to Auditor	(74)	(69)
Directors' Fees	(206)	(197)
Employee Costs	(1,214)	(1,059)
Rent	(135)	(133)
Professional Fees	(192)	(154)
Registry and Stock Exchange Fees	(89)	(83)
Shareholder Communications	(38)	(38)
Other Operating Expenses	(370)	(379)
Total Administration Expenses	(2,318)	(2,112)

07. Administration Expenses (continued)

	GROUP 2016 \$000	GROUP 2015 \$000
Fees paid to Auditor comprise the following:		
Statutory Audit	(46)	(44)
Review Engagement	(25)	(25)
Other assurance services	(3)	-
Total Auditor Fees	(74)	(69)

08. Distributable Profit

Distributable profit is the net profit before taxation adjusted for non-cash items and/or non-recurring items and current tax.

	GROUP 2016 \$000	GROUP 2015 \$000
Net Profit Before Taxation	9,292	7,318
Adjustments		
Net change in fair value investment properties	(3,160)	(1,187)
Net change in fair value interest rate swaps	677	829
Net change in fair value of other assets	106	99
Net lease incentives	95	126
Net lease contributions	287	185
Loss/(gain) on disposal fixed assets	-	(1)
Distributable Profit Before Taxation	7,297	7,369
Current tax expense	(1,160)	(1,291)
Distributable Profit after Current Tax	6,137	6,078
Weighted Average Number of shares for the purpose of Basic Distributable Profit (000's)	161,920	161,920
Weighted Basic Distributable Profit after Current Tax per share (cents)	3.79	3.75
Weighted Average Number of shares for the purpose of Diluted Distributable Profit (000's)	161,920	161,920
Weighted Diluted Distributable Profit after Current Tax per share (cents)	3.79	3.75

09. Non-Operating Items

Interest Rate Swaps

The Group manages its interest rate risk by using floating-to-fixed Interest Rate Swaps which have the economic effect of converting interest on borrowings from floating rates to fixed rates.

Changes in the fair value of Swaps are recognised in the Statement of Comprehensive Income. Any unrealised loss is expected to unwind over the longer term.

During the year a \$5m swap terminated on 21 December 2015.

The Group entered into two swaps in the prior year; the first for \$10m will expire on 8th May 2017 and the second for \$20m will expire on 7th May 2019. For details of swaps in place at year end refer to note 17 and 21.

	GROUP 2016 \$000	GROUP 2015 \$000
Balance, Beginning of Year	974	145
Current Year Fair Value Change of Swaps	677	829
Balance, End of Year	1,651	974

10. Income Tax

	GROUP 2016 \$000	GROUP 2015 \$000
Net Profit Before Taxation	9,292	7,318
Taxation at 28%	2,602	2,049
Less Taxation Effect of Permanent Differences		
Investment Properties Gain	(1,653)	(1,111)
Other	(54)	(5)
Taxation Expense/(Benefit) per the Statement of Comprehensive Income	895	933
The Income Tax Expense is represented by:		
Current Tax		
Current Year Tax Provision	(1,160)	(1,291)
Additional Earthquake, Depreciation and Lease Incentive Deductions	-	13
Total Current Tax Movement	(1,160)	(1,278)
Current Tax Asset/(Liability)		
Opening Balance	(17)	(358)
Current Year Tax Provision	(1,160)	(1,291)
Additional Earthquake, Depreciation and Lease Incentive Deductions	-	13
Tax Paid/(refunded)	898	1,619
Total Current Tax Asset/(Liability)	(279)	(17)
Deferred Tax		
Lease Incentives	70	73
Unrealised Interest Rate Swap Gain/(Loss)	189	232
Provisions	17	29
Release of Prior Deferred Tax Liability on Depreciation and Insurance Recovered	-	(1)
Other	(11)	13
Total Deferred Tax Movement	265	346
Deferred Tax Asset/(Liability)		
Investment Properties Depreciation Recovery	(3,350)	(3,350)
Interest Rate Swaps	462	273
Other	(6)	(82)
Total Deferred Tax Asset/(Liability)	(2,894)	(3,159)
	GROUP 2016 \$000	GROUP 2015 \$000
Imputation Credit Account		
Balance at the End of the Year	302	358

11. Accounts Receivable

	GROUP 2016 \$000	GROUP 2015 \$000
Trade Receivable	322	214
Allowance for Doubtful Debts	(13)	(7)
Total Trade Receivable	309	207
Sundry Debtors	33	18
Total Accounts Receivable - Current	342	225

12. Prepayments

	GROUP 2016 \$000	GROUP 2015 \$000
Prepayments - less than 1 year	779	741
Total Prepayments - Current	779	741
Prepayments - greater than 1 year and less than 5 years	854	813
Prepayments - greater than 5 years	640	448
Total Prepayments - Non Current	1,494	1,261

13. Investment Properties

	GROUP 2016 \$000	GROUP 2015 \$000
Reconciliation of carrying amount		
Balance at the Beginning of the Year	158,225	156,060
Capitalised Costs	8,015	978
Revaluation of Investment Properties	3,160	1,187
Balance at the End of the Year	169,400	158,225

All properties were valued on a fair value basis as at 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 fair values of the Investment Properties at each reporting date were as follows:

GROUP 2016						
DESCRIPTION	VALUER	CAPITALISATION RATE	OCCUPANCY RATE %	WALT YEAR	GROUP 2016 \$000	GROUP 2015 \$000
AA Centre						
99 Albert Street, Auckland	Jones Lang LaSalle	7.75%	100.00%	2.7	36,200	33,800
Eastgate Shopping Centre						
Cnr Buckleys Road & Linwood Avenue, Christchurch	Jones Lang LaSalle	8.25%	96.07%	6.1	58,000	50,350
Print Place						
17 Print Place, Christchurch	Jones Lang LaSalle	9.80%	100.00%	2.4	13,000	13,250
Heinz Wattie Warehouse						
113 Elwood Road, Hastings	Jones Lang LaSalle	8.13%	100.00%	10.8	27,200	27,225
Roskill Centre						
22 Stoddard Road, Auckland	Jones Lang LaSalle	6.63%	94.55%	6.6	35,000	33,600
					169,400	158,225

GROUP 2015						
DESCRIPTION	VALUER	CAPITALISATION RATE	OCCUPANCY RATE %	WALT YEAR	GROUP 2015 \$000	GROUP 2014 \$000
AA Centre						
99 Albert Street, Auckland	Jones Lang LaSalle	8.38%	100.00%	2.8	33,800	33,800
Eastgate Shopping Centre						
Cnr Buckleys Road & Linwood Avenue, Christchurch	Jones Lang LaSalle	8.50%	88.10%	5.6	50,350	47,860
Print Place						
17 Print Place, Christchurch	Jones Lang LaSalle	10.00%	100.00%	3.1	13,250	13,750
Heinz Wattie Warehouse						
113 Elwood Road, Hastings	Jones Lang LaSalle	8.25%	100.00%	11.8	27,225	27,150
Roskill Centre						
22 Stoddard Road, Auckland	Jones Lang LaSalle	6.88%	94.88%	6.5	33,600	33,500
					158,225	156,060

Measurement of fair value

(i) Fair value hierarchy

The Group's investment properties were valued at 31 March 2016 by independent registered valuers who have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Discussions of valuation processes and results are held between the Management Team and the Audit Committee on a six monthly basis where they verify all major inputs to the independent valuation report, assess property valuation movements when compared to the prior year valuation report and determine whether there are any changes in fair values.

The investment properties are stated at fair value as determined by independent registered valuers. The valuation basis, which conforms to the New Zealand Property Institute's Valuation for Financial Reporting Purposes Practice Standard, was determined by reference to market evidence of transaction prices for similar properties. Accordingly, fair value is the amount at which the properties could be sold in an arm's length transaction between willing parties, in an active market for similar properties in the same location and condition and subject to similar leases. However, where an active market is absent, in line with usual commercial valuation practice, the valuations are prepared by considering the historical transactions, 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.

In deriving fair value under each approach all assumptions are compared, where possible, to the Direct Comparison Approach using the market based evidence and transactions for properties with similar locations, condition and quality of accommodation and analysis of the rate per square metre of net lettable area. The adopted fair value is a weighted combination of both the Capitalisation and Discounted Cashflow approaches.

Where recent comparable market based evidence and transactions are not available, alternative valuation techniques are utilised which may include discounted cashflow projections, capitalisation of income and sales comparison approaches as appropriate to the property being valued. As each of the investment properties are under \$100 million, most of the properties have recent transactional evidence to support their valuation.

Based on the inputs used, the Direct Comparison valuation has been categorised as Level 2 fair value and Capitalisation of Net Income and Discounted Cash Flow have been categorised as Level 3. The Group has adopted the Jones Lang LaSalle's valuations for financial reporting purposes.

(ii) Level 3 fair value

Valuation techniques and significant unobservable inputs

The following table shows the Capitalisation of Net Income and Discounted Cash Flow Level 3 valuation techniques used in measuring the fair value of investment property. All investment properties in 2016 have been categorised within Level 3 of the fair value hierarchy.

13. Investment Properties (continued)

DESCRIPTION	\$000	VALUATION TECHNIQUE	VALUATION UNOBSERVABLE INPUTS	SENSITIVITY OF FAIR VALUE TO CHANGES IN INPUTS The Estimated Fair Value would increase/ (Decrease) if:
Investment Properties	169,400	Capitalisation of Net Income Approach	The capitalisation rate range applied is 6.63% - 9.80%.	Retail and office rental growth was higher (lower)
			The rental reversion as a rate of investment property value rate range is -2.60% - 6.40%. This is an adjustment for those tenancies whose rental is above or below the market rate.	Rental reversions was higher (lower).
			The capital expenditure as a rate of investment property value rate range is 0.00% - 12.93% over the next 24 months.	Capital expenditure was lower (higher).
		Discounted Cash Flow Approach	The discount rate range applied is 8.38% - 12.00%.	The discount rate was lower (higher).
			Occupancy rate range applied is 94.55% - 100.00%.	The occupancy rate was higher (lower).
			Rental growth rate range is 2.11% - 2.24% over 10 years.	Office rental growth was higher (lower).
			A letting up period range of 3 - 9 months has been allowed at the end of each existing lease of the properties.	Capital expenditure was lower (higher).

14. Investment in Subsidiaries

	PERCENTAGE HELD	
	GROUP 2016	GROUP 2015
Eastgate Shopping Centre Limited	100%	100%
Hornby Mall Limited (Struck off 1 July 2015)	0%	100%
Ocean Boulevard Shopping Centre Limited (Struck off 1 July 2015)	0%	100%
Sel Peacock Drive Limited (Struck off 1 July 2015)	0%	100%
The National Property Trust Investments Limited (Struck off 1 July 2015)	0%	100%
The National Property Trust No 1 Limited (Struck off 1 July 2015)	0%	100%
The National Property Trust No 2 Limited	100%	100%
22 Stoddard Road Limited	100%	100%
99 Albert Street Limited	100%	100%
342 Lambton Quay Limited (Struck off 1 July 2015)	0%	100%
NPT Management Team Limited	100%	100%
NPT 10 Limited	100%	100%

All of the subsidiaries are wholly owned companies incorporated in New Zealand with a 31 March annual reporting date.

On 1 July 2015, the board amalgamated the Group's non-operating entities into Eastgate Shopping Centre Limited.

The entities amalgamated are Hornby Mall Limited, Ocean Boulevard Shopping Centre Limited, Sel Peacock Drive Limited, The National Property Trust Investments Limited, The National Property Trust No 1 Limited and 342 Lambton Quay Limited. The Board ascertained this action is administratively efficient and this action did not affect the Group's reported performance.

15. Plant & Equipment

GROUP 2016	LEASE FITOUTS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	TOTAL
Cost					
Balance at the Beginning of the Year	422	104	341	103	970
Additions	-	69	27	11	107
Disposals	-	-	-	-	-
Balance at the End of the Year	422	173	368	114	1,077
Accumulated Depreciation					
Balance at the Beginning of the Year	(109)	(55)	(57)	(50)	(271)
Depreciation	(39)	(14)	(32)	(21)	(106)
Disposals	-	-	-	-	-
Balance at the End of the Year	(148)	(69)	(89)	(71)	(377)
Net Book Value at the End of the Year	274	104	279	43	700

GROUP 2015	LEASE FITOUTS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	TOTAL
Cost					
Balance at the Beginning of the Year	335	117	347	187	986
Additions	87	14	22	45	168
Disposals	-	(27)	(28)	(129)	(184)
Balance at the End of the Year	422	104	341	103	970
Accumulated Depreciation					
Balance at the Beginning of the Year	(74)	(65)	(55)	(162)	(356)
Depreciation	(35)	(15)	(29)	(20)	(99)
Disposals	-	25	27	132	184
Balance at the End of the Year	(109)	(55)	(57)	(50)	(271)
Net Book Value at the End of the Year	313	49	284	53	699

16. Trade and other Payables

	GROUP 2016 \$000	GROUP 2015 \$000
Accrued Interest and Fees paid to Bank	323	291
Rent in Advance	294	300
GST Payable	-	22
Other Creditors and Accruals	3,137	972
Total Trade and Other Payables - Current	3,754	1,585
Other Creditors and Accruals	5	18
Total Trade and Other Payables - Non-Current	5	18

17. Bank and other Loans

	GROUP 2016 \$000	GROUP 2015 \$000
Bank of New Zealand (Secured)	48,000	41,000
Total Bank and Other Loans - Non-Current	48,000	41,000

On the 16th July 2015 the Company entered into a new bank facility agreement of \$70million with the Bank of New Zealand. The facility is secured by way of General Security Agreements granted by NPT Limited and each subsidiary of the Company. In addition, the facility is secured by registered first mortgages over all of the real property assets and the cross guarantee of each of the Group's subsidiary companies. The facility is for 60 consecutive months and is due to expire on 22 July 2020.

The weighted average cost of funds for bank debt under the facility, including margin and line fee, at Reporting Date was 5.60% (31 March 2015: 6.29%).

The Group recognises the risk of the fluctuating economic value of financial instruments because of changes in interest rates in its attempt to manage its cash flow interest rate risk. The Group manages this risk by using floating-to-fixed Interest Rate Swaps.

Generally, the Group raises borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the Interest Rate Swaps, the Group agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Changes in the fair value of Interest Rate Swaps are recognised in the Profit or Loss within the Statement of Comprehensive Income.

Refer to Note 21 for additional information on financial instruments.

18. Contributed Capital

	2016 NO. OF SHARES	GROUP 2016 \$000	2015 NO. OF SHARES	GROUP 2015 \$000
Fully Paid Shares on Issue	161,920,433	134,089	161,920,433	134,089
Movement in Shares on Issue				
Balance at the Beginning of the Year	161,920,433	134,089	161,920,433	134,089
Balance at the End of the Year	161,920,433	134,089	161,920,433	134,089

All shares have equal voting rights and share equally in distributions and any surplus on winding up.

19. Reserves

Retained Profit/(Accumulated Losses)

Cumulative gains/losses retained by the Group after other reserves and distributions to Shareholders

	GROUP 2016 \$000	GROUP 2015 \$000
Balance at the Beginning of the Year	1,906	1,887
Net (Loss)/Gain	8,397	6,385
Transfer to Revaluation Reserve	(3,160)	(1,187)
Distribution to Shareholders	(6,030)	(5,179)
Balance at the End of the Year	1,113	1,906

Revaluation Reserve

Revaluation reserve for the revaluations of Investment Properties held by the Group

	GROUP 2016 \$000	GROUP 2015 \$000
Balance at the Beginning of the Year	(18,570)	(19,757)
Transfer from Retained Profit/Accumulated Losses	3,160	1,187
Balance at the End of the Year	(15,410)	(18,570)
Total Reserves at the End of the Year	(14,297)	(16,664)

20. Segment Information

The principal business activity of the Group is to invest in New Zealand properties. The Group's Investment Properties are divided into three business sectors: Industrial, Commercial and Retail. The Group also represents the Group's Investment Properties results by Geographic Region.

The Segment result is the measure of operating profit reported to the Board and reflects the total profit or loss for the period including non-cash and non-recurring items. The Board assesses the segment performance and decides on the resource allocation.

The segment results by Industry for the year ended 31 March 2016 were as follows:

	INDUSTRIAL \$000	COMMERCIAL \$000	RETAIL \$000	UNALLOCATED \$000	TOTAL \$000
Segment Revenue	3,950	3,929	9,098	-	16,977
Net Segment Revenue	3,479	2,701	5,329	-	11,509
Net Profit/(Loss) before Taxation	2,921	4,468	7,286	(5,383)	9,292
Change in Fair Value of Investment Properties	(558)	937	2,781	-	3,160
Total Liabilities	1,985	2,541	4,191	47,866	56,583
Total Assets	40,543	38,006	96,530	1,296	176,375

The segment results by Industry for the year ended 31 March 2015 were as follows:

	INDUSTRIAL \$000	COMMERCIAL \$000	RETAIL \$000	UNALLOCATED \$000	TOTAL \$000
Segment Revenue	3,884	4,109	8,528	-	16,521
Net Segment Revenue	3,289	2,829	5,344	-	11,462
Net Profit/(Loss) before Taxation	2,864	2,829	6,970	(5,345)	7,318
Change in Fair Value of Investment Properties	(425)	-	1,612	-	1,187
Total Liabilities	4,075	3,301	5,489	35,183	48,048
Total Assets	41,045	34,495	87,043	2,890	165,473

20. Segment Information (continued)

The segment results by Geographic Region for the year ended 31 March 2016 were as follows:

	AUCKLAND \$000	HAWKES BAY \$000	CANTERBURY \$000	UNALLOCATED \$000	TOTAL \$000
Segment Revenue	6,576	2,319	8,082	-	16,977
Net Segment Revenue	4,790	2,133	4,587	-	11,509
Net Profit/(Loss) before Taxation	7,951	2,198	4,526	(5,383)	9,292
Change in Fair Value of Investment Properties	2,332	(25)	853	-	3,160
Total Liabilities	2,744	1,179	4,793	47,866	56,583
Total Assets	73,028	27,485	74,566	1,296	176,375

The segment results by Geographic Region for the year ended 31 March 2015 were as follows:

	AUCKLAND \$000	HAWKES BAY \$000	CANTERBURY \$000	UNALLOCATED \$000	TOTAL \$000
Segment Revenue	6,739	2,297	7,485	-	16,521
Net Segment Revenue	4,951	2,066	4,445	-	11,462
Net Profit/(Loss) before Taxation	5,051	2,141	5,471	(5,345)	7,318
Change in Fair Value of Investment Properties	(100)	(75)	1,362	-	1,187
Total Liabilities	3,758	1,252	7,855	35,183	48,048
Total Assets	68,106	27,440	67,037	2,890	165,473

21. Financial Instruments

Exposure to interest rate, credit, liquidity and other market risks arise in the normal course of the Group's business.

The main risks, arising from the Group's Financial Instruments, are interest rate risk and credit risk.

Interest Rate Risk

The Group's exposure to interest rate risk primarily arises from its long term variable rate borrowings. Interest Rate Swaps are used to reduce exposure to fluctuating interest rates arising on floating rate borrowings.

Management monitors the level of interest rates on an ongoing basis, and from time to time, will recommend to the Board that fixed rates are locked in. The notional principal or contract amounts of interest rate contracts outstanding at balance date were \$30m (2015: \$35m).

The Group's exposure to interest rate risk and the effective weighted interest rates for each class of financial asset and liability were:

GROUP 2016	EFFECTIVE INTEREST RATE RANGE	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	2 YEARS + \$000
Financial Assets				
Cash and Cash Equivalents	2.25%	3,101	-	-
Accounts Receivable and Prepayments		1,121	363	1,131
Total Financial Assets		4,222	363	1,131
Financial Liabilities				
Trade and Other Payables		3,754	5	-
Bank and Other Loans	3.30% - 4.55%	-	-	48,000
Tax Payable		279	-	-
Total Financial Liabilities		4,033	5	48,000

Interest Rate Risk (continued)

GROUP 2015	EFFECTIVE INTEREST RATE RANGE	LESS THAN 1 YEAR \$'000	1-2 YEARS \$'000	2 YEARS + \$'000
Financial Assets				
Cash and Cash Equivalents	2.50%	2,549	-	-
Accounts Receivable and Prepayments		966	336	926
Total Financial Assets		3,515	336	926
Financial Liabilities				
Trade and Other Payables		1,585	18	-
Bank and Other Loans	4.26% - 4.77%	-	41,000	-
Tax Payable		17	-	-
Total Financial Liabilities		1,602	41,018	-

Interest Rate Swaps

Accounting Classifications and Fair values

	AVERAGE FIXED INTEREST RATE		NOTIONAL PRINCIPAL AMOUNT		FAIR VALUE LEVEL 2	
	2016	2015	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Less than 1 year	-	-	-	-	-	-
Greater than 1 year but less than 5 years	4.45%	4.52%	30,000	35,000	1,651	974
5 years +	-	-	-	-	-	-
			30,000	35,000	1,651	974

Interest Rate Swaps have been entered into by the Group to hedge against movements in the variable interest rates on its loan facility. This results in the Group holding fixed rate debt and hence there is a risk that the economic value of the Swap will fluctuate because of changes in market interest rates. Any unrealised gain or loss is expected to unwind over the longer term. The average interest rate is based on the outstanding balance at the end of the period.

As at 31 March 2016, approximately 62.50% (2015: 85.37%) of the Group's bank loan is at a fixed rate of interest.

The fair value of Swaps shown represents the amount of unrealised gains and losses, whereas the notional amount is an aggregate exposure value of all contracts.

The Group holds interest rate swaps at fair value through Profit or Loss. The Fair Value of Interest Rate Swaps fall into Level 2 of the Fair Value Hierarchy. Level 2 inputs are inputs other than quoted prices included within Level 1 (quoted prices in active market for identical assets or liabilities) that are observable for the asset or liability, either directly (by price) or indirectly (derived from prices). The fair value is determined using a valuation technique being swap models, discounting the future cash flows and using the yield curves at reporting date and the credit risk inherent in the contract.

Interest Rate Sensitivity

Cash Flow Sensitivity

The Group's assets and liabilities which are subject to interest rate changes, consist of cash and cash equivalents and secured bank loans. A change of 1% in interest rates would have increased/(decreased) profit after income tax and equity in respect of these items by the amounts shown below. This analysis assumes all other variables remain constant.

	GROUP 2016 \$'000	GROUP 2015 \$'000
% Increase		
Cash and Cash Equivalents	22	28
Bank and Other Loans	(95)	(2)
	GROUP 2016 \$'000	GROUP 2015 \$'000
% (Decrease)		
Cash and Cash Equivalents	(22)	(28)
Bank and Other Loans	95	2

Fair Value Risk

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at reporting date. The net fair value of Financial Assets and Liabilities is not materially different from the net carrying amounts disclosed in the consolidated financial statements. The methods used for determining the fair values of financial instruments are discussed in Note 3.

	DESIGNATED AS FAIR VALUE \$000	LOANS AND RECEIVABLES \$000	FINANCIAL LIABILITIES AT AMORTISED COST \$000	TOTAL CARRYING AMOUNT \$000	FAIR VALUE \$000
GROUP 2016					
Financial Assets					
Cash and Cash Equivalents	-	3,101	-	3,101	3,101
Accounts Receivable	-	342	-	342	342
Total Financial Assets	-	3,443	-	3,443	3,443
Financial Liabilities					
Bank and Other Loans	-	-	48,000	48,000	48,000
Trade and Other Payables	-	-	3,759	3,759	3,759
Interest Rate Swaps	1,651	-	-	1,651	1,651
Total Financial Liabilities	1,651	-	51,759	53,410	53,410

	DESIGNATED AS FAIR VALUE \$000	LOANS AND RECEIVABLES \$000	FINANCIAL LIABILITIES AT AMORTISED COST \$000	TOTAL CARRYING AMOUNT \$000	FAIR VALUE \$000
GROUP 2015					
Financial Assets					
Cash and Cash Equivalents	-	2,549	-	2,549	2,549
Accounts Receivable	-	225	-	225	225
Total Financial Assets	-	2,774	-	2,774	2,774
Financial Liabilities					
Bank and Other Loans	-	-	41,000	41,000	41,000
Trade and Other Payables	-	-	1,603	1,603	1,603
Interest Rate Swaps	974	-	-	974	974
Total Financial Liabilities	974	-	42,603	43,577	43,577

Fair Value Estimation

The fair value of financial instruments that are not traded in an active market such as derivative financial instruments, are determined using a valuation technique such as discounted cash flows. The carrying value less an impairment allowance for other financial assets and liabilities is not expected to be materially different to their fair values.

The only financial instruments measured at fair value in the Statement of Financial Position are derivatives (Interest Rate Swaps). The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. As this valuation technique maximises the use of observable market data as an input, the instrument is classified as Level 2 under NZ IFRS 7 Financial Instruments Disclosure.

Credit Risk

To the extent the Group has a receivable from another party there is a credit risk in the event of non-performance by that party. Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances, receivables and advances to tenants.

The Group manages its exposure to credit risk. Actions include:

- Reviewing each new lease contract on an individual basis and imposing appropriate terms as considered necessary.
- Monitoring the credit quality of major financial institutions that are counterparties to its financial instruments. The Group does not anticipate non-performance by the counterparties.

The maximum exposure for all financial assets is the balance recorded in the consolidated financial statements.

Collateral is not required in support of other financial instruments.

Concentrations of Credit Risk

The Group has placed its cash and short-term investments with the Bank of New Zealand. The Group is not exposed to any other concentrations of credit risk other than advances to wholly owned subsidiaries.

Currency Risk

The Group does not have any exposure to foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Group will have insufficient funds on hand to meet its commitments. 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 monthly.

The following table sets out the contractual cash flows for all financial liabilities and for derivatives that are settled on a gross cash flow basis.

	BALANCE	CONTRACTUAL CASH FLOWS	ON DEMAND	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
GROUP 2016	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Trade and Other Payables	3,759	3,759	26	3,728	5	-	-
Bank and Other Loans	48,000	59,006	-	2,555	2,555	53,895	-
Interest Rate Swaps	1,651	1,364	-	544	399	421	-
Distribution Payable to Shareholders	-	-	-	-	-	-	-
Total Non-Derivative Net Financial Liabilities	53,410	64,129	26	6,827	2,959	54,316	-

	BALANCE	CONTRACTUAL CASH FLOWS	ON DEMAND	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
GROUP 2015	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Trade and Other Payables	1,603	1,603	26	1,559	18	-	-
Bank and Other Loans	41,000	46,413	-	2,212	2,212	41,988	-
Interest Rate Swaps	974	215	-	180	35	-	-
Distribution Payable to Shareholders	1,295	1,295	-	1,295	-	-	-
Total Non-Derivative Net Financial Liabilities	44,872	49,526	26	5,246	2,265	41,988	-

Capital Management

The Group's capital includes contributed capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The impact of the level of capital on Shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantage and security afforded by a sound capital position.

The Bank of New Zealand which is the provider of the loan facility to the Group requires the Group to meet the following covenants:

- Bank debt is less than 50% of gross property value
- EBIT is greater than 175% of total debt interest costs

The Group met all these covenants during both reporting periods and at all times during each reporting period.

The Group's policies in respect of capital management and allocation are reviewed quarterly by the Board of Directors. There are no changes in capital management subsequent to 31 March 2016.

22. Earnings Per Share

Earnings per Share is calculated by dividing the Profit or Loss attributable to Shareholders (excluding distributions) of the Company by the weighted average number of ordinary Shares on issue during the period.

	GROUP 2016 \$000	GROUP 2015 \$000
Profit attributable to Shareholders of the Company	8,397	6,385
Number of Shares on Issue	161,920	161,920
Basic Earnings per Share (cents)	5.19	3.94
Number of Ordinary Shares		
At the Beginning of the Year	161,920	161,920
At the End of the Year	161,920	161,920
Number of Ordinary Shares for Basic and Diluted Earnings Per Share	161,920	161,920

23. Distributions Paid and Payable

			NUMBER OF SHARES	GROUP 2016 \$000	GROUP 2015 \$000
The following distribution was paid in respect of the previous year	0.8000 cents	(2015: 0.8000 cents)	161,920,433	1,295	1,295
The following distribution was declared and paid in respect of the previous year	1.1000 cents	(2015: 0.8000 cents)	161,920,433	1,781	1,294
The following distributions were declared and paid during the year	2.6250 cents	(2015: 1.6000 cents)	161,920,433	4,249	2,590
Total Distribution Paid				7,325	5,179
The following distribution was declared but unpaid at Reporting Date	Nil	(2015: 1.1000 cents)	161,920,433	-	1,295
Less: Distributions paid in respect of previous year				(1,295)	(1,295)
Distributions Paid or Payable to Shareholders				6,030	5,179

24. Lease Commitments

Operating Lease Commitments Receivable - As Lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining terms of between 1 month to 11 years and 1 month.

	GROUP 2016 \$000	GROUP 2015 \$000
Future minimum rentals receivable under non-cancellable Operating Leases		
- Within one year	13,086	14,467
- After one year but not more than five years	35,335	36,630
- Later than five years	26,736	24,968
Total minimum lease receivables	75,157	76,065

The above rental receivables are based on contracted amounts as at 31 March 2016 and 31 March 2015. Actual rental amounts collected in future will differ due to rental reviews within the lease agreements.

Operating Lease Commitments – As Lessee

The Group has entered into a commercial property lease for its Head Office premises at Level 26 PWC Tower, 188 Quay Street, Auckland. This non-cancellable lease is \$124,922 p.a. and has a remaining term of 1 year and 9 months.

	GROUP 2016 \$000	GROUP 2015 \$000
Future minimum rentals payable under non-cancellable Operating Leases		
- Within one year	125	125
- After one year but not more than five years	94	219
Total minimum lease payables	219	344

25. Related Party Transactions

Key Management Personnel

The Group has a related party relationship with its key personnel. The Key Management Personnel are the Directors and Executive Management.

	GROUP 2016 \$000	GROUP 2015 \$000
Salaries and other short term employee benefits	1,073	957
Directors fees	205	200
Total payments to key management personnel	1,278	1,157

The table above includes remuneration of the Managing Director and other members of the Executive team. Consulting fees related to meetings and reviewing the annual financial statements totalling \$4,625 were paid to Jim Sherwin (Director) during the year (2015: \$3,924).

26. Capital Commitments

At reporting date the Group had \$4.95 million committed to capital expenditure (2015: \$1.92 million).

27. Contingent Liabilities

At reporting date the Group had no material contingent liabilities (2015: Nil).

28. Subsequent Events

Payment of Final Dividend

On 23 May 2016, the Board of NPT Limited declared a payment from the Company of a fourth quarter distribution of 0.875 cents per share, the record date being 10 June 2016 and payment date 24 June 2016.

Risk Management

On 20 April 2016, the company entered into three swap transactions as follows:

- \$5 million, effective 22 April 2016, expires 22 April 2021
- \$5 million, effective 30 September 2016, expires 30 September 2021
- \$10 million, effective 8 May 2017, expires 8 May 2022

Sub Lease Agreed

The group has entered into a sub-lease agreement for Level 26 PWC Tower commencing on 1 May 2016. NPT Head office is moving to Level 13, 99 Albert Street.

Independent Auditor's Report

Audit

Grant Thornton New Zealand Audit Partnership

L4, Grant Thornton House
152 Fanshawe Street
PO Box 1961
Auckland 1140

Telephone +64 (0)9 308 2570
Fax +64 (0)9 309 4892
www.grantthornton.co.nz

To the Shareholders of NPT Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of NPT Limited (“the company”) and its subsidiaries (“the Group”) on pages 20 to 43 which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders’ funds and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2016 or from time to time during the financial year.

Directors’ responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards, 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.

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm carries out other assignments for NPT Limited and the entities it controlled in the area of other assurance services. The firm has no other interests in NPT Limited and the entities it controlled.

Opinion

In our opinion, the consolidated financial statements on pages 20 to 43 present fairly, in all material respects, the financial position of the Group as at 31 March 2016 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

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 Partnership
Auckland, New Zealand
23 May 2015

Statutory Disclosure

Principal Activities

NPT Limited is a listed commercial property investment company investing solely in New Zealand. There have been no changes to the investment policy of the Company during the year to 31 March 2016.

Board Composition

Persons holding office as Directors of the Company as at 31 March 2016 and the names of those persons who ceased to hold office as Directors of the Company during the financial year ending 31 March 2016:

	DATE APPOINTED	DATE RESIGNED
Sir John Anderson (Chairman)	1 April 2011	-
Kerry Hitchcock	10 August 2010	8 March 2016
Jim Sherwin	10 August 2010	-
Tony McNeil	1 April 2011	15 February 2016
Carol Campbell	25 May 2015	-

Director Remuneration

The following disclosures are provided in respect of payments to Directors:

	GROUP 2016 \$000
Sir John Anderson (Chairman)	60
Kerry Hitchcock (resigned 8 March 2016)	38
Jim Sherwin (Chairman of the Audit Committee)	40
Tony McNeil (resigned 15 February 2016)	35
Carol Campbell (appointed 25 May 2015)	33
	206

Consulting fees related to meetings and reviewing the annual financial statements totalling \$4,625 were paid to Jim Sherwin (Director) during the year (2015: \$3,924). In addition to the Director fees noted above, the total remuneration and value of benefits paid to former Managing Director, Kerry Hitchcock, was \$397,739.

Board Attendance

Directors attended the following formal meetings of the Board and Audit Committee in the year to 31 March 2016:

	BOARD MEETINGS		AUDIT MEETINGS	
	Held	Attended	Held	Attended
Sir John Anderson (Chairman)	4	4	4	4
Kerry Hitchcock (resigned 8 March 2016)	4	4	4	4
Jim Sherwin (Chairman of the Audit Committee)	4	4	4	4
Tony McNeil (resigned 15 February 2016)	4	4	4	4
Carol Campbell	3	3	3	3

Employee Remuneration

The number of employees within the Group (other than Directors) receiving remuneration and benefits above \$100,000 in relation to the year ended 31 March 2016 was:

	GROUP 2016 \$000	GROUP 2015 \$000
\$440,000 pa - \$449,999 pa	1	-
\$410,000 pa - \$419,999 pa	-	1
\$290,000 pa - \$299,999 pa	1	-
\$280,000 pa - \$289,999 pa	1	-
\$260,000 pa - \$269,999 pa	-	1
\$210,000 pa - \$219,999 pa	-	1
\$110,000 pa - \$119,999 pa	1	-
\$100,000 pa - \$109,999 pa	1	-

Interest Register Record

The following transactions were recorded in the interest register during the year ended 31 March 2016.

Specific Disclosures

There were no specific disclosures made during the year for interests in any transactions entered into by NPT Limited or its subsidiaries.

General Disclosures

The following general disclosures were made in the year ended 31 March 2016 in respect to the company under Section 140(2) of the Companies Act 1993.

DIRECTOR	RECORDED INTEREST
Sir John Anderson (Chairman)	No additional interest register entries recorded
Kerry Hitchcock (resigned 8 March 2016)	No additional interest register entries recorded
Jim Sherwin (Chairman of the Audit Committee)	No additional interest register entries recorded
Tony McNeil (resigned 15 February 2016)	No additional interest register entries recorded
Carol Campbell	NZ Post Limited Director
	The Business Advisory Group Limited Director
	Kingfish Limited Director
	Marlin Global Limited Director
	Barramundi Limited Director
	Hick Bros Holdings Limited and Subsidiaries Director
	BraveStar Media Limited Director
	Woodford Properties Limited Director
	Key Assets New Zealand and its Charitable Trust Director
	AlphaXRT Limited Director
	Kiwibank Limited Director
	T & G Global Limited Director
	Ronald McDonald House Charities New Zealand Chair & Trustee

Share dealings by Directors

There were no share dealings by the Directors in the year ending 31 March 2016.

Securities of the company in which each Director had a relevant interest as at 31 March 2016:

DIRECTOR	HOLDING	SECURITY HELD	NATURE OF RELEVANT INTEREST
Sir John Anderson	125,000	Shares	Beneficial interest in shares held by JA and CM Anderson Family Trust No.2
J W Sherwin	120,000	Shares	Beneficial interest in shares held by Willow Trust

Indemnity and Insurance

The Company has affected 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 2016 (2015: Nil).

Audit Fees

Amounts due to and receivable (excluding GST) by the Auditors of the Company:

	GROUP 2016 \$000	GROUP 2015 \$000
Grant Thornton Audit Fees	46	44
In addition to the audit fee the following other fees were paid to Auditors:		
Review Engagement	25	25
Other assurance services	3	-
	74	69

Investor Statistics

As at 31 March 2016

Twenty Largest Shareholders

HOLDER NAME	NO. OF SHARES	% OF TOTALSHARES
1 Accident Compensation Corporation	20,910,915	12.91%
2 Guardian Nominees No 2 Ltd	20,582,607	12.71%
3 Premier Nominees Limited	10,596,291	6.54%
4 Cogent Nominees Limited	9,786,167	6.04%
5 MFL Mutual Fund Limited	8,182,666	5.05%
6 Forsyth Barr Custodians Ltd	6,144,587	3.79%
7 Premier Nominees Ltd Armstrong Jones Property Securities Fund	5,234,275	3.23%
8 BT NZ Unit Trust Nominees Ltd	3,205,979	1.98%
9 Superlife Trustee Nominees Limited	3,070,733	1.90%
10 Investment Custodial Services Limited	2,613,644	1.61%
11 FNZ Custodians Limited	2,479,810	1.53%
12 NZ Permanent Trustees Ltd - Grp Invstmnt Fund No 20	2,205,030	1.36%
13 New Zealand Permanent Trustees Limited	1,776,169	1.10%
14 Forhomes Investments Ltd	1,466,394	0.91%
15 Daphne Lois Bannan	1,288,000	0.80%
16 National Nominees New Zealand Limited	1,210,891	0.75%
17 Albert John Harwood & Marlene Mary Harwod	1,050,000	0.65%
18 Leslie Burgess	1,021,542	0.63%
19 Anthony John Simmonds & Maureen Simmonds	653,849	0.40%
20 Roger Edward Hayward & Susan E Hayward & Carolyn D Coronno & Helen Foster	585,157	0.36%

Spread of Shareholders

HOLDINGS	HOLDERS	TOTAL SHARES	%
1-1000	66	44,283	0.03
1001-5000	378	1,132,623	0.70
5001-10000	363	2,847,321	1.76
10001-50000	815	19,411,609	11.99
50001-100000	138	10,245,309	6.33
Greater than 1000000	124	128,239,288	79.20

Substantial Security Holders

As at 31 March 2016 the following shareholders had filed substantial security notices in accordance with section 276 of the Financial Markets Conduct Act 2013.

SHAREHOLDER	NO. OF SHARES IN WHICH HOLDER HAD A RELEVANT INTEREST	HOLDING %
Salt Funds Management Limited	24,031,153	14.84
ANZ New Zealand Investments Limited	23,833,232	14.71
Westpac Banking Corporation	22,507,326	13.92
Accident Compensation Corporation	20,405,095	12.60
Mint Asset Management	10,167,492	6.27
AMP Capital Investors (New Zealand) Limited	9,070,297	5.60

Directory

Company

NPT Limited
PO Box 105 090
Auckland City Post
Auckland 1143

P 09 375 9081

F 09 302 4589

www.npt.co.nz

Bankers

Bank of New Zealand
Level 6
Deloitte Centre
80 Queen Street
Auckland

Auditors

Grant Thornton New Zealand Audit Partnership
L4, Grant Thornton House
152 Fanshawe Street
PO Box 1961
Auckland 1140

Registrar

Link Market Services Limited
Level 11
Deloitte Centre
80 Queen Street
Auckland 1010

PO Box 91976

Auckland 1142

P 09 375 5998

F 09 375 5990

Legal Advisor

David Stock
Barrister and Solicitor
Level 3
22 Moorhouse Avenue
Christchurch

P 03 353 1036

Notes

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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