

# Annual Report

First NZ Properties Limited  
For the year ended 31 March 2020

Prepared by RWCA Limited

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## Market Commentary and Management Report

The year ended 31 March 2020 has been one of significant changes in outlook. Participants at the Annual General Meeting for 2019 requested that ISL continue business as usual while continuing to pursue recoveries from the Barnes fraud. In addition, ISL was asked to search for efficiencies, by ascertaining whether a merger of the three property companies might save costs. Furthermore, ISL was also asked to look at actions which might bring the trading price of shares closer to their Net Tangible Asset value. ISL has also been actively working on strengthening the Board's representation to achieve more independence from the Manager. Much of the work resulting from the shareholders' requests will be documented separately and will be discussed by your new Board and if thought appropriate will be reported to shareholders to enable an expression of their opinion to be acted on.

At an operational level, it has been a year of significant change. Internationally interest rates largely fell throughout the year as central banks sought to stimulate their economies by reducing the cost of borrowing. The Reserve Bank in New Zealand responded to pressures to stimulate our economy and it also reduced interest rates to levels seldom seen.

Within the property sector there was a direct response with buyers prepared to increase their view of an acceptable purchase price and reduce their expectations of their return from their investments. In our case a steady stream of offers for our Symonds St property at around \$30M were received but were rejected by Directors as being inadequate. However, when an offer for a net price of \$35M was received, we felt it was at the top end of the market, and when combined with a view that vacancies would be hard to fill, a decision to sell the property was made. Shareholders will recall that we purchased that property for \$26 million in 2012.

Having sold the property at a yield of around 5% we embarked on a search for a new property or properties, with a primary objective of enhancing the potential to pay dividends to investors. The outcome after a long search was securing a conditional sale and purchase agreement on a property yielding around 7.5% in Rangitikei Street, Palmerston North.

Since that time, the impact of Covid19 on the World's economies has seen a significant economic downturn. Just how long this lowered economic activity will continue remains a major uncertainty. As a result, your Manager's attitude has become more conservative.

The valuation of the residual property has stayed the same as for the prior year, less a small adjustment for rental not recovered because of the Covid19 lockdowns. Whether these valuations will be sustained into the future will be very dependent on future economic activity and can't yet be predicted.

### Results

The Group has continued to trade normally. The consequence of the sale of the Symonds Street property has been a substantial rent reduction, not offset by the very low interest rates prevailing in the market. Total comprehensive income was (\$2,005,367) for the year which compared with \$178,699 for the prior year. Asset revaluations resulted in Valuers ascribing values which were the same as the previous year, less a small reduction for the expectation of rent lost during Covid 19 lockdowns and an impairment for seismic strengthening work to be completed.

The NTA per share decreased to \$5.89 from \$6.58 last year.

Earnings for the period were -42 cents per share which compares with the previous year of 4 cents per share. Dividends of 27 cents per share compared with 13 cents per share in 2019.

### Outlook

The outlook is very uncertain. At this stage, the Company has two well located properties that are geographically separated and diverse by type. The new property has strong retail presence with Harvey Norman, Bed Bath and Beyond and Uncle Bills.

Prior to the impact of Covid 19 it was evident that the tenant at the Sheffield Crescent property was trading very well. It has developed product with a degree of uniqueness and has good international markets. Whether there are any long-term impacts on its trading opportunities remains to be seen.

# Report of the Directors to the Shareholders

Your Directors take pleasure in presenting their Annual Report including the financial statements of the Group for the year ended 31 March 2020.

## **Activities**

The Group is involved in the property rental business.

## **Dividends**

Total dividends of \$1,088,373 were distributed for the period ended 31 March 2020 or have been subsequently appointed.

## **Directors**

The following Directors held office during the year ended 31 March 2020:

Craig Dennis (Chair) (Appointed 7 May 2020)  
David Penrose (Appointed 5 May 2020)  
Damien Prendergast (Appointed 7 May 2020)  
Michael Millar (Resigned 12 May 2020)  
Paul Mephan (Resigned 21 April 2020)  
Gillian Bishop (Appointed 14 April 2020)  
(Resigned 7 May 2020)

## **Remuneration of Directors**

No Directors remuneration was paid during the year ended 31 March 2020.

## **Remuneration of employees**

No employee's remuneration exceeded \$100,000.

## **Auditors**

Crowe New Zealand Audit Partnership were reappointed as the company's auditors.

## **Interests register**

The following are transactions recorded in the Interests Register for the year:

## **Related party transactions**

All transactions conducted by the Group with Investment Services Limited are related party transactions, as Michael Millar is a Director of Investment Services Limited.

All transactions conducted by the Group with Corvus Consulting Limited are related party transactions, as Paul Mephan is a Director of Corvus Consulting Limited.

All transactions conducted by the Company with Gravtec Limited are related party transactions, as Richard Eberlein is a Director of Gravtec Limited.

Related party transactions were:

Investment Services Limited	
Fees for management services	\$132,918
Realised capital gain fee	<u>\$450,000</u>
	<u>\$582,918</u>

Corvus Consulting Limited	
Accounting/registry services fees	\$24,840

Gravtec Limited	
Property management fees	\$26,535

## **Share Purchases**

There were no related party share transactions made during the year.

## **Directors' loans**

There were no loans by the Group to the Directors.

## **Directors' indemnity and insurance**

The Company's Directors and the Directors of its subsidiaries are insured against liabilities to other parties (except the Group or a related party of the Group) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.


# Approval of Financial Report

## First NZ Properties Limited For the year ended 31 March 2020

The Directors are pleased to present the approved financial report including the historical financial statements of First NZ Properties Limited for year ended 31 March 2020.

APPROVED

For and on behalf of the Board of Directors



David Penrose  
Date 31/8/2020



Craig Dennis  
Date 31/8/2020



Damien Prendergast  
Date 31/8/2020

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

First NZ Properties Limited  
For the year ended 31 March 2020

	NOTES	2020	2019
<b>Continuing Operations</b>			
<b>Income</b>			
Gross Rental Income	8	1,004,167	3,150,671
<b>Total Income</b>		<b>1,004,167</b>	<b>3,150,671</b>
<b>Gross Profit</b>		<b>1,004,167</b>	<b>3,150,671</b>
<b>Operating Income and (Expenses)</b>			
Administrative Expenses	9	(248,711)	(294,147)
Other Operating Expenses	10	(132,071)	(830,993)
Impairment of Non-Current Assets	24	308,175	(966,339)
Fraudulent Liabilities Written Off	28	239,215	-
<b>Total Operating Income and (Expenses)</b>		<b>166,609</b>	<b>(2,091,479)</b>
<b>Operating Profit</b>		<b>1,170,776</b>	<b>1,059,192</b>
<b>Financial Income and (Expenses)</b>			
Finance Costs	11	(212,681)	(813,920)
Finance Income	12	75,061	3,979
<b>Total Financial Income and (Expenses)</b>		<b>(137,620)</b>	<b>(809,941)</b>
<b>Profit Before Other (Expenses)/Income and Tax</b>		<b>1,033,156</b>	<b>249,251</b>
<b>Other (Expenses)/Income</b>			
Fair Value Gain on Investment Property	19	(2,870,000)	276,368
<b>Profit Before Tax from Continuing Operations</b>		<b>(1,836,844)</b>	<b>525,619</b>
<b>Income Tax Expense</b>			
Tax Provision	15	(168,523)	(346,920)
<b>Total Profit for the Year from Continuing Operations</b>		<b>(2,005,367)</b>	<b>178,699</b>



The financial statements should be read in conjunction with the attached Notes to the Financial Statements and Audit Report.

	NOTES	2020	2019
<b>Discontinued Operations</b>			
Income after Tax for the Year from Discontinued Operations	13	288,088	-
<b>Income after tax from Discontinued Operations</b>		<b>288,088</b>	<b>-</b>
<b>Profit For The Year</b>		<b>(1,717,279)</b>	<b>178,699</b>
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>(1,717,279)</b>	<b>178,699</b>
	NOTES	2020	2019
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents)	38	(42)	4



# Consolidated Statement of Changes in Equity

First NZ Properties Limited  
For the year ended 31 March 2020

	NOTES	2020	2019
<b>Equity</b>			
<b>Issued Capital</b>			
Opening Balance		4,065,452	4,065,452
<b>Total Issued Capital</b>	29	<b>4,065,452</b>	<b>4,065,452</b>
<b>Retained Earnings</b>			
Opening Balance		22,682,299	23,027,847
<b>Increases</b>			
Profit for the Period		-	178,699
<b>Total Increases</b>		<b>-</b>	<b>178,699</b>
<b>Decreases</b>			
Loss for the Period		1,717,279	-
Dividends Paid	30	1,088,373	524,247
<b>Total Decreases</b>		<b>2,805,652</b>	<b>524,247</b>
<b>Total Retained Earnings</b>		<b>19,876,647</b>	<b>22,682,299</b>
<b>Total Equity</b>		<b>23,942,099</b>	<b>26,747,751</b>



The financial statements should be read in conjunction with the attached Notes to the Financial Statements and Audit Report.



# Consolidated Statement of Financial Position

## First NZ Properties Limited As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	18	2,835,335	207,519
Trade and Other Receivables	25	20,159	393,678
Income Tax Receivable	15	181,494	264,686
Investment Property Classified as Held For Sale	14	-	33,942,977
Other Current Assets	25	12,000,000	-
<b>Total Current Assets</b>		<b>15,036,988</b>	<b>34,808,860</b>
<b>Non-Current Assets</b>			
Investment Property	19	9,340,000	12,210,000
Other Non-Current Assets	23	-	8,382
<b>Total Non-Current Assets</b>		<b>9,340,000</b>	<b>12,218,382</b>
<b>Total Assets</b>		<b>24,376,988</b>	<b>47,027,242</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	25	42,480	148,690
GST Payable	25	8,794	54,282
Other Liabilities	28	-	794,269
<b>Total Current Liabilities</b>		<b>51,275</b>	<b>997,241</b>
<b>Non-Current Liabilities</b>			
Loans	25	-	18,898,636
Deferred Tax Liability	16	383,614	383,614
<b>Total Non-Current Liabilities</b>		<b>383,614</b>	<b>19,282,250</b>
<b>Total Liabilities</b>		<b>434,889</b>	<b>20,279,491</b>
<b>Net Assets</b>		<b>23,942,099</b>	<b>26,747,751</b>
<b>Equity</b>			
Share Capital	29	4,065,452	4,065,452
Retained Earnings		19,876,647	22,682,299
<b>Total Equity</b>		<b>23,942,099</b>	<b>26,747,751</b>



The financial statements should be read in conjunction with the attached Notes to the Financial Statements and Audit Report.

# Consolidated Statement of Cash Flows

## First NZ Properties Limited For the year ended 31 March 2020

	NOTES	2020	2019
<b>Operating Activities</b>			
Receipts from Customers		2,080,345	3,081,700
Payments to Suppliers		(1,489,346)	(1,277,540)
Interest, Dividend and Investment Income		329,947	3,979
Finance Costs		(424,864)	(881,655)
Income Tax Refunded / (Paid)		(25,890)	(636,392)
Net GST Received / (Paid)		(50,106)	(6,432)
<b>Net Cash Flows from Operating Activities</b>	<b>39</b>	<b>420,086</b>	<b>283,659</b>
<b>Investing Activities</b>			
Proceeds from Sale of Investment Properties	14	34,398,550	-
Costs Relating to Sale of Investment Properties		8,382	(8,382)
Payment for Investments		(12,000,000)	-
Payment for Investment Properties		-	(36,610)
<b>Net Cash Flows from Investing Activities</b>		<b>22,406,932</b>	<b>(44,992)</b>
<b>Financing Activities</b>			
Repayment of Long-term Loans		(18,898,636)	-
Dividends Paid		(1,088,373)	(524,247)
DWT and GST Arrears Paid	7	(555,054)	(172,070)
DWT and GST Arrears Penalties and Interest Remitted / (Paid)		34,686	(330,042)
Fraud Recoveries	23	308,175	-
<b>Net Cash Flows from Financing Activities</b>		<b>(20,199,201)</b>	<b>(1,026,358)</b>
<b>Net Cash Flows</b>		<b>2,627,816</b>	<b>(787,691)</b>
<b>Cash and Cash Equivalents</b>			
Cash and Cash Equivalents at Beginning of Period		207,519	995,209
Cash and Cash Equivalents at End of Period	18	2,835,335	207,519
<b>Net Change in Cash for Period</b>		<b>2,627,816</b>	<b>(787,691)</b>



The financial statements should be read in conjunction with the attached Notes to the Financial Statements and Audit Report.

# Notes to the Consolidated Financial Statements

## First NZ Properties Limited For the year ended 31 March 2020

### 1. Reporting Entity

These consolidated financial statements ("the financial statements") of First NZ Properties Limited ("the Company") and its Subsidiaries (collectively "the Group") for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 31 August 2020.

First NZ Properties Limited is a Limited Company incorporated and domiciled in New Zealand and registered under the Companies Act 1993, and is engaged in the business of Commercial Property Investment.

### 2. Basis of Preparation

#### Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP); the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the Financial Markets Conduct Act 2013. For the purpose of complying with NZ GAAP, the Group is a for-profit entity. These financial statements comply with New Zealand International Financial Reporting Standards (NZ IFRS).

#### Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain properties that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

#### Presentation Currency

The financial statements are presented in New Zealand Dollars (NZD), which is the Group's functional currency. All values are rounded to the nearest NZD, except when otherwise indicated.

#### Reporting Period

The financial statements represent a period of twelve months ending 31 March 2020.

#### Comparatives

The comparative financial period is twelve months. Comparatives have been reclassified from that reported in the prior year financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance.

### 3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 31 March 2020. Subsidiaries are those entities controlled directly by the Company. The financial statements of the wholly owned Subsidiaries are included in the consolidated financial statements using the purchase method of consolidation.



#### 4. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarised below:

##### Revenue Recognition

###### Rental Income

Income arising from operating leases on Investment Properties is recognised on a straight line basis over the life of the lease and included in revenue in the statement of profit or loss. Lease incentives provided in relation to letting the investment Properties are capitalised to the respective investment properties in the statement of financial position and amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate, as a reduction of rental income.

###### Service Charges Recovered

The tenants also pay the majority of the Groups operating expenses. These are recoveries of expenses incurred by the group in relation to the Investment Properties. The tenants are charged a monthly amount towards these operating costs based on an annual budget, and occupied floor space for each Investment Property. An annual wash-up reconciliation is prepared by the Group and any under or overcharges of actual costs incurred against costs recharged are settled.

Service Charge recoveries are recognised when invoiced, on a monthly basis, which is in line with when the Group meets its performance obligations for the services provided. The service charge recovered are based on what is specified in the tenants leases and the costs on the associated outgoings. The Group does not provide discounts nor is there any finance component in any of the costs so the transaction price is easily determined and allocated on a straight-line basis.

The services charges recovered that the Group identifies as being under the scope of NZ IFRS 15 includes but are not necessarily limited to; Rates, Building WoF, Health and Safety, Insurances, Cleaning, Rubbish and Pest Control, Fire Maintenance, Security, Lifts, Air-Conditioning and Other General Maintenance. This is because the Group deems these to be additional services above the lease of the rental space and so should be considered separately to the lease rental income (Refer to Note 9 for further consideration)

###### Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

###### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance costs recorded in the profit or loss comprise the interest expenses charged on borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

###### Income Tax

The income tax expense represents the sum of current tax payable and deferred tax movements.

###### Current Income Taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



## Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## Current and Deferred Tax for the year

Movements in current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## Goods and Services Tax

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

## Investment Properties

Investment Properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment Properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in Profit or Loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the Property Institute of New Zealand.

The properties are held for both capital appreciation and rental income purposes. Revaluation gains or losses are included in the Statement of Profit or Loss. The Investment Properties are not depreciated for accounting purposes however depreciation is claimed for taxation purposes.

The Group reclassifies an Investment Property to Investment Property classified as held for sale when the Group commences the process of disposing the property. The carrying value of the Investment Property is the contracted sale price, net of sale costs, being the best indicator of fair value.

Investment Properties are derecognised either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Profit or Loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of Investment Property is determined in accordance with the requirements for determining the transaction price in NZ IFRS 15.



## Financial Instruments

### Financial Assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Group's accounting policy for each category is as follows:

#### *Fair value through profit or loss*

They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not have any financial assets as being at fair value through profit or loss.

#### *Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within bad debts in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables, accrued fraud recovery and cash and cash equivalents and accrued fraud recovery in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

#### *Fair value through other comprehensive income*

They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

The Group does not have any financial assets as being at fair value through other comprehensive income.



## Financial Liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

### *Fair value through profit or loss*

They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

The Group does not have any financial liabilities as being at fair value through profit or loss.

### *Other financial liabilities*

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

## De-Recognition of Financial Instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Group transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

## Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Impairment of Non-Financial Assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the reported profit or loss.

The estimated recoverable amount of an asset is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount. An impairment loss on property carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through profit or loss.

Any reversal of impairments previously recognised is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.



## Share Capital

Share capital represents the consideration received for shares that have been issued. All transaction costs associated with the issuing of shares are recognised as a reduction in equity, net of any related income tax benefits.

## Dividend Distribution

Dividend distributions to the shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Directors.

## Fair Value Measurement

A number of the Group's accounting policies and disclosures require measurement at fair value

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 the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique adopted as follows.

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs), or where there are significant adjustments to market data.

## Current Assets and Liabilities

Current assets and liabilities are stated at estimated realisable value.





## 5. Adoption of new and revised reporting standards and Changes in Accounting Policies

### Financial Reporting Standards Effective in the Reporting Period

There were a number of new standards and amendments to existing standards that came into effect in the current financial year. The details of the standards and their assessed impact on the Group are as follows:

- *NZ IFRS 16 Leases*. The standard came into effect on 1 January 2019 and was adopted by to the Group from 1 April 2019. As the Group is a lessor of investment property, accounting for leases as lessor under the new standards is similar to the old standards under NZ IAS 17 and as a lessor there are no changes to the groups current accounting treatment and disclosure of leases.

Various other new and amended standards and interpretations have become effective, however these are not listed as they are not considered to have any impact on the Group.

### New NZ IFRS Standards and Interpretations Issued But Not Yet Adopted

Accounting standards and interpretations, considered relevant to the operation of the Group, that have not been applied during the reporting year, or have been issued but are not yet effective as at the date of issuance of these Financial Statements are outlined below. If applicable, the Group intends to adopt these when they become effective.

These accounting standards and interpretations are

- *NZ IAS 1 Presentation of Financial Statements* is effective 1 January 2020, applicable to the Group from 1 April 2020. Management have assessed NZ IAS 1 and have found that it had minimal impact on the financial reporting.
- *NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* is effective 1 January 2020, applicable to the Group from 1 April 2020. Management have assessed NZ IAS 8 and have found that it had minimal impact on the financial reporting.

## 6. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the Group that have a significant effect on the financial statements:

### Fair Value Measurements and Valuation Processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors have determined the appropriate valuation techniques and inputs for fair value measurements. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in later notes.

### Impact of COVID-19

As at 31 March 2020 the investment property markets were impacted by significant market uncertainty brought about by the COVID-19 outbreak. As a result of this market uncertainty there was significant valuation uncertainty which had an impact of the value of investment properties as at 31 March 2020.

As a result of the uncertainty the Group's valuers have recognised the difficulty in undertaking valuations over this period. Valuation inputs and estimates have been adjusted to reflect the impact of the pandemic on the value of the investment properties. While the estimates used by the valuers were formed after careful consideration it must also be mentioned that COVID-19 was a unique situation and information that could help with determining the duration and severity of its impact were largely unknown at the date of valuation.



The valuations of the Group's investment properties as at 31 March 2020 have therefore been prepared on the basis of 'material valuation uncertainty' to highlight the difficulties in undertaking valuations in the current environment. Valuers have carried out the valuations by applying assumptions regarding the reasonably possible impacts of COVID-19 based on information available as at 31 March 2020. The major inputs and assumptions that were used in the valuations that required judgement included forecasts of the current and expected future market rentals and growth, maintenance and capital expenditure requirements, an assessment of yields, discount rates, occupancy, leasing costs and weighted average lease terms.

All valuations have been reviewed by the board who, notwithstanding the uncertainty due to the pandemic have determined the valuations to be appropriate as at 31 March 2020.

### **Impairment**

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

### **Deferred Tax Assets**

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax losses or credits. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

## **7. Significant events and transactions**

### **Misappropriated Funds**

During the year ended 31 March 2019, a fraud against the Group was uncovered.

Once knowledge of the fraud became known, the directors engaged PwC Forensic Services, to investigate and report to the Group. The scope of the review undertaken by PwC was subject to a number of assumptions and limitations including the date to which historical bank information was available, and therefore only covered the period from 8 September 2008 to September 2018.

The misappropriated funds relate to money owing to the IRD for Dividend Withholding Tax (DWT) and Good and Services Tax (GST) as well as other amounts owed for Lease Incentives, Management Fee/Opex Washups, Unclaimed Distributions, and Other Payments.

As at 31 March 2020 the Group had repaid the full \$727,124.31 owing to IRD. All penalties and interest charges on the money owed were remitted and repaid to the Group in the 2020 year.

In the 2020 year it was resolved by the Board to write off the remaining balance owed to other parties of \$239,215, as it was determined that these amounts were unlikely to be paid as these were owed to Investment Services Limited or were fraudulently created lease liabilities.

The costs associated with recovering misappropriated funds during the period have been met by Investment Services Limited. Investment Services Limited will not be seeking recovery from the Group for the period.



## 8. Revenue

Revenue is accounted for in accordance with *IFRS 15 Revenue from Contracts with Customers* where appropriate.

Revenue is recognised when or as control of promised services is transferred to the particular customer with an amount that reflects the consideration that the entity expects to be entitled to in exchange for those services

	NOTES	2020	2019
<b>Revenue</b>			
<b>Gross Rental Income</b>			
Rental from Investment Properties		1,002,300	2,695,473
Service Charge Income Recovered from Tenants (NZ IFRS 15 Revenue from Contracts for Customers)		-	531,685
Impairment Loss		1,867	(3,266)
Lease Incentives		-	(73,219)
<b>Total Gross Rental Income</b>		<b>1,004,167</b>	<b>3,150,671</b>
<b>Total Revenue</b>		<b>1,004,167</b>	<b>3,150,671</b>

Descriptions of the Principal activities the Group generates revenue from are as follows:

- The Group provides additional services to the tenants of the Groups Investment Property. The Group reports the revenue from these additional services in the Gross Rental Income line in the Statement of Profit or Loss and Other Comprehensive Income.
- Additional services involve the management of the Groups Investment Property leased to tenants. The contracts associated for these additional services are structured so the Group is reimbursed for subcontracted vendor costs as well as associated overhead and management fee expenses (service charge income recoveries). Additional services represent a series of distinct services rendered over time to deliver the overall performance obligation of managing the tenancy and property for each tenant.
- The amount of revenue recognised is gross for all additional services – an offsetting amount is recorded under other operating expenses.
- The payment for these additional services are reimbursements of costs of third-party services delivered to tenants that are controlled by the Group, therefore the Group is considered to be Principal for those services.
- Where the Group does not control third-party services delivered to tenant the Group is considered to be agent and therefore offsets the revenue and expense against each other for those services.

	NOTES	2020	2019
<b>9. Administrative Expenses</b>			
Accountancy & Registry		26,504	32,563
Audit Fees		18,316	13,050
Sundry Expenses		4,141	5,091
Insurance		2,676	2,674
Legal & Other Professional Expenses		46,782	4,117
Management Fees		65,149	175,279
Leasing Costs		-	31,963
Penalties - IRD		79,193	23,411
Valuation Fees		5,950	6,000
<b>Total Administrative Expenses</b>		<b>248,711</b>	<b>294,147</b>



	NOTES	2020	2019
<b>10. Other Operating Expenses</b>			
<b>Total Operating Expenses</b>			
Property Repairs & Maintenance		76,421	413,218
Insurance		333	98,960
Property Management Fees		55,317	71,334
Rates		-	246,531
Valuation		-	950
<b>Total Total Operating Expenses</b>		<b>132,071</b>	<b>830,993</b>
<b>Total Other Operating Expenses</b>		<b>132,071</b>	<b>830,993</b>
	NOTES	2020	2019

<b>11. Finance Costs</b>			
Interest - IRD		212,681	-
Interest on Loans		-	813,920
<b>Total Finance Costs</b>		<b>212,681</b>	<b>813,920</b>
	NOTES	2020	2019

<b>12. Investment Income</b>			
<b>Finance Income</b>			
Dividends Received		537	2,269
Interest Received		74,524	1,711
<b>Total Finance Income</b>		<b>75,061</b>	<b>3,979</b>
<b>Total Investment Income</b>		<b>75,061</b>	<b>3,979</b>
	NOTES	2020	2019

<b>13. Discontinued Operations, Net of Tax</b>			
<b>110 Symonds Street</b>			
Rental Income		771,552	-
Service Charge Income Recovered from Tenants		270,232	-
Gain on Disposal of Investment Property		492,182	-
Interest Received		254,886	-
Licences & Registrations		(14,276)	-
Management Fees		(510,237)	-
Total Operating Expenses		(630,758)	-
Interest on Loans		(424,864)	-
<b>Profit/(Loss) Before Tax from Discontinued Operations</b>		<b>208,718</b>	-
Income Tax on Discontinued Operations		79,370	-
<b>Profit/(Loss) for the Year from Discontinued Operations</b>		<b>288,088</b>	-
<b>Earnings Per Share from Discontinued Operations</b>			
Basic and diluted earnings per share (cents)		7	-



	NOTES	2020	2019
<b>Net Cashflows from Discontinued Operations</b>			
<b>Operating Activities</b>			
Receipts from Customers		1,041,784	-
Payments to Suppliers		(1,155,270)	-
Interest, Dividend and Investment Income		254,886	-
Finance Costs		(424,864)	-
<b>Total Operating Activities</b>		<b>(283,464)</b>	-
<b>Investing Activities</b>			
Proceeds from Sale of Investment Properties		34,398,550	-
Costs Relating to Sale of Investment Properties		8,382	-
Payment for Investments		(12,000,000)	-
<b>Total Investing Activities</b>		<b>22,406,932</b>	-
<b>Financing Activities</b>			
Repayment of Long-term Loans		(18,898,636)	-
<b>Total Financing Activities</b>		<b>(18,898,636)</b>	-
<b>Net Cashflows from Discontinued Operations</b>		<b>3,224,832</b>	-

#### 14. Disposal of Investment Property

During the 2020 year the Group sold 110 Symonds Street, Auckland with a net carrying value of \$33,906,368 for a cash consideration of \$34,398,550, net of vendor underwrite and attributable expenses. The resulting \$492,182 net gain on this disposal was recognised separately and included within Income after Tax from Discontinued Operations in the Statement of Profit or Loss.

Revenue, expenditure and tax directly attributable to 110 Symonds Street have been separately recognised in the statement of profit or loss under discontinued operations.

A 5% gain fee of \$450,000 was paid to the Manager under the management agreement.

	NOTES	2020	2019
<b>Investment Property Disposal Schedule</b>			
Opening Investment Property Held for Sale		33,906,368	-
Net Sale Proceeds		(34,398,550)	-
<b>Gain on Disposal on Investment Property</b>		<b>(492,182)</b>	-



## 15. Income Tax

1. Components of income tax expense
2. Income tax expense calculation
3. Income tax payable / (receivable) reconciliation

	NOTES	2020	2019
<b>Components of Income Tax Expense</b>			
Current Taxation		89,153	346,920
Total Income Tax Expense		89,153	346,920
	NOTES	2020	2019
<b>Income Tax Expense</b>			
<b>Income Tax Expense</b>			
Current Tax		89,153	346,920
Deferred Tax		-	-
<b>Total Income Tax Expense</b>		<b>89,153</b>	<b>346,920</b>
<b>Reported Income</b>			
Profit Before Tax from Continuing Operations		1,033,156	249,251
Profit Before Tax from Discontinued Operations		208,718	-
<b>Total Reported Income</b>		<b>1,241,874</b>	<b>249,251</b>
Taxable Profit / (Loss)		1,241,874	249,251
At Effective Income Tax Rate of 28%		347,725	69,790
<b>Increase/(Decrease) in Income Tax Due to:</b>			
Non Deductible Expenses		32,508	6,555
Impairment of Accrued Fraud Recovery		(86,289)	270,575
Net Gain on Disposal of Investment Property		(137,811)	-
Write Off of Funds Owing to Parties as a Result of Fraud		(66,980)	-
<b>Total Increase/(Decrease) in Income Tax Due to:</b>		<b>(258,572)</b>	<b>277,130</b>
Current Tax Expense		89,153	346,920
<b>Reported as</b>			
Income Tax reported in Profit or Loss		168,523	346,920
Income Tax Attributable to Discontinued Operations		(79,370)	-
Income Tax Expense / (Income)		89,153	346,920



	NOTES	2020	2019
<b>Income Tax Payable / (Receivable)</b>			
<b>Income Tax Payable / (Receivable)</b>			
Opening Balance		(264,686)	24,786
Current Tax Expense		89,153	346,920
Deferred Tax Movement		-	-
Losses Brought Forward		-	-
<b>Tax Paid</b>			
Imputation Credits Received		(150)	(635)
Income Tax Paid		(179,444)	(635,168)
RWT Paid		(22,300)	(590)
Tax Refunds Received		195,935	-
<b>Total Tax Paid</b>		<b>(5,960)</b>	<b>(636,392)</b>
<b>Total Income Tax Payable / (Receivable)</b>		<b>(181,494)</b>	<b>(264,686)</b>



	NOTES	2020	2019
<b>16. Deferred Tax Assets &amp; Liabilities</b>			
<b>Deferred Tax Liabilities</b>			
Opening Balance		383,614	383,614
<b>Total Deferred Tax Liabilities</b>		<b>383,614</b>	<b>383,614</b>

	NOTES	2020	2019
<b>Deferred Tax Arises From</b>			
<b>Tax Asset Base</b>			
Income Tax Losses Carried Forward		-	-
<b>Total Tax Asset Base</b>		<b>-</b>	<b>-</b>
Deferred Tax @ 28%		-	-
<b>Tax Liability Base</b>			
Incremental depreciation for tax purposes		1,370,051	1,370,051
<b>Total Tax Liability Base</b>		<b>1,370,051</b>	<b>1,370,051</b>
Deferred Tax @ 28%		383,614	383,614

### 17. Imputation Credit Account

	NOTES	2020	2019
<b>Imputation Credit Account</b>			
Opening Balance		(103,555)	(648,474)
Prior Year Adjustment		-	-
<b>Increases</b>			
IRD Interest		-	-
Income Tax Paid		259,514	635,168
Resident Withholding Tax Paid		23,691	590
Imputation Credits on Dividends Received		150	635
<b>Total Increases</b>		<b>283,356</b>	<b>636,392</b>
<b>Decreases</b>			
Imputation Credits Attached to Dividends		179,801	91,473
Income Tax Refund		-	-
Imputation Credits Converted to Losses		-	-
<b>Total Decreases</b>		<b>179,801</b>	<b>91,473</b>
<b>Closing Balance</b>		<b>-</b>	<b>(103,555)</b>

### 18. Bank and Cash Balances

	NOTES	2020	2019
Cash at Bank		2,835,335	207,519
<b>Total Bank and Cash Balances</b>		<b>2,835,335</b>	<b>207,519</b>





	NOTES	2020	2019
<b>19. Investment Property</b>			
<b>Investment Property</b>			
Opening Balance		12,210,000	45,840,000
Net Change in Fair Value		(870,000)	370,000
Transfer to Investment Property Classified as Held for Sale		-	(34,000,000)
Valuation Impairment		(2,000,000)	-
<b>Total Investment Property</b>		<b>9,340,000</b>	<b>12,210,000</b>
<b>Total Investment Property</b>		<b>9,340,000</b>	<b>12,210,000</b>

Following the end of the financial year the Group has received a draft seismic engineering report on 15 Sheffield Crescent indicating some areas of concern. The draft report indicates that expenditure of approximately \$300,000 will be required within the short term for critical weaknesses along with expenditure over a longer period of time that may total a further \$1,700,000 to bring the property to a seismic strength that is in line with market expectations. The directors are going to work through the draft report in the next few months and formulate a plan of action to improve the seismic strength of the property. There is no requirement to strengthen the building for a period of up to 15 years however the directors agree that it is prudent to move forward with a plan in the shorter term. The effect of this on the existing valuation dated 31 March 2020 has been for the valuers to discount the valuation by the full estimated costs of any proposed seismic strengthening work.

## 20. Lease Agreement Terms

### 15 Sheffield Crescent

- Ten year term expiring 21 November 2024 - Four rights of renewal of 3 years each
- 3 yearly rent reviews.



## 21. Minimum Lease Income

The Group has entered into commercial property leases on its Investment Property portfolio. These non-cancellable leases have remaining lease terms as noted above. All leases include a clause to enable upward revision of the rental charge on various review dates based on prevailing market conditions.

Future minimum net rentals receivable, after incentive rebates, under non-cancellable leases at the balance sheet date areas follows:

	NOTES	2020	2019
<b>Minimum Lease Income</b>			
Within one year		989,709	1,876,901
Between one and two years		989,709	1,002,300
Between two and three years		989,709	1,002,300
Between three and four years		989,709	1,002,300
Between four and five years		636,712	1,002,300
More than five years		-	650,808
<b>Total Minimum Lease Income</b>		<b>4,595,548</b>	<b>6,536,910</b>

## 22. Valuations

Investment Property comprises a significant industrial premises situated at Sheffield Crescent in Christchurch. The property is currently leased under the terms and to the tenants disclosed in Note 20.

The Investment Property is measured at fair value and was valued as at 31 March 2020 by external, independent property valuers, having appropriately recognised professional qualifications and recent experience in the location and categories of the properties being valued.

The latest revaluation of the Investment Property is summarised as follows:

	<b>Sheffield Crescent</b>
Purpose	Financial reporting
Amount of valuation	\$9,340,000 (2019: \$12,210,000)
Valuer	Colliers International
Basis of valuation	The determination of the values stated were market value subject to existing tenancies and occupational arrangements.
Assessment approach	Discounted cash flow Capitalisation approach
Vacancy rate	Nil (2019: Nil)
Weighted average lease term	4.64 years (2019: 5.64 years)
Rental Value per square metre	\$794 (2019: \$855)
Capitalisation rate	8.75% (2019: 8.25%)
Discount rate	9.85% (2019: 9.75%)
Terminal yield	8.75% (2019: 8.75%)
Net market rent	\$1,002,750 (2019: \$1,008,474)
Net passing rent	\$1,002,300 (2019: \$1,002,300)

The valuation reflects the quality of tenants in occupation, the allocation of maintenance and insurance responsibilities between the Group and the tenant and the remaining economic life of the property. The valuation also assumes on expiry of the current lease terms the Group will be able to re-tenant the property at or above market rates. The valuation assumes the buildings meet the minimum seismic ratings requirements and that no capital expenditure is required on earthquake strengthening.



The following table outlines the valuation techniques measuring fair value of the Investment Property, as well as the unobservable inputs used and the inter-relationship between the key unobservable inputs and fair value measurement.

Valuation technique	Unobservable inputs	The estimated fair value would increase/(decrease) if
<p><b>Discounted cash flow approach</b></p> <p>The discounted cash flow method adopts a 10 year investment horizon and makes appropriate allowances for rental growth and leasing costs on lease expiries, with an estimated terminal value at the end of the investment period. The present value is a reflection of market based income (inflows) and expenditure (outflows) projections over the 10 year period discounted at a market analysed return.</p>	<p>Discount rate of 9.85%</p> <p>Terminal yield of 8.75% at the end of the 10 year period</p> <p>Assessed market rentals of \$1,002,300</p>	<p>The discount rate was lower/(higher) being 0.25%, the valuations would increase / (decrease) by \$173,000</p> <p>The terminal yield rate was lower/(higher) by 0.25%, the valuation would increase / (decrease) by \$132,000</p> <p>The assessed market rental was higher/(lower) by 1%, the valuation would increase / (decrease) by \$113,000</p>
<p><b>Capitalisation approach</b></p> <p>This approach is considered a “point in time” view of the investment properties’ value, based on the current contract and market income and an appropriate market yield or return for the properties. Capital adjustments are then made to the value to reflect under or over renting, pending capital expenditure and upcoming expiries, including allowances for lessee incentives and leasing costs.</p>	<p>Net rental income has been capitalised in perpetuity at capitalisation rates of 8.75%</p> <p>Assessed market rentals of \$1,002,750</p>	<p>The capitalisation rate in perpetuity was lower/(higher) by 0.25%, the valuation would increase / (decrease) by \$488,000</p> <p>The assessed market rental was higher/(lower) by 1%, the valuation would increase / (decrease) by \$132,000</p>
<p><b>Valuation Impairment</b></p>	<p>Assumes the cost associated with the building strengthening to be \$2,000,000</p>	<p>In the event that the cost associated with the strengthening increases / (decreases), the carrying value will decrease / (increase) by the same amount</p>

In deriving the market value under each approach, all assumptions are based, where possible, on market based evidence and transactions for properties with similar locations, construction detail and quality of lease covenant. The adopted market value is a judgemental combination of both the Capitalisation and the Discounted Cash Flow approaches.



	NOTES	2020	2019
<b>23. Other Non-Current Assets</b>			
Accrued Fraud Recovery		658,164	966,339
Less: Provision for Impairment of Accrued Fraud Recovery	24	(658,164)	(966,339)
Accrued Fraud Recovery - Net		-	-
Sale Costs - 110 Symonds Street		-	8,382
<b>Total Other Non-Current Assets</b>		-	<b>8,382</b>

During the 2019 year it was discovered that funds had been misappropriated in prior years totaling \$966,339.42. The misappropriated funds relate to money owed to the IRD for Dividend Withholding Tax (DWT) and Goods and Services Tax (GST) as well as other amounts owed for Lease Incentives, Management Fee/Opex Washups, Unclaimed Distributions, and Other Payments.

The Group is seeking to recover the funds mentioned above which were misappropriated in prior years, some success was made in the 2020 year with \$308,175 being recovered. The Group is pursuing multiple avenues to recover the remaining funds, however the outcome of these is currently unknown. At this time a provision for the recovery has been created amounting to the remaining amount owed of core funds misappropriated.

The expected credit loss has been recalculated on the accrued fraud recovery as at 31 March 2020 to recognise the funds recovered. The remaining balance has been calculated with a 100% expected credit loss rate, due to the current uncertainty of any further recovery. This impairment will be reviewed each year to reflect the current recovery likely to be received.

## 24. Impairment Allowance

Movements in the impairment allowance for accrued fraud recovery for the year ended 31 March 2020 are as follows:

	NOTES	2020	2019
<b>Opening Impairment Allowance of Accrued Fraud Recovery</b>			
At 1 April under IFRS 9		966,339	-
Restated Through Opening Retained Earnings		-	-
<b>Opening Impairment Allowance of Accrued Fraud Recovery</b>		<b>966,339</b>	-
<b>Impairment Loss during the year</b>			
Increase / (Decrease) during the year		(308,175)	966,339
<b>Impairment loss during the year</b>		<b>(308,175)</b>	<b>966,339</b>
At 31 March	23	658,164	966,339



NOTES                      2020                      2019

## 25. Summary of Financial Instruments

### Financial Assets at amortised cost

#### Current

Bank & Cash	2,835,335	207,519
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#### Trade and other receivables

Prepayments	2,382	63,505
Sundry Debtors	-	25,380
Penalties & Interest Remitted	-	306,631
Trade Debtors	19,386	1,917
Trade Debtors - Impairment Loss	(1,609)	(3,756)
<b>Total Trade and other receivables</b>	<b>20,159</b>	<b>393,678</b>

<b>Total Current</b>	<b>2,855,494</b>	<b>601,196</b>
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#### Non-current

#### Other Investments

ANZ Term Deposit	12,000,000	-
<b>Total Other Investments</b>	<b>12,000,000</b>	<b>-</b>

<b>Total Non-current</b>	<b>12,000,000</b>	<b>-</b>
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<b>Total Financial Assets at amortised cost</b>	<b>14,855,494</b>	<b>601,196</b>
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### Financial Liabilities at amortised cost

#### Current

Trade and Other Payables	42,480	148,690
GST Payable	8,794	54,282
Other Liabilities	-	794,269
<b>Total Current</b>	<b>51,275</b>	<b>997,241</b>

#### Interest-bearing Loans & Borrowings

Non-current interest-bearing Loans & Borrowings	-	18,898,636
<b>Total Interest-bearing Loans &amp; Borrowings</b>	<b>-</b>	<b>18,898,636</b>

<b>Total Financial Liabilities at amortised cost</b>	<b>51,275</b>	<b>19,895,877</b>
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### Other Investments

The ANZ Term Deposit was invested on 26 March 2020 on a 33 day term and with a interest rate of .55% per annum, with a maturity date of 28 April 2020. On maturity the funds were deposited into a ANZ Call Account.

### Interest-bearing Loans & Borrowings

As at 31 March 2020 all ANZ bank loans had been repaid following the sale of 110 Symonds Street.



	NOTES	2020	2019
<b>26. Trade and Other Receivables</b>			
Trade Receivables		19,386	1,917
Less: Provision for Impairment of Trade Receivables	27	(1,609)	(3,756)
<b>Total Trade and Other Receivables</b>		<b>17,777</b>	<b>(1,839)</b>

	Current	60+ Days	Total
Expected Loss Rate %	8.3%	8.3%	
Gross Carrying Amount	1,186	18,200	19,386
Loss Provision	98	1,510	1,609

### 27. Impairment Allowance - Trade Receivables

Movements in the impairment allowance for trade receivables for the year ended 31 March 2020 are as follows:

	NOTES	2020	2019
<b>Opening Provision for Impairment of Trade Receivables</b>			
At 1 April under IFRS 9		3,756	-
Restated Through Opening Retained Earnings		-	-
<b>Opening provision for impairment of trade receivables</b>		<b>3,756</b>	<b>-</b>
<b>Impairment Loss during the year</b>			
Impairment Loss Recognised in Profit or Loss	26	1,609	3,756
Impairment Loss Reversed in Profit or Loss		(3,756)	-
Receivable Written Off During the Year as Uncollectible		-	-
<b>Impairment Loss during the year</b>		<b>(2,147)</b>	<b>3,756</b>
<b>At 31 March</b>		<b>1,609</b>	<b>3,756</b>

### 28. Other Liabilities

	NOTES	2020	2019
Funds Owing to IRD as a Result of Fraud		-	555,054
Funds Owing to Other Parties as a Result of Fraud		-	239,215
<b>Total Other Liabilities</b>		<b>-</b>	<b>794,269</b>



	NOTES	2020	2019
<b>Reconciliation of Funds Owing to Parties as a Result of Fraud</b>			
Opening Balance		794,269	-
Funds Recognised as Owing to Parties as a Result of Fraud		-	966,339
Repayments Made		(555,054)	(172,070)
Amounts Written Off		(239,215)	-
<b>Total Reconciliation of Funds Owing to Parties as a Result of Fraud</b>		<b>-</b>	<b>794,269</b>

### Funds Owing to Parties as a Result of Fraud

During the 2019 year it was discovered that funds had been misappropriated in prior years totaling \$966,339.42. The misappropriated funds relate to money owing to the IRD for Dividend Withholding Tax (DWT) and Goods and Services Tax (GST) as well as other amounts owed for Lease Incentives, Management Fee/Opex Washups, Unclaimed Distributions, and Other Payments.

The liability put in place consists of the following:

- Core DWT owing to Inland Revenue of \$366,815. During the 2020 year the full amount owed was repaid to Inland Revenue.
- Core GST owing to Inland Revenue of \$360,309. During the 2020 year the full amount owed was repaid to Inland Revenue.
- Amounts owed to other parties for Lease Incentives, Management Fee/Opex Washups, Unclaimed Distributions, and Other Payments totaling \$239,215. During the 2020 year the Board approved the write off of this portion of the liability due to the nature of the amounts included (being a result of fraud) and the reasonable expectation that these amounts would not be paid.

	NOTES	2020	2019
<b>29. Issued Capital</b>			
4,065,452 - Ordinary Shares		4,065,452	4,065,452

At Balance Date the total number of shares on issue comprises 4,065,452 shares (prior year: 4,065,452) of \$1 each authorised, issued and fully paid shares, rating equally for dividends and other distributions.

The total number of authorised shares at balance date was 4,065,452 (prior year 4,065,452) of \$1 each. At balance date all authorised shares were issued and fully paid.

	NOTES	2020	2019
<b>30. Dividends Paid</b>			
<b>Cash Dividends Declared and Paid during the year</b>			
Interim Dividend for current year		1,088,373	-
Final Dividend for prior year		-	524,247
<b>Total Cash Dividends Declared and Paid during the year</b>		<b>1,088,373</b>	<b>524,247</b>
Dividend Per Share (cents)		27	13



### 31. Financial Instrument Risks

This note deals with exposures to interest rate, credit and liquidity risks arising in the normal course of the Group's business as follows:

#### Interest rate risk

Interest rate risk is the that movements in interest rates will affect the Groups performance. As the Group currently does not have any bank loans, risk associated with interest rates is considered low.

#### Credit risk

The Group in the normal course of business has credit risk from accounts receivable mainly for rent and bank balances. The Group manages bank balance credit risk through transacting only with major trading banks. The Group manages accounts receivable credit risk through accepting only reputable tenants and performing credit assessments prior to accepting the tenancy.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position. The fair value of each financial asset is the same as the carrying value.

#### Liquidity risk

The Group has repaid all its loans as at 31 March 2020, as such risk associated with liquidity is low due to liabilities primarily consisting of creditors only. Cashflow is managed to ensure that all creditors are met as and when they fall due.

#### Contractual Cash Flows (Principle and Interest)

2020	Statement of Financial Position	Total	<1 year	1-2 Years	2-5 Years	>5 Years
Trade and Other Payables	51,275	51,275	51,275			
Interest Bearing Liabilities	-	-	-	-	-	-
Total Financial Liabilites	51,275	51,275	51,275			





### Market risk

Market risk arises from the price risk from the Group's Investment Property. Investment Property that is not fully occupied, or that has not been appropriately positioned in the market will expose the Group to fair value risk and price risk. The Group looks to maintain a strategic refurbishment and leasing plan that is reasonable and achievable through the utilisation of specialist property management experience to ensure re-positioning opportunities that increase rental income across the Group are explored. The Groups properties are assessed at least once a year against several criteria to determine whether property should be sold or remain in the Group.

Apart from the risks detailed above, the Group has no other risks which require disclosure. No collateral is required in respect of financial assets.

### Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, retained earnings)

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents.

The debt-to-adjusted-capital ratios at 31 March 2020 and at 31 March 2019 were as follows:

	NOTES	2020	2019
<b>Debt to Adjusted Capital Ratio</b>			
Loans and Borrowings		-	18,898,636
Less: Cash and Cash Equivalents		(2,835,335)	(207,519)
Net Debt		-	18,691,118
Total Equity		23,942,099	26,747,751
Total Adjusted Capital		23,942,099	26,747,751
Debt to Adjusted Capital Ratio (%)		-	70



### 32. Related Parties

Investment Services Limited provides management services to the Group. All transactions conducted by the Group with Investment Services Limited are related party transactions as Michael Millar is a Director of Investment Services Limited. The Group paid Investment Services Limited \$125,386 (2019: \$175,279) in management fees and \$7,532 (2019: \$18,000) in property management fees during the year.

Investment Services Limited under its management agreement is entitled to be paid a fee equal to 5% of any capital gains realised on the sale of the property at any time. Following the sale of 110 Symonds Street, Auckland the Manager was paid \$450,000 being the 5% fee on the \$9,000,000 capital gain on 110 Symonds Street, Auckland.

Corvus Consulting Limited provided accounting and registry services to the Group. All transactions conducted by the Group with Corvus Consulting Limited are related party transactions as Paul Mephan is a Director of Corvus Consulting Limited. The Group paid Corvus Consulting Limited \$24,840 (2019: \$24,840) in accounting and registry fees during the year.

Gravtec Limited provides property management services to the Group. All transactions conducted by the Group with Gravtec Limited are related party transactions as Richard Eberlein is a Director of Gravtec Limited. The Group paid Gravtec Limited \$26,535.12 (2019: \$23,269.08) in property management fees during this period.

There were no amounts due to a related party as at the balance date.

At balance date the following investments, both direct and indirect, were held by the directors and the Manager:

Michael Millar (resigned 12 May 2020)	61,178 Shares
Damien Prendergast (appointed 7 May 2020)	108,692 Shares
Richard Eberlein	46,290 Shares
Investment Services Limited	280,997 Shares

### 33. Management Fees

A fee of 6.5% per annum of lease rentals was payable to the Investment Manager in the year ended 31 March 2020. The management agreement also provides for a performance fee of 5% of any gain arising from the sale of a property, at the current fair value assessment this is estimated to be \$27,000.



### 34. Group Information and Investment in Subsidiaries

The consolidated financial statements of the Group include:

Name	Principle Activity
<b>Parent</b>	
First NZ Properties Limited	Property investment and management
<b>Subsidiaries</b>	
Sheffield Crescent Property Limited	Property investment
Symonds110 Limited	Property investment

All group members are incorporated in New Zealand.

The ultimate controlling entity and parent company of the group is First NZ Properties Limited which owns 100% of each subsidiary company.

	NOTES	2020	2019
<b>Investments in Subsidiaries</b>			
Sheffield Crescent Property Limited		100	100
Symonds110 Limited		100	100
<b>Total Investments in Subsidiaries</b>		<b>200</b>	<b>200</b>

### 35. Contingent Assets and Contingent Liabilities

There are no Contingent Assets and Liabilities at year end (Last Year: \$Nil)

### 36. Capital Commitments

There are no capital commitments at year end (Last Year: \$Nil)



### 37. Subsequent Events

#### Covid-19

The impact of Covid 19 upon the commercial property market as a whole is yet to be completely seen and is very uncertain.

The Covid-19 outbreak and subsequent Level 4 and Level 3 lock down in April and May 2020 has affected the Group's tenants and revenue as follows:

- NZ Yarns at 15 Sheffield Crescent, Christchurch paid 30% rent for April 2020. 100% has been paid from May 2020 onward. The Group has had a revenue reduction of \$58,000 with no reduction to outgoings.

It is not yet known how future rents will be affected by the pandemic. Currently, tourism and high street retail are expected to see the most losses. Professional property valuers are not predicting substantial reductions in commercial property market values, however the failure of tenant businesses would put pressure on future rental incomes.

Notwithstanding the above, material valuation uncertainties remain until investment markets become active and subsequent transnational evidence demonstrates a trend in current pricing.

#### Purchase of 234 Rangitikei Street, Palmerston North

On 14 May 2020 the Group settled on the purchase of a property situated at 234 Rangitikei Street, Palmerston North for \$11,500,000, paid for with funds on hand from the sale of 110 Symonds Street.

	NOTES	2020	2019
<b>38. Earnings Per Share</b>			
<b>Reconciliation of those amounts used as the numerator to profit or loss</b>			
Profit for the year and earnings used in basic and diluted EPS		(1,717,279)	178,699
<b>Reconciliation of the weighted average of shares used as the denominator to profit or loss</b>			
Weighted average number of shares used in basic and diluted EPS		4,065,452	4,065,452
Basic and diluted earnings per share (cents)		(42)	4
	NOTES	2020	2019

### 39. Reconciliation of the Net Cash Flow from Operating Activities to Profit (Loss)

Net Profit / (Loss) After Tax		(1,717,279)	178,699
<b>Changes in Assets and Liabilities</b>			
(Increase) / Decrease in Accounts Receivable		373,519	(312,602)
Increase / (Decrease) in Accounts Payable		(106,210)	(216,479)
(Increase) / Decrease in Property Valuations		2,870,000	(276,368)
Increase / (Decrease) in GST Payable		(45,488)	3,500
(Increase) / Decrease in Income Tax		83,193	(326,081)
Increase / (Decrease) in Property Sinking Fund		-	(100,000)
Increase / (Decrease) in Impairment Allowance		(308,175)	966,339
Amortisation of lease Incentive		36,610	36,610
DWT Arrears Penalties and Interest Paid Classified as Financing Activities		(34,686)	330,042
Gain on Disposal of Investment Property		(492,182)	-
Non-current Liabilities Written Off		(239,215)	-
<b>Total Changes in Assets and Liabilities</b>		<b>2,137,365</b>	<b>104,960</b>
Net Cash Inflow / (Outflow) from Operating Activities		420,086	283,659



## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of First NZ Properties Limited

#### Opinion

We have audited the consolidated financial statements of First NZ Properties Limited and its controlled entities (the Group) on pages 6 to 36, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

#### Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, First NZ Properties Limited or any of its controlled entities.

#### Key Audit Matters

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

Key Audit Matter	How we addressed the Key Audit Matter
<b>Valuation of Investment Properties – Notes 19 to 22</b>	
The Group's Investment Properties were valued at \$9,340,000 (2019: \$12,210,000) which represented 38% of the total assets at 31 March 2020. A revaluation loss of	Our procedures included, but were not limited to, the following:

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\$2,870,000 was recognised in the consolidated statement of profit or loss and other comprehensive income (2019: \$276,368 gain)

We have included the valuation of the investment property as a key audit matter due to:

- The significance to the financial statements: the Investment Properties account for 38% of the total assets of the group (2019: 95%), making it a significant balance on the consolidated statement of financial position;
- The valuation of the Group's properties is based on a model that is complex and relies on various estimates and assumptions, such as capitalisation rates, comparable sales, current market rent and anticipated growth rates based on available market data;
- Due to COVID-19, severe community restrictions were in place as at 31 March 2020. These restrictions (and possible rental relief/losses) affected the real estate market with reduced liquidity and consequently reduced transactional evidence which required the valuers to include various uncertainty clauses in their reports.
- Assessed the valuation reports prepared by management's expert, including the methodology employed and key assumptions and estimates used. We reviewed the valuation reports for considerations of the impact of COVID-19 including any limitations of scope;
- Evaluated whether the expert had the necessary competence, capabilities and objectivity to undertake the valuations;
- Engaged our own external valuation specialist to critique and challenge the work performed by management's valuation expert, assumptions used and the appropriateness of the valuation methodology adopted.
- We considered the adequacy of the disclosures made in Notes 19 to 22, to the financial statements, which set out the key judgements and estimates. These notes explain that an estimation uncertainty exists and there has been an impact on the valuation of investment properties.

### **Information Other Than the Financial Statements and Auditor's Report**

The Directors are responsible for the other information. The other information comprises the information included in the Management Report & Market Commentary, Report of the Directors to the Shareholders and Approval of Financial Report on pages 3 to 5, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Directors' Responsibilities for the Consolidated Financial Statements**

The Directors are responsible on behalf of the entity for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the Directors

determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that are of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Restriction on Use**

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters 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 opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Ken Sandri

For and on behalf of:



**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

Dated at Nelson this 31st day of August 2020



# Directory

## First NZ Properties Limited For the year ended 31 March 2020

### Nature of Business

Commercial Property Investment

### Registered Office

Level 1  
3/237 Queen Street  
Richmond 7031

### Date of Incorporation

23 August 1995

### Incorporation Number

656559

### New Zealand Business Number

9429038569333

### IRD Number

065-072-920

### Directors

Craig Dennis (Chair) (Appointed 7 May 2020)  
David Penrose (Appointed 5 May 2020)  
Damien Prendergast (Appointed 7 May 2020)  
Michael Millar (Resigned 12 May 2020)  
Paul Mephan (Resigned 21 April 2020)  
Gillian Bishop (Appointed 14 April 2020) (Resigned 7 May 2020)

### Bankers

ANZ  
248 Trafalgar Street  
Nelson 7010

### Solicitors

Pitt & Moore  
66 Oxford Street  
PO Box 3101  
Richmond

### Auditors

Crowe New Zealand Audit Partnership  
72 Trafalgar Street  
Nelson

**Chartered Accountant**

RWCA Limited  
Level 3, 7 Alma Street, Buxton Square, Nelson 7010

**Investment Manager, Property Manager, Share Register, Secondary Market**

Investment Services Limited  
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