

Annual Report

Superstore Properties Limited
For the year ended 31 March 2021

Prepared by RWCA Limited

Contents

3	Report of the Directors to the Shareholders
7	Consolidated Statement of Profit or Loss and Other Comprehensive Income
8	Consolidated Statement of Changes in Equity
9	Consolidated Statement of Financial Position
10	Consolidated Statement of Cash Flows
11	Notes to the Consolidated Financial Statements
36	Auditor's Report
41	Directory
43	Directors' Interests Register

Report of the Directors to the Shareholders

On behalf of the Directors of Superstore Properties Limited we are pleased to present the 2021 Operating Results and Annual Report for the 12 months ended 31 March 2021.

Activities

The Company is involved in the Commercial property rental business.

Market Commentary and Management report

New Zealand's success at containing Covid-19 and facilitating a return towards normal levels of activity across most industry sectors, coupled with significant fiscal and monetary stimulus has led to a more material bounce back in the economy than previously forecast.

The uncertainty which surrounded the economy at the time meant that many of the country adopted a wait and see approach. The latter part of the year however saw consumer sentiment rebounding as the release of economic data supported projections of a 'V-shaped' recovery that was underpinned by historically low interest rates.

The first and most restricting lockdown saw many commercial tenants refusing to pay rents and opex in all parts of the country. We negotiated with our retail tenants and agreed 50% rent reduction for the months of April and May. The commercial office market has been severely affected by the pandemic, but the two investment properties in this syndicate benefit from having national retailing tenants. Our sympathetic ear during the worst times of the lockdown has so far proven to have been worthwhile, as the tenants have weathered the difficult times and have continued to pay full rent and opex for the remainder of the year. However, we must accept that the worldwide effects of the pandemic have severely affected supplies of products and that times are likely to continue to be difficult. Retail businesses were initially expected to suffer disproportionately. However, many have profited through expenditure that would otherwise have been on travel overseas. Some turnovers are reported to have increased, although the retail market has drifted more toward online purchases.

315-321 Cranford Street, Christchurch

Placemakers have occupied this site for many years and have a lease renewal in February 2022. We are currently in discussions with them as recent new arterial highway changes have affected the access to the property and their retailing market has changed to substantially more on-line and direct ordering, reducing their need for traditional retail floorspace.

The buildings have been the subject of significant repairs following the Earthquake events over ten years ago. Insurers have slowly effected repairs, but some works remain outstanding and we continue to press for completion.

483 Cameron Road, Tauranga

The Warehouse Ltd have also been on this site for many years. Their next renewal is due March 2025 with a rent review before then. Tauranga still presents a vibrant hub expanding through the drift of retirees from the Auckland suburbs.

The building is in generally good condition with a high NBS rating although some external redecoration works are becoming increasingly necessary.

Financial Information

The Company's Gross Rental Income this year was \$1,509,539 (2020 \$1,554,094).



Dividends

\$303,623 was paid in Dividends for the period ended 31 March 2021 (2020 \$1,004,738).

The net profit after tax was \$2,396,720 (2020 \$942,765). Part of this increase relates to the Fair Value Gain of \$1.7m on Investment Property.

Investment Properties

The investment properties are valued at \$23.65 million (2020 \$21.95m). Increases came from both properties, Cameron Road \$900k and Cranford Street \$800k.



The earnings per share have increased over the last three years and this year it is 114 cents (2020 45 cents).

Directors

The following Directors held office during the year ended 31 March 2021.

John Murray	(Appointed 28 September 2020)
Damien Prendergast	(Appointed 7 May 2020)
Craig Dennis	(Appointed 7 May 2020) (Resigned 28 September 2020)
David Penrose	(Appointed 5 May 2020) (Resigned 28 September 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

Directors' remuneration paid during the year ended 31 March 2021 totalled \$57,430. There were no other benefits received.

Remuneration of employees

No employees' remuneration exceeded \$100,000.

Auditors

Crowe Audit were reappointed as the Company's auditors.

Share purchases

There were no transactions between the company and the Directors during the year.

Review of the Year:**March onwards 2020**

- Covid 19 Lockdown.
- Borders closed and NZ in lockdown.

April 2020

- Paul Mephan stepped down from his CEO and Directors roles.
- Gillian Bishop appointed as a director.

May 2020

- Michael Millar and Gillian Bishop resign as Directors.
- Craig Dennis, David Penrose, and Damien Prendergast appointed as Directors.

July and August 2020

- Recovery of some funds relating to the fraud.

September 2020

- AGM in Nelson. Constitution changes to allow an ordinary resolution by shareholders to appoint or remove a director
- John Murray appointed as Director and Damien Prendergast re-appointed.
- Craig Dennis and David Penrose resigned as Directors.

November 2020

- 20 cents gross dividend per share declared – fully imputed.
- Independent review of legal issues undertaken by Duncan Cotterill resulting in Investment Services Limited (ISL) and others put on notice due to irregularities in the historic operation of the company. Draft statement of claim sent to ISL and others for consideration and feedback.

December 2020

- Vero declined to renew the Directors and Officers liability insurance policy.
- Proceedings against ISL and others lodged in the High Court.
- FSS Management Ltd (FSS) incorporated to continue utilising Richard Eberlein as the company property manager due to non-availability of P.I. and D&O insurance cover for the Company. Superstore owns 41% of FSS.
- Recovery of some funds relating to the fraud.

- Penrose Property Management withdrew its offer to manage the Company.
- ISL cancelled the Management Contract on 31 December 2020. Continued with the share registry until 30 June 2021.

January 2021

- FSS Management Ltd utilised to manage the Company. Paul Rosanowski engaged as Project Manager to provide transitional and operational support.

May 2021

- 10 cents gross dividend per share declared – fully imputed.

July 2021

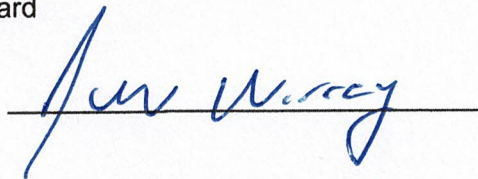
- Syndex take over the registry management from ISL.

August

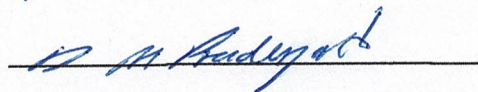
- Discovery for High Court proceedings to be available to each party for inspection.

For, and on behalf of, the Board

John Murray
Chair

A handwritten signature in blue ink, appearing to read "John Murray", is written over a horizontal line.

Damien Prendergast
Director

A handwritten signature in blue ink, appearing to read "Damien Prendergast", is written over a horizontal line.

13 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Superstore Properties Limited
For the year ended 31 March 2021

	NOTES	2021	2020
Income			
Gross Rental Income	8	1,509,539	1,554,094
Operating Income and (Expenses)			
Administrative Expenses	9	(358,958)	(245,628)
Other Operating Expenses	10	(27,220)	(9,814)
Impairment of Non-Current Assets	22	78,941	253,065
Fraudulent Liabilities Written Off	24	-	83,565
Total Operating Income and (Expenses)		(307,236)	81,188
Operating Profit		1,202,303	1,635,282
Financial Income and (Expenses)			
Finance Costs	11	(294,109)	(385,823)
Finance Income	12	485	2,071
Share of surplus / (loss) of associates, partnerships and joint ventures	12	(2,504)	-
Total Financial Income and (Expenses)		(296,128)	(383,753)
Profit Before Other (Expenses)/Income and Tax		906,175	1,251,529
Other (Expenses)/Income			
Fair Value Gain on Investment Property	17	1,700,000	(50,000)
Total Other (Expenses)/Income		1,700,000	(50,000)
Profit Before Tax		2,606,175	1,201,529
Income Tax Expense			
Tax Provision	13	(209,455)	(258,764)
Profit for the Year		2,396,720	942,765
Total Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Income for the Year, Net of Tax		2,396,720	942,765
	NOTES	2021	2020
Earnings per share			
Basic and diluted earnings per share (cents)	33	114	45

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

Consolidated Statement of Changes in Equity

Superstore Properties Limited
For the year ended 31 March 2021

	NOTES	2021	2020
Equity			
Issued Capital			
Share capital	25	2,095,000	2,095,000
Total Issued Capital		2,095,000	2,095,000
Retained Earnings			
Opening Balance		9,291,512	9,353,484
Increases			
Profit for the Period		2,396,720	942,765
Total Increases		2,396,720	942,765
Decreases			
Dividends Paid	26	303,623	1,004,738
Total Decreases		303,623	1,004,738
Total Retained Earnings		11,384,609	9,291,512
Total Equity		13,479,609	11,386,512

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

Consolidated Statement of Financial Position

Superstore Properties Limited

As at 31 March 2021

	NOTES	31 MAR 2021	31 MAR 2020
Assets			
Current Assets			
Cash and Bank	16	598,105	343,255
Trade and Other Receivables	23	2,203	2,303
Other Current Assets	23	38,403	-
Total Current Assets		638,711	345,558
Non-Current Assets			
Investment Property	17	23,650,000	21,950,000
Investments in Associates	23	38,496	-
Other Non-Current Assets	23	43,281	-
Total Non-Current Assets		23,731,777	21,950,000
Total Assets		24,370,488	22,295,558
Liabilities			
Current Liabilities			
Trade and Other Payables	23	70,507	61,428
GST Payable	23	24,652	26,237
Income Tax Payable	13	8,310	63,536
Loans	23	-	9,924,000
Total Current Liabilities		103,469	10,075,201
Non-Current Liabilities			
Loans	23	9,924,000	-
Deferred Tax Liability	14	863,409	833,845
Total Non-Current Liabilities		10,787,409	833,845
Total Liabilities		10,890,879	10,909,046
Net Assets		13,479,609	11,386,512
Equity			
Share Capital	25	2,095,000	2,095,000
Retained Earnings		11,384,609	9,291,512
Total Equity		13,479,609	11,386,512

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

Consolidated Statement of Cash Flows

Superstore Properties Limited
For the year ended 31 March 2021

	NOTES	2021	2020
Operating Activities			
Receipts from Customers		1,427,855	1,554,094
Payments to Suppliers		(375,161)	(241,163)
Interest, Dividend and Investment Income		485	2,071
Finance Costs		(296,091)	(463,967)
Income Tax Refunded / (Paid)		(235,116)	(116,820)
Net GST Received / (Paid)		(716)	1,820
Net Cash Flows from Operating Activities	34	521,256	736,034
Investing Activities			
Payment for investments		(41,000)	-
Net Cash Flows from Investing Activities		(41,000)	-
Financing Activities			
Dividends Paid		(304,346)	(1,005,180)
DWT Arrears Paid		-	(107,953)
DWT Arrears Penalties and Interest (Paid) / Refunded		-	358,103
Fraud Recovery		78,941	253,065
Net Cash Flows from Financing Activities		(225,405)	(501,965)
Net Cash Flows		254,850	234,069
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period		343,255	109,185
Cash and Cash Equivalents at End of Period		598,105	343,255
Net Change in Cash for Period		254,850	234,069

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

Superstore Properties Limited For the year ended 31 March 2021

1. Reporting Entity

These consolidated financial statements ("the financial statements") of Superstore Properties Limited ("the Company") and its Subsidiaries (collectively "the Group") for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 11 August 2021.

Superstore 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 Investment Property.

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 2021.

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, its Subsidiaries and its Associates as at 31 March 2021.

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.

Associates are those entities the Company holds significant influence over but does not exercise full control over. The Company reports its proportionate share of the Associate's equity as an investment (at cost), the net profit of the Associate as investment income and dividends paid out by the Associate using the equity 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.

Income generated from rate charge expenses recovered from tenants is netted off against the related expense, in the accounting period the underlying expenses are incurred. The Group is considered to be an agent for these expenses as amounts collected on behalf of third parties are not economic benefits which flow to the Group.

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 the 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.

Beginning 1 April 2020 IRD increased commercial building depreciation from 0% to 2% diminishing value or 1.5% straight line, any commercial buildings depreciated in prior years are required to now depreciate for tax purposes again. Commercial buildings that have not been depreciated for tax purposes in prior years have the option to be depreciated or not.

Both 319 Cranford Street and 483 Cameron Road have been depreciated for tax purposes in prior years and are required to be depreciated from 1 April 2020 for tax purposes. From 1 April 2020 both properties have been depreciated at 2% diminishing value.

The following tax depreciation rates have been used for the Investment Properties.

Category	Tax Depreciation Method	Tax Depreciation Rate
319 Cranford Street	Diminishing Value	2% (2020: 0%)
483 Cameron Road	Diminishing Value	2% (2020: 0%)

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, 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 its 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 IAS 1 Presentation of Financial Statements* was 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* was 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.

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.

There has been no impact on earnings per share as a result of the change in accounting policies.

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.

There are no new and amended standards and interpretations issued but not yet adopted that management have considered will have any impact on the Group.

6. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgement, 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 judgments 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.

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

Misappropriated Funds

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

Once knowledge of the fraud became known, Directors of Investment Services Limited 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) as well as other amounts owed for Unclaimed Distributions and Other Payments.

During the years ended 31 March 2019 and 31 March 2020 the Group paid the full \$710,065.50 core tax debt owing to IRD. All penalties and interest charges paid on the money owed were remitted by IRD and refunded 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 \$83,565, as it was determined that these amounts were unlikely to be paid as the legitimacy of the transactions were not able to be confirmed.

High Court Proceedings

In December 2020 proceedings were issued in the High Court (Nelson registry) against Michael Millar, Investment Services Limited and Paul Mephan. The proceedings are at a preliminary stage. The claims relate to the fraud and undisclosed payments made to Investment Services Limited. The claims alleged against Michael Millar and Paul Mephan are for breaches of their director's and fiduciary duties and are alleged against Investment Services Limited for fraud, in negligence and for breach of contract.

The total value of the claims is in excess of \$475,000. It is likely that the claims will be amended following the exchange of documentation.

The defendants have filed statements of defense denying the claims. In addition, Investment Services Limited has counterclaimed for losses suffered because of the Group's alleged repudiation of the management agreement totaling \$366,666 plus interest and costs. A defence to that counterclaim has been filed denying any repudiation.

There has been initial disclosure of the documentation relied on for the preparation of the claims and defenses. The lawyers representing the defendants have agreed that given the factual and legal commonality of the proceedings also issued by First NZ Properties Limited and Springs Road Property Limited at the same time that they should be consolidated and dealt with together. It has also been agreed that the discovery of documentation process, and the inspection of documents will be completed by 1 October 2021. The High Court will review the case on 12 October 2021.

The group has engaged Duncan Cotterill for legal support and Beattie Varley as independent expert accountants to review the claims and the quantum of those claims.

The litigation is ongoing and will continue into the next financial year.

	NOTES	2021	2020
8. Revenue			
Gross Rental Income			
Rental Income		1,530,409	1,574,964
Lease Incentives		(20,870)	(20,870)
Total Gross Rental Income		1,509,539	1,554,094
Total Revenue		1,509,539	1,554,094

	NOTES	2021	2020
9. Administrative Expenses			
Accounting and Registry		20,200	26,494
Audit		26,061	16,260
Insurance		3,213	8,220
Legal Expenses		99,414	20,692
Management Fees		147,343	165,000
Sundry Expenses		1,824	1,945
Directors' Fees	28	57,430	-
Licences & Registrations		324	367
Valuation Fees		3,150	6,650
Total Administrative Expenses		358,958	245,628

	NOTES	2021	2020
10. Other Operating Expenses			
Non-Recoverable Opex		27,220	9,814
Total Other Operating Expenses		27,220	9,814

	NOTES	2021	2020
11. Finance Costs			
Interest on Loans		294,109	385,823
Total Finance Costs		294,109	385,823

	NOTES	2021	2020
12. Investment Income			
Finance Income			
Interest Received		485	2,071
Total Finance Income		485	2,071

Share of surplus / (loss) of associates, partnerships and joint ventures

Investment Income - FSS Management Limited	(2,504)	-
Total Share of surplus / (loss) of associates, partnerships and joint ventures	(2,504)	-
Total Investment Income	(2,019)	2,071

13. Income Tax

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

	NOTES	2021	2020
Components of Income Tax Expense			
Current Taxation		179,891	180,150
Deferred Taxation		29,564	78,614
Total Income Tax Expense		209,455	258,764
	NOTES	2021	2020

Income Tax Expense

Income Tax Expense			
Current Tax		179,891	180,150
Deferred Tax		29,564	78,614
Total Income Tax Expense		209,455	258,764
Reported Income			
Profit Before Tax from Continuing Operations		906,175	1,251,529
Profit Before Tax from Discontinued Operations		-	-
Total Reported Income		906,175	1,251,529
Less: Non-assessable income			
Non-taxable income		(2,504)	-
Total Less: Non-assessable income		(2,504)	-
Taxable Profit / (Loss)		908,679	1,251,529
At Effective Income Tax Rate of 28%		254,430	350,428
Increase/(Decrease) in Income Tax Due to:			
Non-Deductible Expenses		-	2,595
Rental Rebates to be Amortised Over Remaining Lease Periods		(22,872)	-
Impairment of Accrued Fraud Recovery		(22,104)	(70,860)
Write off of Funds Owing to Parties as a Result of Fraud		-	(23,399)
Total Increase/(Decrease) in Income Tax Due to:		(44,975)	(91,664)
Tax Expense		209,455	258,764
Reported as			
Income Tax Reported in Profit or Loss		209,455	258,764
Income Tax Attributable to Discontinued Operations		-	-
Income Tax Expense / (Income)		209,455	258,764

	NOTES	2021	2020
Income Tax Payable / (Receivable)			
Income Tax Payable / (Receivable)			
Opening Balance		63,536	206
Current Tax Expense		209,455	258,764
Deferred Tax Movement		(29,564)	-
Losses Brought Forward		-	(78,614)
Tax Paid			
Income Tax Paid		(237,917)	(117,005)
RWT Paid		(9)	(39)
Tax Refunds Received		2,810	225
Total Tax Paid		(235,116)	(116,820)
Total Income Tax Payable / (Receivable)		8,310	63,536

	NOTES	2021	2020
14. Deferred Tax Assets & Liabilities			

Deferred Tax Assets

Opening Balance	-	78,614
Future benefit of tax losses	-	(78,614)
Total Deferred Tax Assets	-	-

Deferred Tax Liabilities

Opening Balance	833,845	833,845
Deferred tax	29,564	-
Total Deferred Tax Liabilities	863,409	833,845

	NOTES	2021	2020
Deferred Tax Arises From			

Tax Asset Base

Income Tax Losses Carried Forward	-	-
Total Tax Asset Base	-	-

Deferred Tax @ 28%

- -

Tax Liability Base

Incremental Depreciation for Tax Purposes	3,083,604	2,978,018
Total Tax Liability Base	3,083,604	2,978,018

Deferred Tax @ 28%

863,409 833,845

	NOTES	2021	2020
15. Imputation Credit Account			
Imputation Credit Account			
Opening Balance		117,082	262
Increases			
Income Tax Paid		237,917	117,006
Resident Withholding Tax Paid		9	39
Imputation Credits on Dividends Received		-	-
Total Increases		237,926	117,045
Decreases			
Imputation Credits Attached to Dividends		108,251	-
Income Tax Refund		2,810	225
Total Decreases		111,061	225
Closing Balance		243,948	117,082

	NOTES	2021	2020
16. Bank and Cash Balances			
Cash at Bank		598,105	343,255
Total Bank and Cash Balances		598,105	343,255

	NOTES	2021	2020
17. Investment Property			
Investment Property			
Opening Balance		21,950,000	22,000,000
Net Change in Fair Value		1,700,000	(50,000)
Total Investment Property		23,650,000	21,950,000
Total Investment Property		23,650,000	21,950,000

18. Lease Agreement Terms

The Group's two leases have the following terms:

Tauranga - The Warehouse

- 10.5 year term expiring March 2025.
- Three rights of renewal of four years each.
- Three yearly rent reviews based on lesser of current market rental or CPI, and encompassing a ratchet clause.

Christchurch - Placemakers

- Nine year term expiring February 2022.
- Three rights of renewal of six years each.
- Three yearly rent reviews based on current market rentals and encompassing a ratchet clause.

19. 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	2021	2020
Minimum Lease Income			
Less than 1 year		1,418,146	1,518,614
2 to 5 years		2,659,208	4,063,699
5 + years		-	-
Total Minimum Lease Income		4,077,354	5,582,313

20. Valuations

Investment Property comprises two bulk retail buildings, one at Cameron Road, Tauranga occupied by The Warehouse and the second at Cranford Street, Christchurch occupied by Placemakers. The properties are currently leased under the terms and to the tenants disclosed in Note 18. They have been provided as security for the borrowings referred to in Note 23.

The Investment Properties are measured at fair value and were valued as at 31 March 2021 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 Properties is summarised as follows:

	Cameron Road	Cranford Street
Purpose	Financial reporting	Financial reporting
Amount of valuation	\$14,400,000 (2020: \$13,500,000)	\$9,250,000 (2020: \$8,450,000)
Valuer	Colliers International	Colliers International
Basis of valuation	The determination of the values stated were market value subject to existing tenancies and occupational arrangements.	The determination of the values stated were market value subject to existing tenancies and occupational arrangements.
Assessment approach	Discounted cash flow Capitalisation approach	Discounted cash flow Capitalisation approach
Vacancy rate	Nil (2020: Nil)	Nil (2020: Nil)
Weighted average lease term	4 years (2020: 5 years)	.85 years (2020: 1.85 years)
Rental value per square metre	\$2,851 (2020: \$2,673)	\$2,122 (2020: \$1,938)
Capitalisation rate	6% (2020: 6.5%)	6.75% (2020: 7.5%)
Discount rate	6.75% (2020: 6.75%)	7.75% (2020: 8%)
Terminal yield	6.75% (2020: 7.25%)	7.5% (2020: 8.25%)
Net market rent	\$857,830 (2020: \$857,830)	\$642,891 (2020: \$650,176)
Net passing rent	\$864,783 (2020: \$864,783)	\$642,891 (2020: \$625,236)

The valuations reflect 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 properties. The valuations also assume on expiry of the current lease terms the Group will be able to re-tenant the properties at or above market rates. The valuations assume the buildings meet the minimum seismic ratings requirements and that no capital expenditure is required on earthquake strengthening.

Cranford Street requires repairs to its floor due to cracks. The costs of any repairs to the floor will be covered under an insurance claim.

The valuations assume no future lockdowns and Covid rental rebates.

The fair value measurement for the Investment Properties has been categorised as a Level 3 fair value (refer to Note 4) based on the inputs to the valuation technique used being based on unobservable inputs.

The following table outlines the valuation techniques measuring fair value of the Investment Properties, 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
Discounted cash flow approach 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.	Discount rates of 6.75% and 7.75% Terminal yields of 6.75% and 7.5% at the end of the 10 year period Assessed market rentals of \$857,830 and \$642,891	The discount rate was lower/(higher) by .25% the valuations would increase / (decrease) by \$249,000 and \$173,000 The terminal yield was lower/(higher) by 0.25%, the valuation would increase / (decrease) by \$293,000 and \$162,000 The assessed market rental was higher/(lower) by 1%, the valuations would increase / (decrease) by \$143,000 and \$105,000
Capitalisation approach 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.	Net rental income has been capitalised in perpetuity at capitalisation rates of 6% and 6.75% Assessed market rentals of \$864,783 and \$625,236	The capitalisation rate in perpetuity was lower/(higher) by 0.25%, the valuations would increase / (decrease) by \$279,000 and \$448,000 The assessed market rental was higher/(lower) by 1%, the valuations would increase / (decrease) by \$132,000 and \$87,000

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 judgmental combination of both the Capitalisation and the Discounted Cash Flow approaches.

	NOTES	2021	2020
21. Other Non-Current Assets			
Accrued Fraud Recovery		461,624	540,565
Less: Provision for Impairment of Accrued Fraud Recovery	22	(461,624)	(540,565)
Accrued Fraud Recovery - Net		-	-

During the 2019 year it was discovered that funds had been misappropriated in prior years totalling \$793,631. The misappropriated funds relate to money owing to the IRD for Dividend Withholding Tax (DWT) as well as other amounts owed for 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 2021 year with \$78,941 (2020: \$253,065) 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 2021 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.

22. Impairment Allowance

Movements in the impairment allowance for accrued fraud recovery for the year ended 31 March 2021 are as follows:

	NOTES	2021	2020
Opening Impairment Allowance of Accrued Fraud Recovery			
At 1 April under IFRS 9		540,565	793,631
Restated Through Opening Retained Earnings		-	-
Opening Impairment Allowance of Accrued Fraud Recovery		540,565	793,631
Impairment Loss during the year			
Increase / (Decrease) during the year	21	(78,941)	(253,065)
Impairment Loss during the year		(78,941)	(253,065)
At 31 March		461,624	540,565
	NOTES	2021	2020

23. Summary of Financial Instruments

Financial Assets at amortised cost

Current

Bank & Cash	598,105	343,255
Trade and Other Receivables		
Prepayments	2,203	2,303
Trade Receivables - Net	2,203	2,303
Rent Rebates (Current)	38,403	-
Total Current	638,711	345,558

Non-current

Rent Rebates (Non-Current)	43,281	-
Investment in Associates		
FSS Management Limited	38,496	-
Total Investment in Associates	38,496	-
Total Non-current	81,777	-

Total Financial Assets at amortised cost

720,488 345,558

Financial Liabilities at amortised cost

Current

Trade and Other Payables	70,507	61,428
GST Payable	24,652	26,237
Total Current	95,159	87,665

Interest-bearing Loans & Borrowings

Current Interest-bearing Loans & Borrowings	-	9,924,000
Non-current Interest-bearing Loans & Borrowings	9,924,000	-
Total Interest-bearing Loans & Borrowings	9,924,000	9,924,000

Total Financial Liabilities at amortised cost

10,019,159 10,011,665

ANZ Bank repayment terms - terminating 31 October 2022 with floating interest. 24 monthly repayments of interest only will be made commencing 1 month following the new facility drawdown of the loan dated 12 October 2020, each amounting to the total of all daily interest charges for the relevant monthly period. The daily interest charge is calculated on the closing balance of the loan account each day at the applicable interest rate based in a 365 day year.

One final payment of \$9,924,000 will be made on the last day of the term of the loan plus interest on all daily balances from the date on which interest was last debited through to the date of this payment, calculated at the applicable interest rate based on a 365 day year.

Security Held for Loans

The loan is secured by the following:

Cross guarantee and Indemnity between Superstore Properties Limited, Cranford Street Properties Limited, Cameron Road Properties Limited

Registered first ranking Mortgage over 319 Cranford Street, Christchurch by Cranford Properties Limited;

Registered first ranking Mortgage over 483 Cameron Road, Tauranga by Cameron Road Properties Limited;

Registered first ranking General Security Agreement over all the present and after acquired property of Superstore Properties Limited;

Registered first ranking General Security Agreement over all the present and after acquired property of Cranford Street Properties Limited;

Registered first ranking General Security Agreement over all the present and after acquired property of Cameron Road Properties Limited.

	NOTES	2021	2020
24. Other Liabilities			
Funds Owning to Other Parties as a Result of Fraud		-	-
Total Other Liabilities		-	-

	NOTES	2021	2020
Reconciliation of Funds Owning to Parties as a Result of Fraud			
Opening Balance		-	191,518
Funds Recognised as Owning to Parties as a result of Fraud		-	-
Repayments Made		-	(107,953)
Amounts Written Off		-	(83,565)
Closing Balance		-	-

During the 2019 year it was discovered that funds had been misappropriated in prior years totaling \$793,631. The misappropriated funds relate to money owing to the IRD for Dividend Withholding Tax (DWT) as well as other amounts owed for Unclaimed Distributions, and Other Payments.

The liability put in place consists of the following:

- Core DWT owing to Inland Revenue of \$710,066. During the 2019 & 2020 the full amount owed was repaid to IRD.
- Amounts owed to other parties for Unclaimed Distributions and Other Payments totaling \$83,565. 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	2021	2020
25. Issued Capital			
2,095,000 - Ordinary Shares		2,095,000	2,095,000

The total number of shares on issue at balance date comprises 2,095,000 (prior year 2,095,000) shares of \$1 each authorised, issued and fully paid, rating equally for dividends and other distributions.

The total number of authorised shares at balance date was 2,095,000 (prior year 2,095,000) of \$1 each. At balance date all authorised shares were issued and fully paid.

	NOTES	2021	2020
26. Dividends Paid			
Cash Dividends Declared and Paid During the Year			
Interim Dividend for Current Year		303,623	1,004,738
Final Dividend for Prior Year		-	-
Total Cash Dividends Declared and Paid During the Year		303,623	1,004,738
Dividend Per Share (Cents)		14	48

27. 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 that movements in interest rates will affect the companies' performance. The Group has interest rate risk through its bank loans. Loans are subject to floating interest rates. The Group continually reviews these rates and may use interest rate derivatives to manage this risk.

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. At balance date there were no significant concentrations of credit risk.

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

If the Group were put in the position of having to repay its bank loan at short notice it would first enter into negotiations with its bank to renegotiate terms failing which the Group would look to sell its Investment Property. However, this is unlikely to make funds available immediately. Cashflow is managed to ensure that all creditors are met as and when they fall due.

Contractual Cash Flows (Principle and Interest)

2021	Statement of Financial Position	Total	<1 Year	1-2 Years	2-5 Years	>5 Years
Trade and Other Payables	95,159	95,159	95,159	-	-	-
Interest bearing Liabilities	9,924,000	10,389,104	293,750	10,095,354	-	-
Total Financial Liabilities	10,019,159	10,484,263	388,909	10,095,354	-	-

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 Group's 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, and revaluation reserve).

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 2021 and at 31 March 2020 were as follows:

	NOTES	2021	2020
Debt to Adjusted Capital Ratio			
Loans and Borrowings		9,924,000	9,924,000
Less: Cash and Cash Equivalents		(598,105)	(343,255)
Net Debt		9,325,895	9,580,745
Total Equity		13,479,609	11,386,512
Total Adjusted Capital		13,479,609	11,386,512
Debt to Adjusted Capital Ratio (%)		69	84

28. Related Parties

Investment Services Limited provided management services to the Group until 31 December 2020. 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 \$133,583 (2020: \$165,000) being \$123,750 for Management Fees, \$4,140 for Accountancy Fees and \$5,692 for Registry Fees during the year. At balance date the Group owed Investment Services Limited \$1,785. Investment Services Limited is a current shareholder. No additional shares were purchased during the year and dividends were received as per all other shareholders.

Michael Millar is a Director of Investment Services Ltd and was a Director of Superstore Properties Ltd (resigned 12 May 2021). He is a current shareholder. No additional shares were purchased during the year and dividends were received as per all other shareholders.

Gillian Bishop was a Director of First NZ Properties Ltd (appointed 14 April 2020 and resigned 7 May 2020). She is not a shareholder of the Group.

Corvus Consulting Limited provided accounting and registry services to the Group until 30 April 2020. 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 \$1,190 (2020: \$24,840) in accounting and registry fees during the year.

Paul Mephan was a Director of Superstore Properties Ltd and ceased being so on 21 April 2020, he was also the Manager of Investment Services Ltd and ceased being so in April 2020. He is not a shareholder of the Group.

FSS Management Ltd (FSS) provided Management Services to the Group from 1 January 2021. All transactions conducted by the Group with FSS are related party transactions as the Group is a Shareholder of FSS holding 41% of the shares. The Group paid FSS \$23,593 in management fees for the year, the Group also advanced \$41,000 to FSS Management for start-up capital and as an associate of the Group the net income of FSS has been recognised as investment income by the Group in proportion to the Groups' shareholding in FSS.

Gravtec Limited provided 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 \$0 (2020: \$2,131) in property management fees during this period.

Richard Eberlein is a shareholder of Superstore Properties Ltd and is an employee (Property Manager) of FSS from 15 December 2020. FSS paid wages to Richard Eberlein for the period to 31 March 2021. He is a current shareholder. No additional shares were purchased during the year and dividends were received as per all shareholders.

John Murray (Empowered Business Solutions) is an independent director of the Group, appointed on 28 September 2020. He is not a shareholder of the Group. He is paid directors fees of \$40,898 for the year. At balance date the Group owed John \$1,768. All transactions between the Group and John are related party transactions. The Group entered into a deed of indemnity with John under which the Group gives certain indemnities in favour of John. As the Group was unable to obtain a renewal of its Directors' and Officers' liability insurance, it (or its wholly owned subsidiaries) provided a guarantee of the Group's obligations under the deed of indemnity in favour of John and that was supported by an unregistered second ranking mortgage in favour of John. The Group and John entered into a deed of postponement with ANZ Bank New Zealand Limited (ANZ) under which ANZ consented to the granting of the second ranking mortgage in return for John agreeing to postpone certain rights as mortgagee. John is also a director of FSS, which is partially owned by the Group, and the Group and FSS entered into a management agreement under which FSS provides certain management services to the Group. The Group and FSS are also parties to a shareholders' agreement in respect of FSS.

Damien Prendergast is a director of the Group appointed 7 May 2020 and was re-appointed on 28 September 2020. All transactions conducted by the Group with Damien Prendergast are related party transactions. The Group paid Damien Prendergast directors fees of \$11,275 during the year. At balance date the Group owed Damien \$5,125. He is a current shareholder through his company A&J Enterprises (2006) Ltd. No additional shares were purchased during the year and dividends were received as per all shareholders. The Group entered into a deed of indemnity with Damien under which the Group gives certain indemnities in favour of Damien. As the Group was unable to obtain a renewal of its Directors' and Officers' liability insurance, it (or its wholly owned subsidiaries) provided a guarantee of the Group's obligations under the deed of indemnity in favour of Damien and that was supported by an unregistered second ranking mortgage in favour of Damien. The Group and Damien entered into a deed of postponement with ANZ Bank New Zealand Limited (ANZ) under which ANZ consented to the granting of the second ranking mortgage in return for Damien agreeing to postpone certain rights as mortgagee. Damien is also a director of FSS, which is partially owned by the Group, and the Group and FSS entered into a management agreement under which FSS provides certain management services to the Group. The Group and FSS are also parties to a shareholders' agreement in respect of FSS.

Craig Dennis was a director of the Group from 7 May 2020 until 28 September 2020. All transactions conducted by the Group with Craig Dennis are related party transactions. The Group paid Craig Dennis directors fees of \$5,257 during the year. The Group entered into a deed of indemnity with Craig under which the Group gives certain indemnities in favour of Craig. As the Group was unable to obtain a renewal of its Directors' and Officers' liability insurance, it (or its wholly owned subsidiaries) provided a guarantee of the Group's obligations under the deed of indemnity in favour of Craig and that was supported by an unregistered second ranking mortgage in favour of Craig. The Group and Craig entered into a deed of postponement with ANZ Bank New Zealand Limited (ANZ) under which ANZ consented to the granting of the second ranking mortgage in return for Craig agreeing to postpone certain rights as mortgagee.

Paul Rosanowski is an employee of FSS (Project Manager). FSS paid wages to Paul Rosanowski for the period to 31 March 2021. All transactions conducted by the Group with Paul Rosanowski are related party transactions. He is not a shareholder of the Group.

Kathryn Brownlie is an employee of Investment Services Ltd and FSS. FSS paid wages to Kathryn Brownlie for the period to 31 March 2021. All transactions conducted by the Group with Kathryn Brownlie are related party transactions. She is a current shareholder. No additional shares were purchased during the year and dividends were received as per all shareholders.

David Penrose was a director of Superstore Properties Limited and CEO of Investment Services Ltd. He resigned as a director 28 September 2020 and stood down as CEO of Investment Services Ltd on 15 December 2020. All transactions conducted by the Group with David Penrose are related party transactions. He is a director of Penrose Property Management Ltd who were contracted to Investment Services Ltd to manage the operations of The Group. There were no financial benefits during the year.

At balance date the following investments, both direct and indirect, were held by the Directors and the Managers:

Michael Millar (resigned 12 May 2020)	12,000 Shares
Damien Prendergast (appointed 7 May 2020)	307,000 Shares
Richard Eberlein	14,500 Shares
Kathryn Brownlie	14,500 Shares
Investment Services Limited	400,000 Shares

29. Group Information and Investment in Subsidiaries

The consolidated financial statements of the group include:

Name	Principle Activity
Parent	
Superstore Properties Limited	Property investment and management
Subsidiaries	
Cranford Street Properties Limited	Property investment
Cameron Road Properties Limited	Property investment
Associates	
FSS Management Limited	Business management services

All group members are incorporated in New Zealand.

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

All subsidiaries are wholly owned, have a principal activity of being property owning companies and have a balance date of 31 March.

FSS Management Limited is an Associate of First NZ Properties Limited, First NZ Properties Limited holds a 41% shareholding in FSS Management Limited.

	NOTES	2021	2020
Investments in Subsidiaries & Associates - Shareholding (%)			
Cranford Street Properties Limited		100	100
Cameron Road Properties Limited		100	100
FSS Management Limited		41	-

Investment in Associate - FSS Management Limited

The Group has a 41% interest in FSS Management Limited, which is involved in the business management of commercial property investment companies. FSS Management Limited is a private entity that is not listed on any public exchange. The Group's interest in FSS Management Limited is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Groups investment in FSS Management Limited:

	NOTES	2021	2020
Summarised Financial Information (Statement of Financial Position) - FSS Management Limited			
Statement of Financial Position			
Current Assets		107,244	-
Non-Current Assets		6,484	-
Current Liabilities		(19,836)	-
Non-Current Liabilities		-	-
Equity		93,892	-

	NOTES	2021	2020
Group's Carrying Amount of Investment			
Group's Share in Equity - 41%		38,496	-
Goodwill		-	-
Group's Carrying Amount of Investment		38,496	-

	NOTES	2021	2020
Summarised Financial Information (Statement of Profit or Loss) - FSS Management Limited			
Statement of Profit or Loss			
Revenue From Contracts With Customers		61,312	-
Operational Costs		(39,805)	-
Administrative Expenses		(27,615)	-
Profit / (Loss) Before Tax		(6,108)	-
Profit / (Loss) for the Year (Continuing Operations)		(6,108)	-
Total Comprehensive Income for the Year (Continuing Operations)		(6,108)	-
Group's Share of Profit / (Loss) for the Year		(2,504)	-

The associate had non contingent liabilities or capital commitments as at 31 March 2021.

30. Contingent Assets and Contingent Liabilities

The Group entered into a deed of indemnity with John Murray, Damien Prendergast & Craig Dennis under which the Group gives certain indemnities in favour of John, Damien & Craig. As the Group was unable to obtain a renewal of its Directors' and Officers' liability insurance, it (or its wholly owned subsidiaries) provided a guarantee of the Group's obligations under the deed of indemnity in favour of John, Damien & Craig and that was supported by an unregistered second ranking mortgage in favour of John, Damien & Craig. The Group, John, Damien & Craig entered into a deed of postponement with ANZ Bank New Zealand Limited (ANZ) under which ANZ consented to the granting of the second ranking mortgage in return for John, Damien & Craig agreeing to postpone certain rights as mortgagee.

31. Capital Commitments

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

32. Subsequent Events

The Directors resolved in April 2021 to declare a gross dividend to shareholders of 10 cents per share.

	NOTES	2021	2020
33. Earnings Per Share			
Reconciliation of those amounts used as the numerator to profit or loss			
Profit for the year and earnings used in basic and diluted EPS		2,396,720	942,765
Reconciliation of the weighted average of shares used as the denominator to profit or loss			
Weighted average number of shares used in basic and diluted EPS		2,095,000	2,095,000
Basic and diluted earnings per share (cents)		114	45
	NOTES	2021	2020

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

Net Profit / (Loss) after Tax	699,224	909,200
Changes in Assets and Liabilities		
(Increase) / Decrease in Accounts Receivable	100	361,433
Increase / (Decrease) in Accounts Payable	9,079	(66,103)
Increase / (Decrease) in GST Payable	(1,585)	286
(Increase) / Decrease in Income Tax	(24,937)	225,951
Increase / (Decrease) in Impairment Allowance	(78,941)	(253,065)
DWT Arrears Penalties and Interest Classified Under Financial Activities	-	(358,103)
Non-Current Liabilities Written Off	-	(83,565)
(Increase) / Decrease in Rental Rebates to be Amortised Over Remaining Lease Periods	(81,684)	-
Total Changes in Assets and Liabilities	(177,968)	(173,166)
Net Cash Inflow / (Outflow) from Operating Activities	521,256	736,034

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Superstore Properties Limited

Opinion

We have audited the consolidated financial statements of Superstore Properties Limited (the Company) and its controlled entities (the Group) on pages 7 to 35, which comprise the consolidated statement of financial position as at 31 March 2021, 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 2021, 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. 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, Superstore 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
Valuation of Investment Property – Notes 17 to 20	
<p>The Group's Investment Properties were valued at \$23,650,000 (2020: \$21,950,000) which represented 97% of the total assets at 31 March 2021. A revaluation surplus of \$1,700,000 was recognised in the consolidated statement of profit or loss and other comprehensive income (2020: \$50,000 loss)</p> <p>We have included the valuation of the investment property as a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ The significance to the financial statements: the Investment Properties account for 97% of the total assets of the group (2020: 98%), 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; 	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ 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 continued 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 17 to 20 to the financial statements, which set out the key judgements and estimates.

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 Report of the Directors to the Shareholders, Directory and Directors' Interest Register on pages 3 to 6 and 41 to 45 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 Group 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.

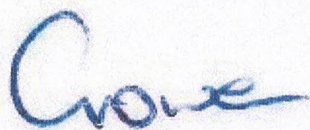
From the matters communicated with the Directors, we determine those matters that are of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public 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 Group's Shareholders, as a body. Our audit has been undertaken so that we might state to the Group'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 Group and the Group'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 13th day of August 2021

Directory

Superstore Properties Limited For the year ended 31 March 2021

Nature of Business

Commercial Investment Property

Registered Office

197 Bridge Street
Nelson 7010

Date of Incorporation

25 January 1999

Incorporation Number

942750

New Zealand Business Number

9429037675127

IRD Number

071-404-544

Directors

John Murray (Appointed 28 September 2020)
Damien Prendergast (Appointed 7 May 2020)
Craig Dennis (Appointed 7 May 2020) (Resigned 28 September 2020)
David Penrose (Appointed 5 May 2020) (Resigned 28 September 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

Duncan Cotterill
197 Bridge Street
Nelson 7010

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

FSS Management Limited
Unit 1, 126 Tahunanui Drive
Tahunanui
Nelson 7011

Share Register, Secondary Market

Investment Services Limited
L1, 3/237 Queen Street
P O Box 3637 Richmond
Nelson 7050
Phone (03) 544 2005
Fax (03) 544 2300

Directors' Interests Register

Full name of director	Nature of interest	Value/extent of interest	Date disclosed
Damien Prendergast	Damien in his personal capacity entered into a deed of access, indemnity and insurance with the Company.	The deed of indemnity indemnifies Damien against any liability incurred by Damien as an officer of the Company other than liability to the Company or a related body corporate, liability arising out of conduct involving lack of good faith or if the indemnity is prohibited by statutory provision. The deed also grants Damien access to documents and information relating to the Company.	6 May 2020
Craig Dennis	Craig in his personal capacity entered into a deed of access, indemnity and insurance with the Company.	The deed of indemnity indemnifies Craig against any liability incurred by Craig as an officer of the Company other than liability to the Company or a related body corporate, liability arising out of conduct involving lack of good faith or if the indemnity is prohibited by statutory provision. The deed also grants Craig access to documents and information relating to the Company.	6 May 2020
Damien Prendergast	Damien was appointed a director of the Company.	Three-year appointment for a fixed fee of \$8,200 per year.	7 May 2020
Craig Dennis	Craig was appointed a director of the Company.	Three-year appointment for a fixed fee of \$12,300 per year.	7 May 2020
John Murray (Empowered Business Solutions)	John was appointed as a director of the Company under a letter of appointment.	Three-year appointment for a fee of \$18,450 per year, for up to 74 hours per year and any hours undertaken over 74 to be charged at \$250.00 per hour.	28 September 2020
John Murray	John in his personal capacity entered into a deed of indemnity and access with the Company.	The deed of indemnity indemnifies John to the maximum extent permitted by section 162 of the Companies Act 1993 (the Act) and allows John access to company documents.	28 September 2020
Damien Prendergast	Damien in his personal capacity entered into a deed of indemnity and access with the Company	The deed of indemnity indemnifies Damien to the maximum extent permitted by section 162 of the Act and allows Damien access to company documents.	28 September 2020
Damien Prendergast	Damien was re-appointed as a director of the Company.	Three-year appointment for a fixed fee of \$12,300 per year.	7 October 2020

Full name of director	Nature of interest	Value/extent of interest	Date disclosed
Damien Prendergast	Damien is a director and shareholder of A & J Enterprises 2006 Limited. A & J Enterprises Limited is a shareholder of the Company. Damien will receive dividends from the Company from time to time through A & J Enterprises Limited.	Such dividends will be proportionate to A & J Enterprises 2006 Limited's shareholding in the Company.	24 November 2020 (ongoing)
Craig Dennis	Craig in his personal capacity entered into deeds of guarantee and agreements to mortgage with Cranford Street Properties Limited and Cameron Road Properties Limited (being wholly owned subsidiaries of the Company).	The Company has granted a mortgage over properties held by it (through its wholly owned subsidiaries) in favour of Craig to secure the Company's obligations to Craig under the deed of indemnity entered into by Craig and the Company.	15 December 2020
John Murray	John in his personal capacity entered into deeds of guarantee and agreements to mortgage with Cranford Street Properties Limited and Cameron Road Properties Limited (being wholly owned subsidiaries of the Company). John is also a director of Cranford Street Properties Limited and Cameron Road Properties Limited.	The Company has granted a mortgage over properties held by it (through its wholly owned subsidiaries) in favour of John to secure the Company's obligations to John under the deed of indemnity entered into by John and the Company.	15 December 2020
Damien Prendergast	Damien in his personal capacity entered into deed of guarantee and agreements to mortgage with Cranford Street Properties Limited and Cameron Road Properties Limited (being wholly owned subsidiaries of the Company). Damien is also a director of Cranford Street Properties Limited and Cameron Road Properties Limited.	The Company has granted a mortgage over properties held by it (through its wholly owned subsidiaries) in favour of Damien to secure the Company's obligations to Damien under the deed of indemnity entered into by Damien and the Company.	15 December 2020
John Murray	The Company entered into a shareholders' agreement with First NZ Properties Limited, Springs Road Property Limited and FSS Management Limited. John is a director of each of these companies.	The shareholders' agreement sets out the terms on which the Company, First NZ Properties Limited and Springs Road Property Limited will hold shares in FSS Management Limited.	17 December 2020

Full name of director	Nature of interest	Value/extent of interest	Date disclosed
Damien Prendergast	The Company entered into a shareholders' agreement with First NZ Properties Limited, Springs Road Property Limited and FSS Management Limited. Damien is a director of each of these companies.	The shareholders' agreement sets out the terms on which the Company, First NZ Properties Limited and Springs Road Property Limited will hold shares in FSS Management Limited.	17 December 2020
John Murray	The Company entered into a management agreement with FSS Management Limited (FSS) pursuant to which FSS will provide management services to the Company. John is a director of FSS.	<p>The Company will pay the following Fees to FSS:</p> <ul style="list-style-type: none"> • 9% of net rental from the properties per annum plus GST; • for matters not contemplated by schedule 1 of the agreement the Company will pay on a time and attendance basis of \$120 per hour; <p>FSS may at its discretion provide a rebate to the Company.</p>	31 March 2021
Damien Prendergast	The Company entered into a management agreement with FSS pursuant to which FSS will provide management services to the Company. Damien is a director of FSS.	<p>The Company will pay the following Fees to FSS:</p> <ul style="list-style-type: none"> • 9% of net rental from the properties per annum plus GST; • for matters not contemplated by schedule 1 of the agreement the Company will pay on a time and attendance basis of \$120 per hour; <p>FSS may at its discretion provide a rebate to the Company.</p>	31 March 2021