



# SUPERSTORE PROPERTIES LTD



This quarterly Management Report (“Report”) provides key information about Superstore Properties Ltd. This report covers the period between 01 January to 31 March 2023.

Fourth Quarter, FY 2023

4 May 2023

Dear Shareholder

## **SUPERSTORE PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE**

### **PROPERTY INFORMATION**

#### **Cranford Street, Christchurch**

- **Placemakers** In 2014 a new lease to 2022 with three further renewals of 6 years each was negotiated. The first renewal has been agreed, through to February 2028 and if future renewals are taken up, the lease would continue until 2040.
- Repairs continue following the Earthquake events of 2010. The majority are complete, and the buildings have been restored to 66% NBS. The remaining repairs are to the floors of the main building.
- The insurers have offered funds to settle the claim in lieu of completing the works. Legal advice is being sought around the settlement procedure and the liabilities involved.
- The property remains for sale.
- The next market rent review is due in 2025.
- Full rent and all recharges are being paid.

#### **Cameron Road, Tauranga**

- This is a traditional mid 1990’s tilt slab warehouse with a 100% NBS rating. It provides 5,015m<sup>2</sup> of retail and storage space, with 228 covered and open car parking spaces.
- The building is in generally good condition. The tenant repainted all areas of the exterior of the building.
- A final CCTV inspection of the soak ways and drainage pipes is still awaited. Recent flooding events in Tauranga did not affect the carpark or building.
- The Warehouse Ltd have recently agreed a rent review in line with market advice. Their lease is to 2025 with three further renewals to 2037.
- Full rent and all recharges are being paid.



## **Unaudited Financial Report at 31 March 2023**

Below is an unaudited update of the company's 12-month financial information.

This information is directly from our Xero system as at 31 March 2023.

It is expected that there will be changes to these numbers following an update to the year-end accounts. These are preliminary, they do not have any adjustment for property values, and for information only. Confirmed numbers will be available following the audit by BDO Christchurch.

<b>Financial information summary</b>	<b>2023 (1 Apr to 31 March 2023)</b>	<b>2022 (1 Apr to 31 March 2022 for comparison)</b>
Gross rental income	\$ 1,586,268	\$ 1,526,552
Net profit before tax (NPBT)	\$ 511,104	\$ 7,711,634
Ending equity	\$20,171,000	\$20,192,596

## **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 trial commenced on 1 May 2023 for a period of 10 days. This is being heard by Justice Gwyn, in the High Court at Nelson.

## **Investment Property**

The Directors continually review property options which may be of benefit to the Company. This includes the sale or purchase of properties. Any transaction would be subject to the Directors belief that it would be in the best interests of the Company and, if it was deemed a major transaction, a special resolution of the shareholders of the Company would be required.

## **Shareholder Information update**

If you have any changes to your email or residential address, please let us know. [info@fssmanagement.co.nz](mailto:info@fssmanagement.co.nz)

If you require any further information, please contact us on [info@fssmanagement.co.nz](mailto:info@fssmanagement.co.nz) .

Yours faithfully

**John Murray**  
**Chair**