

Annual Report

Superstore Properties Limited
For the year ended 31 March 2024

Prepared by RWCA Limited

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Report of the Directors to the Shareholders

The Directors of Superstore Properties Limited are pleased to present the 2024 Operating Results and Annual Report for the 12 months ended 31 March 2024.

Activities

The Company is involved in the Commercial property rental business.

Market Commentary and Management report

The overall economic performance of New Zealand has had a significant impact on the commercial property market. The Reserve Bank embarked on a steep monetary tightening cycle with wholesale rates increasing to 5.5%. Further to this is heightened global geopolitical tension at present which adds to uncertainty and potential inflationary pressures.

The result of the above has been a marked softening in investor sentiment over the previous two years and value write-downs have occurred across all property segments. These market changes have occurred over the 2022 and 2023 period although for the moment they appear to have stabilised. This is likely due to the growing confidence in the current monetary tightening cycle running its course and the change of government in November 2023.

The properties in Superstore Properties Ltd are managed by FSS Management Ltd (FSS). This is the third year of providing services which includes property and administration management. FSS is partially owned by Superstore Properties (41%) and the other shareholder is First NZ Properties Ltd (59%). FSS charges a fee of 9% on the net rental from the properties and 0.8% of the funds held in bank accounts. FSS returns any excess profit by way of rebate at the end of the financial year.

In December 2020 proceedings were issued in the High Court (Nelson Registry) against Michael Millar, Investment Services Limited (ISL). Initially the claims related to the fraud and undisclosed payments made to ISL. The claims against Michael Millar are for breaches of his directors and fiduciary's duties. The fraud aspect of the claim was settled and a payment of \$463,959.79 was received in February 2022.

During the 2022 to 2023 period, the Directors worked with Duncan Cotterill Lawyers on the case. They also supplied briefs of evidence, reviewed the defendant's evidence, and in May 2023 appeared in the Nelson High Court before Justice Gwyn and gave evidence. The hearing ran from 1 May 2023 to 9 May 2023 with closing submissions given at the Wellington High Court on 12 May 2023.

On the 16 May 2024, the Court entered judgement in favour of Superstore Properties Ltd.

- The Court has held:
 - ISL breached its written management agreement with Superstore;
 - Mr Millar breached his fiduciary and statutory duties owed to Superstore.
- The Court has entered judgment against each of Mr Millar and ISL in summary as follows:
 - Against Mr Millar in the sum of \$656,394.52 plus GST.
 - Against ISL in the sum of \$656,394.52 plus GST.
- The Court has also awarded interest on these judgment sums in favour of Superstore.
- Superstore will also seek costs against ISL and Mr Millar in amounts to be fixed by the Court. Those sums will be significant.
- ISL's counterclaim against Superstore (including our alleged repudiation) failed, as did all affirmative defences pleaded by ISL and Mr Millar.

In June 2024 the Company was advised that the judgment of the High Court has been appealed to the Court of Appeal.

The parts of the High Court judgment appealed are the findings that:

1. ISL/Michael Millar are liable for the sum of \$644,945.26 plus GST for management fees.
2. GST is payable on the sum.

The appeal will be opposed by Superstore.

In July 2024 the Company received a total of \$1,110,146.84 from Investment Services Limited and Mr M Millar, as payment for the High Court Judgment, dated 16 May 2024. The payment is for the judgment amount plus interest and GST.

- Costs are yet to be determined and therefore remain unpaid.
- If the appeal is successful the funds received will need to be repaid.

315-321 Cranford Street, Christchurch

Placemakers renewed their lease to 2028 in 2022, with two further rights of renewal to 2040. Repairs continue following the Earthquake events of 2010. The majority are complete, and the buildings have been restored to approximately 65 - 75% NBS. The remaining repairs are to the floors of the main building.

In December 2022, this property was put on the market for sale. The property was being promoted by JLL real estate agents. In July 2023 the property was withdrawn from the market awaiting the outcome of the insurance claim.

The insurers have offered funds to settle the remaining claim in lieu of completing the works as they will cause substantial upheaval to the tenant. Legal advice was sought around the settlement agreement and the liabilities involved. A quantity surveyor reviewed the cost to fix the floors to ensure that the sum was sufficient for the repairs. Following this an amended EQ insurance offer was received and has been put to the tenant. Negotiations have continued and we await a response from Fletcher/Placemakers.

483 Cameron Road, Tauranga

The building is in good condition with a 100%+NBS rating.

In June 2023, this property was put on the open market for sale. This was after no off-market offers were received. Colliers promoted the sale of the property.

Marketing commenced with a proposed deadline date of 20th July 23. There were several parties interested in the property and discussions continued with them. In November shareholders were advised that the Company had entered into a conditional sale and purchase agreement. In February 2024, the sale became unconditional with Tauranga City Council and settled on 31 May 2024.

The Warehouse Ltd had a lease to 2025 with three further rights of renewal to 2037. They have relinquished their lease as part of the sale process.

The sale has created a "Discontinued Operations" note in the financial accounts. In financial accounting, discontinued operations refer to parts of a company's core business that have been or are likely to be divested. These are reported separately from continuing operations on the income statement.

The normal Profit and Loss details and figures for the property at Cameron Road (Revenue, Expenses, etc) are now in the "Discontinued Operations" information at note 12

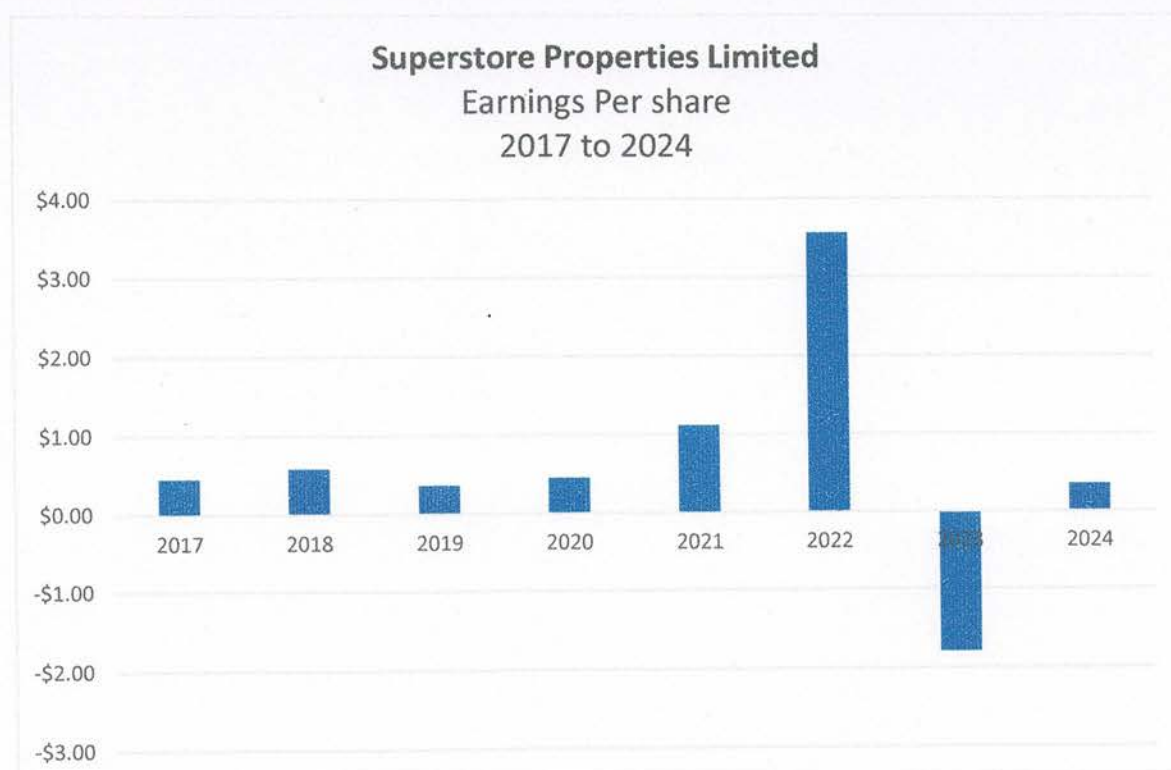
Financial Information

The Company's Gross Rental Income this year for the property in Cranford Street was \$602,561, (2023 \$602,561).

The rent from the Cameron Road property for the year as recorded in note 12 Discontinued Operations was \$961,033 (2023 \$961,033). When added to the Cranford Street rent gives a total Gross Rental Income for the Company of \$1,563,594. (2023 \$1,563,594).

The Net Profit/(Loss) after Tax was \$700,152, (2023 (\$3,757,333)).

This year the Fair Value of Investment Property increased by \$525,000 (2023 decreased by \$4,050,000). The finance costs were a total of \$797,058 (2023 \$ 598,451) an increase of \$198,607 above the 2023 total. This was the effect of the interest rate increase over the period as the borrowing did not increase.



Earnings Per Share

The earnings per share have increased to 33 cents per share (2023 -\$1.79).

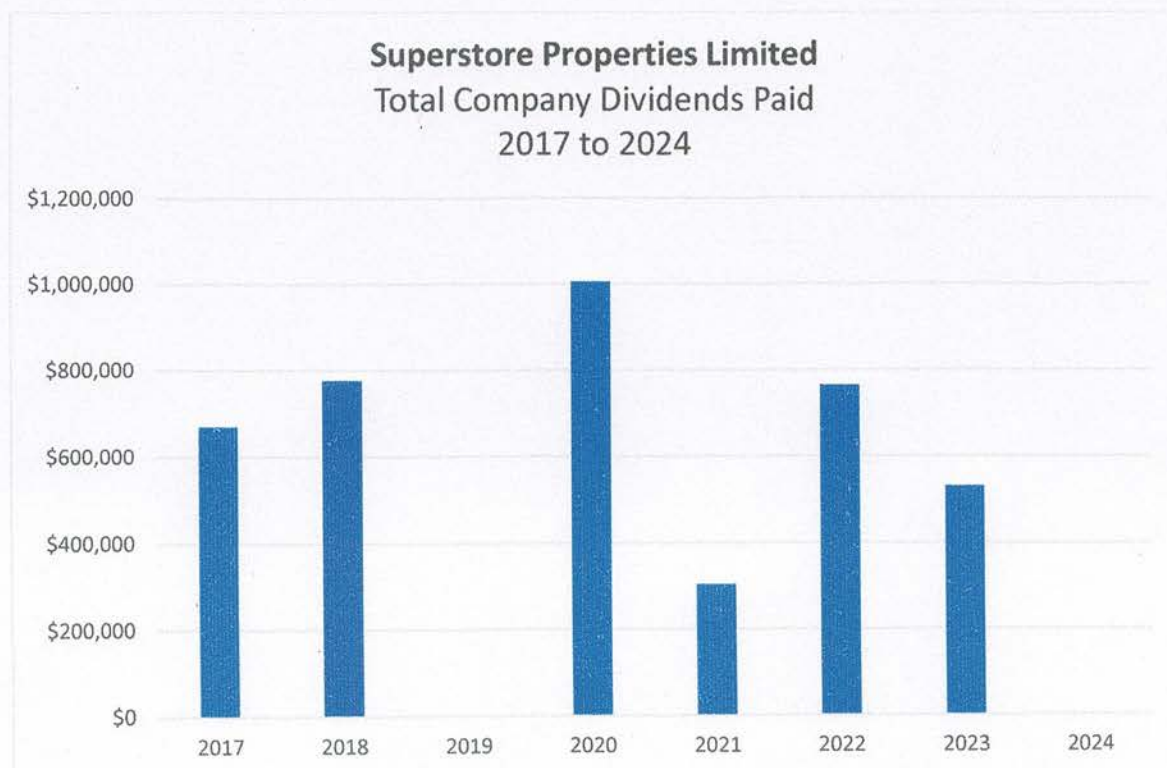
There was an increase in the profit after tax for the year to \$700,152(2023 -\$3,757,333).

The revenue was the same as last year however the administrative expenses had a comparative reduction of \$89,082. The major expense this year was the interest expense on the loan, this was \$797,058 (2023 \$598,451).

There was a positive increase in the value of the investment properties which was a major factor of the net profit increase. Cameron Road increased by \$900,000 and Cranford Street was reduced by -\$375,000. A net gain of \$525,000.

Dividends

The company did not pay any dividends during the year due to the increase in interest payments.



Investment Properties

The investment properties are valued at \$26,625,000 (2023 \$26,100,000). Cranford Street is now valued at \$8,625,000 (2023 \$9,000,000) and Cameron Road at \$18,000,000 (2023 \$17,100,000).

Directors

The following Directors held office during the year ended 31 March 2024:

John Murray (Originally appointed 28 September 2020, re-appointed 15 September 2023 for a further 3 year term).

Damien Prendergast (Originally appointed 7 May 2020, re-appointed 28 September 2020 and again from 15 September 2023 for a further 3 year term).

Remuneration of Directors

Directors' remuneration paid during the year ended 31 March 2024 totalled \$79,320 (2023 \$108,374). There were no other benefits received.

Remuneration of employees

No employees' remuneration exceeded \$100,000.

Auditors

BDO Christchurch Ltd were re-appointed as the Company's auditors at the 2023 AGM.

Share purchases

The Directors did not purchase any shares during the year.

Review of the Year:

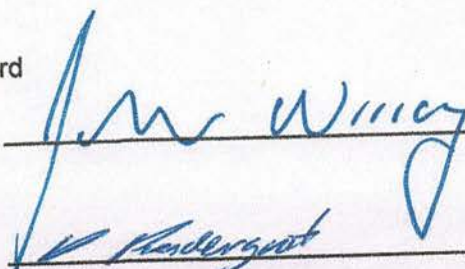
March 2023	
April	RBNZ raise the Official Cash Rate (OCR) to 5.25%
	Cranford Street Property Ltd (subsidiary of Superstore Properties Ltd) 315 Cranford Street, Christchurch property is being marketed for sale. The building structure has been restored to 65-75% NBS, with remaining repairs required to the floors of the main building.
May	RBNZ raise the Official Cash Rate (OCR) to 5.50%
	High Court case against Investment Services Ltd, M Millar and P Mephan heard in Nelson from 1 May to 9 May. Final submissions were heard in Wellington High Court on 12 May
June	Directors requested marketing proposals from three real estate firms relating to the property at 483 Cameron Road Tauranga for Cameron Road Properties Ltd. (subsidiary of Superstore Properties Ltd) Colliers were appointed to market the property for sale.
July	
August	RBNZ hold the Official Cash Rate (OCR) at 5.50%
September	AGM in Nelson. John Murray and Damien Prendergast were reappointed as Directors of the Company for a further term of 3 years. BDO reappointed as the auditors
October	Cranford Street Property Ltd (subsidiary of Superstore Properties Ltd) The property at 315 Cranford Street is no longer on the market nor is it being actively marketed.
November	Superstore Properties Ltd's subsidiary enters a conditional sale of its property at 483 Cameron Road, Tauranga.
December 2023	
January 2024	
February	Cranford Street Property Ltd - (subsidiary of Superstore Properties Ltd) Insurance agreement to settle the earthquake damaged floors claim is being considered by all parties. Cameron Road Properties Ltd - (subsidiary of Superstore Properties Ltd) 483 Cameron Road sale contract has become unconditional as of 1 February and is expected to settle on 31 May 2024.
March	
April 2024	RBNZ hold the Official Cash Rate (OCR) at 5.50%

May 2024	<p>High Court decision: The High Court has entered judgment against each of Mr Millar and ISL in summary as follows: Against Mr Millar in the sum of \$656,394.52 plus GST. Against ISL in the sum of \$656,394.52 plus GST. The Court has also awarded interest on these judgment sums in favour of Superstore. Superstore will also seek costs against ISL and Mr Millar in amounts to be fixed by the Court. ISL's counterclaim against Superstore (including alleged repudiation) failed, as did all affirmative defences pleaded by ISL and Mr Millar.</p>
	Dividend declared 10 May - 15 cents gross per share which is fully imputed. Paid 28 May 2024.
	The purchaser paid the deposit when it became unconditional and, on the 31 May 2024, paid the balance of the sale price. The property was sold for \$18,000,000.
	Company repaid the balance of the \$9.5m ANZ loan. A final payment of \$7,976,879 was paid on 31 May which included interest and fees.
June 2024	<p>The judgment of the High Court, dated 16 May 2024, has been appealed to the Court of Appeal. The parts of the High Court judgment appealed are the findings that:</p> <ol style="list-style-type: none"> 3. ISL/Michael Millar are liable for the sum of \$644,945.26 plus GST for management fees. 4. GST is payable on the sum. <p>The appeal will be opposed by Superstore, and a cross appeal is in consideration.</p>
July 2024	<p>The Company received a total of \$1,110,146.84 from Investment Services Limited and Mr M Millar, as payment for the High Court Judgment, dated 16 May 2024. The payment is for the judgment amount plus interest and GST.</p> <ul style="list-style-type: none"> • Costs are yet to be determined and therefore remain unpaid. • If the appeal is successful the funds received will need to be repaid.

For, and on behalf of the Board

John Murray
Chair

Damien Prendergast
Director



30 July 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Superstore Properties Limited
For the year ended 31 March 2024

	NOTES	2024	2023
Continuing Operations			
Income			
Gross Rental income	7	602,561	1,563,594
Total Income		602,561	1,563,594
Operating Income and (Expenses)			
Administrative Expenses	8	(321,162)	(413,975)
Other Operating Expenses	9	(25,460)	(134,601)
Total Operating Income and (Expenses)		(346,622)	(548,576)
Operating Profit		255,939	1,015,017
Financial Income and (Expenses)			
Finance Costs	10	-	(598,451)
Finance Income	11	4,904	1,487
Total Financial Income and (Expenses)		4,904	(596,963)
Other Income			
Share of profit Joint Venture (Renamed)	29	296	3,795
Total Other Income		296	3,795
Profit Before Other (Expenses)/Income and Tax		261,139	421,849
Other (Expenses)/Income			
Fair Value Loss on Investment Property	17	(375,000)	(4,050,000)
Profit Before Tax		(113,861)	(3,628,151)
Income Tax Expense			
Tax provision	13	(94,093)	(129,183)
Profit for the Year Attributable to Shareholders from Continuing Operations		(207,954)	(3,757,333)
Discontinued Operations			
Profit/(Loss) after Tax for the Year from Discontinued Operations	12	908,106	-
Total Discontinued Operations		908,106	-
Profit/(Loss) for the Year Attributable to Shareholders		700,152	(3,757,333)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year Attributable to Shareholders		700,152	(3,757,333)

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

	NOTES	2024	2023
Earnings per share			
Basic and diluted earnings per share (cents)	33	33	(179)
Basic and diluted earnings per share (cents) from continuing operations	33	2	-

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 2024

	NOTES	2024	2023
Equity			
Issued Capital			
Opening Balance		2,095,000	2,095,000
Total Issued Capital		2,095,000	2,095,000
Retained Earnings			
Opening Balance		13,810,672	18,097,596
Increases			
Total Comprehensive Income for the Year Attributable to Shareholders		700,152	-
Total Increases		700,152	-
Decreases			
Total Comprehensive Income for the Year Attributable to Shareholders		-	3,757,333
Dividends Paid	26	-	529,591
Total Decreases		-	4,286,925
Total Retained Earnings		14,510,824	13,810,672
Total Equity		16,605,824	15,905,672

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 2024

	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Current Assets			
Cash & Cash Equivalents	16	441,568	249,934
Trade and Other Receivables	24	40,535	-
GST Receivable		3,106	-
Income Tax Receivable	13	-	44,217
Rent Rebates (Current)		22,675	22,675
Total Current Assets		507,885	316,826
Investment Property Classified as Held for Sale			
Investment Property Classified as Held for Sale	18	18,000,000	-
Total Investment Property Classified as Held for Sale		18,000,000	-
Total Current Assets		18,507,885	316,826
Non-Current Assets			
Investment Property	17	8,625,000	26,100,000
Investments in Joint Venture (Renamed)	29	41,929	41,617
Rent Rebates (Non-Current)		-	22,675
Other Non-Current Assets	22	75,000	-
Total Non-Current Assets		8,741,929	26,164,292
Total Assets		27,249,814	26,481,118
Liabilities			
Current Liabilities			
Trade and Other Payables	22	122,348	93,986
GST Payable		-	36,685
Income Tax Payable	13	12,161	-
Loans	23	7,976,879	-
Other Current Liabilities	18	1,584,000	-
Total Current Liabilities		9,695,389	130,671
Non-Current Liabilities			
Loans	23	-	9,524,000
Deferred Tax Liability	14	948,601	920,776
Total Non-Current Liabilities		948,601	10,444,776
Total Liabilities		10,643,990	10,575,446
Net Assets		16,605,824	15,905,672

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

	NOTES	31 MAR 2024	31 MAR 2023
Equity			
Share Capital	25	2,095,000	2,095,000
Retained Earnings		14,510,824	13,810,672
Total Equity		16,605,824	15,905,672

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 2024

	NOTES	2024	2023
Operating Activities			
Receipts from customers		1,520,806	1,561,269
Payments to suppliers and employees		(429,215)	(523,001)
Interest Income		2,535	(2,308)
Other Investment Income		296	3,795
Finance costs		(797,058)	(568,231)
Income tax refunded/(paid)		(27,819)	(198,097)
Net GST Received / (Paid)		(39,791)	6,525
Net Cash Flows from Operating Activities		229,755	279,953
Investing Activities			
Proceeds from sale of investment properties		1,584,000	-
Escrow - Rout Milner Fitchett		(75,000)	-
Net Cash Flows from Investing Activities		1,509,000	-
Financing Activities			
Repayment of short-term loans		(1,547,121)	(400,000)
Dividends paid		-	(529,591)
Net Cash Flows from Financing Activities		(1,547,121)	(929,591)
Net Cash Flows		191,634	(649,638)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		249,934	899,572
Cash and cash equivalents at end of period	16	441,568	249,934
Net change in cash for period		191,634	(649,638)

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

Notes to the Financial Statements

Superstore Properties Limited For the year ended 31 March 2024

1. Reporting Entity

These consolidated financial statements ("the financial statements") of Superstore Properties Limited ("the Company") and its Subsidiaries (collectively "the Group") and the Group's equity accounted interest in joint ventures for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 31 July 2024.

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 Tier 1 for-profit entity. These financial statements comply with New Zealand International Financial Reporting Standards (NZ IFRS) and the International Financial Reporting Standards (IFRS).

Basis of Measurement

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

Presentation Currency

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

Going Concern

The financial statements have been prepared on a going concern basis.

3. Summary of Material Accounting Policies

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

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Interests in Equity-Accounted Investees

The Group's interests in equity-accounted investees comprise interests in joint ventures.

Joint ventures are those entities in which the Group has joint control along with another or more parties. The parties to the arrangement have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Income 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 recognised on 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.

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

Finance costs recorded in the profit or loss comprise the interest expenses charged on borrowings. Interest expense is recognised on an accrual basis, using the effective interest rate method.

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.

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 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 reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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 and in compliance with NZ IFRS 13.

The properties are held for both capital appreciation and rental income purposes. The Investment Properties are not depreciated for accounting purposes however depreciation is claimed for taxation purposes.

The Group reclassifies an investment property to Investment Property Classified as Held for Sale when the Group commences the process of disposing the property. The carrying value of the Investment Property is the contracted sale price, being the best indicator of fair value.

The income/(loss) for the year and net cashflows relating to an Investment Property Classified as Held for Sale are recognised as discontinued operations and are separately disclosed from all other continuing operations of the Group.

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.

Financial Instruments

Financial Assets

The Group classifies its financial assets at amortised cost as stated below.

The Group's accounting policy for the classification is as follows:

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 and cash and cash equivalents 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.

Financial Liabilities

The Group classifies its financial liabilities at amortised cost as stated below.

The Group's accounting policy for this classification is as follows:

Amortised cost

Financial liabilities at amortised cost 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, other than investments property and deferred tax assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

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

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

Other impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

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.

4. Adoption of new and revised reporting standards

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 new and amended standards and interpretations that became effective in the current financial year have not been listed as they are not considered to have any material 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 any). If applicable, the Group intends to adopt these when they become effective.

The Group has not yet assessed the impact of NZ IFRS 18 Presentation and Disclosure in Financial Statements. It is expected the standard will impact the presentation of the financial statements.

5. Material 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 material 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 material management judgments in applying the accounting policies of the Group that have a material 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.

Investment Property is carried at Fair Value, the judgements, estimates and assumptions made in relation to the assets are detailed in Note 21.

6. Significant Events

In December 2020 proceedings were issued in the High Court (Nelson Registry) against Michael Millar and Investment Services Limited (ISL). Initially the claims related to the fraud and undisclosed payments made to ISL. The claims against Michael Millar are for breaches of his directors and fiduciary's duties.

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

Given the commonality of issues in the proceedings also issued by Springs Road Property Limited and First NZ Property Limited, the three proceedings have been consolidated.

A mediation using Nicolas Till QC as mediator took place on 24 November 2021. After a full day of mediation, no agreement was reached. Subsequently discussions between the respective legal representatives took place regarding the settlement of the fraud aspect of the claim and the assignment of rights of recovery against Neil Barnes. By an agreement dated 21 February 2022 settlement was reached with the payment of \$463,959.79 being made up of:

- \$461,623.79 in settlement of the claim for the unrecovered balance of the fraud, and;
- \$2,336.00 as a contribution to costs.

An amended Statement of Claim, relating to the matters not covered by the February 2022 settlement agreement, was filed in April 2022. In May 2023 the hearing was heard in the Nelson High Court before Justice Gwyn. The hearing ran from 1 May 2023 to 9 May 2023 with closing submissions given at the Wellington High Court on 12 May 2023. The Court released its decision on 16 May 2024.

Judgment was entered in favour of Superstore Properties against both ISL and Michael Millar for \$656,394.52 plus GST, plus interest and costs (noting that it cannot recover the amount from both ISL and Micheal Millar).

Superstore Properties Limited received a total of \$1,110,146.84 from Investment Services Limited and Michael Millar, as payment in full for the High Court Judgment, dated 16 May 2024. The payment is for the judgment amount plus interest and GST.

Costs are yet to be determined and therefore remain unpaid.

The judgment of the High Court, dated 16 May 2024, has been appealed to the Court of Appeal.

The parts of the High Court judgment appealed are the findings that:

1. ISL/Michael Millar are liable for the sum of \$644,945.26 plus GST for management fees.
2. GST is payable on the sum.

The appeal will be opposed by Superstore.

If the appeal is successful the funds received will need to be repaid.

	NOTES	2024	2023
7. Rental Income			
Gross Rental income			
Rental Income from Investment Properties (NZ IFRS 16 Leases)		602,561	1,563,594
Total Gross Rental income		602,561	1,563,594
Total Rental Income		602,561	1,563,594

	NOTES	2024	2023
8. Administrative Expenses			
Accountancy Fees		19,653	19,087
Audit		22,000	21,000
Consultancy		13,054	10,099
Directors' Fees		79,320	108,734
Legal Fees		113,289	119,686
Sundry Expenses		19,652	1,985
Management Fees		36,471	113,609
Registry Fees		13,868	13,405
Valuation Fees		3,855	6,370
Total Administrative Expenses		321,162	413,975

	NOTES	2024	2023
9. Other Operating Expenses			
Irrecoverable Opex		460	109,601
Lease Incentive		25,000	25,000
Total Other Operating Expenses		25,460	134,601

	NOTES	2024	2023
10. Finance Costs			
Interest - IRD		-	363
Interest on Loans - Financial Liabilities at Amortised Cost		-	598,087
Total Finance Costs		-	598,451

	NOTES	2024	2023
11. Finance Income			
Interest Received- Financial Assets at Amortised Cost		4,904	1,487
Total Finance Income		4,904	1,487

	NOTES	2024	2023
12. Discontinued Operations, Net of Tax			
483 Cameron Road			
Rental Income			
Rental Income from Investment Properties (NZ IFRS 16 Leases)		961,033	-
Total Rental Income		961,033	-
Administrative Expenses			
Administrative Expenses		(41,728)	-
Management Fees		(86,493)	-
Valuation Fees		(4,790)	-
Total Administrative Expenses		(133,011)	-
Other Operational Expenses			
Repairs & Maintenance		(4,928)	-
Total Other Operational Expenses		(4,928)	-
Finance Costs			
Interest		(797,058)	-
Total Finance Costs		(797,058)	-
Profit Before Other (Expenses)/Income and Tax		26,036	-
Other Income / (Expenses)			
Fair Value Gain on Investment Property		900,000	-
Total Other Income / (Expenses)		900,000	-
Profit/(Loss) Before Tax from Discontinued Operations		926,036	-
Income Tax on Discontinued Operations		(17,929)	-
Profit/(Loss) for the Year from Discontinued Operations		908,106	-
	NOTES	2024	2023

Net Cashflows from Discontinued Operations

Operating Activities			
Receipts from Customers		961,033	-
Payments to Suppliers		(137,939)	-
Finance Costs		(797,058)	-
Total Operating Activities		26,036	-
Total Net Cashflows from Discontinued Operations		26,036	-

13. Income Tax

	NOTES	2024	2023
Components of income tax expense			
Current Taxation		84,197	100,789
Deferred Taxation		27,826	28,393
Total income tax expense		112,023	129,183
	NOTES	2024	2023
Income Tax Expense			
Reported income			
Profit before tax from continuing operations		261,139	421,849
Profit before tax from discontinued operations		26,036	-
Total Reported income		287,175	421,849
Less: Non-assessable income			
Share of Profit / (Loss) of Joint Venture		296	3,795
Total Less: Non-assessable income		296	3,795
Taxable Profit / (Loss)		286,879	418,054
At effective income tax rate of 28%		80,326	117,055
Increase/(Decrease) in Income Tax Due to:			
Non-Deductible Expenses		25,348	5,779
Rental Rebates to be Amortised Over Remaining Lease Periods		6,349	6,349
Total Increase/(Decrease) in Income Tax Due to:		31,697	12,128
Tax Expense		112,023	129,183
Reported as			
Income Tax reported in Profit or Loss		94,093	129,183
Income Tax attributable to discontinued operations		17,929	-
Income Tax Expense / (Income)		112,023	129,183

	NOTES	2024	2023
Income tax payable / (receivable)			
Income tax payable / (receivable)			
Opening Balance		(44,217)	53,091
Current tax expense		112,023	129,183
Deferred Tax Movement		(27,826)	(28,393)
Losses Brought Forward		-	-
Tax Paid			
Income tax paid		(26,153)	(201,746)
RWT Paid		(1,666)	(260)
Tax Refunds Received		-	3,909
Total Tax Paid		(27,819)	(198,098)
Total Income tax payable / (receivable)		12,161	(44,217)

	NOTES	2024	2023
14. Deferred Tax Assets & Liabilities			
Deferred Tax Liabilities			
Opening Balance		920,776	892,382
Increase arising from depreciation for tax purposes		27,826	28,393
Total Deferred Tax Liabilities		948,601	920,776

	NOTES	2024	2023
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		3,387,861	3,288,450
Total Tax Liability Base		3,387,861	3,288,450
Deferred Tax @ 28%		948,601	920,766

	NOTES	2024	2023
15. Imputation Credit Account			
Imputation Credit Account			
Opening Balance		129,065	133,250
Increases			
Income Tax Paid		70,751	201,745
Resident Withholding Tax Paid		1,666	260
Total Increases		72,417	202,005
Decreases			
Imputation Credits Attached to Dividends		-	201,852
Income Tax Refund		44,598	4,338
Total Decreases		44,598	206,190
Total Imputation Credit Account		156,884	129,065
	NOTES	2024	2023

16. Bank and Cash balances

Bank accounts in funds			
001 Distribution Account - Interest Rate 0%		1,246	1,389
002 Property Account - Interest Rate 0%		61,282	136,844
070 Call Account - Interest Rate 2.75%		7,811	111,702
000 Account - Cameron Road - Interest Rate 0%		4,249	-
070 Call Account - Cameron Road - Interest Rate 2.75%		228,140	-
000 Account - Cranford Street - - Interest Rate 0%		3,682	-
070 Call Account - Cranford Street - - Interest Rate 2.75%		135,159	-
Total Bank accounts in funds		441,568	249,934
Total Bank and Cash balances		441,568	249,934

	NOTES	2024	2023
17. Investment Property			
Investment Property			
Opening Balance		26,100,000	30,150,000
Net Change in Fair Value		(375,000)	(4,050,000)
Less Transfer of Property Classified as Held for Sale		(17,100,000)	-
Total Investment Property		8,625,000	26,100,000
Total Investment Property		8,625,000	26,100,000

18. Investment Property Classified as Held for Sale

During the 2024 year the sale of 483 Cameron Road was approved. Following the change in intention from holding the investment property for capital gains to selling it, the Group reclassified the property from Investment Property to Investment Property Classified as Held for Sale.

The property value has been recognised at its contracted sale.

483 Cameron Road was sold for \$18,000,000 and settled on 31 of May 2024. A deposit of \$1,800,000 less commission of \$216,000 was received during the financial year and has been recorded on the Statement of Financial Position

	NOTES	2024	2023
Investment Property Classified as Held for Sale			
483 Cameron Road			
Transferred from Investment Property		17,100,000	-
Net Change in Fair Value			
Net Change in Fair Value		900,000	-
Total Net Change in Fair Value		900,000	-
Total 483 Cameron Road		18,000,000	-
Total Investment Property Classified as Held for Sale		18,000,000	-

19. Lease Agreement Terms

The Group's two leases have the following terms:

Christchurch - Placemakers

- Six year term expiring February 2028.
- Two rights of renewal of six years each.
- Three yearly rent reviews based on current market rentals and encompassing a ratchet clause.

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.

483 Cameron Road sold and settled on 31 May 2024. The above lease term will be in effect until the date of settlement.

20. 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 reporting date areas follows:

	NOTES	2024	2023
Minimum Lease Income			
Less than 1 year		762,733	1,563,594
2 to 5 years		1,786,633	3,351,940
5 + years		-	-
Total Minimum Lease Income		2,549,366	4,915,534

21. Valuations

483 Cameron Road in Tauranga has been valued at its sale price and settled on 31 May 2024. The Investment Property has been recognised as held for sale.

The remaining Investment Property comprises of a bulk retail building at Cranford Street, Christchurch occupied by Placemakers. The property is currently leased under the terms and to the tenants disclosed in Note 20. It has been provided as security for the borrowings referred to in Note 24.

The Investment Property is measured at fair value and was valued as at 31 March 2024 by external, independent property valuers, having appropriately recognised professional qualifications and recent experience in the location and categories of the property being valued.

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

	Cranford Street, Christchurch
Purpose	Financial reporting
Amount of valuation	\$8,625,000 (2023: \$9,000,000)
Valuer	Colliers International (2023: Colliers International)
Basis of valuation	The determination of the values stated were market value subject to existing tenancies and occupational arrangements.
Assessment approach	Discounted cash flow Capitalisation approach
Vacancy rate	Nil (2023: Nil)
Weighted average lease term	3.85 years (2023: 4.85 years)
Rental value per square metre	\$1,979 (2023: \$2,065)
Capitalisation rate	8.00% (2023: 7.25%)
Discount rate	9.00% (2023: 8.00%)
Terminal yield	8.50% (2023: 7.75%)
Net market rent	\$725,216 (2023: \$688,808)
Net passing rent	\$625,236 (2023: \$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.

The Cranford Street valuation assumes that the current structural strength of the improvements to the property are at a minimum of 67% NBS. The valuation has also factored in an annual lease incentive of \$25,000 to be paid.

There are outstanding earthquake repairs required to floor slabs within the principal building. The repair work is currently covered by an insurance policy however is yet to be completed. The functionality of the space is in the Valuers opinion not compromised and repair works are likely complicated by interruption to the tenant's business operation.

The property is registered on the Hazardous Activities & Industries List (HAIL) because of wood treatment or preservation and bulk storage of treated timber. The site is categorised as 'not investigated'. Given the property is not investigated the assumption has been made that no contamination exists rather than further investigation being required.

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 (Cranford)	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 9.00% Terminal yields of 8.50% at the end of the 10 year period Assessed market rentals of \$725,216	The discount rate was lower/(higher) by 0.25% the valuations would increase / (decrease) by \$153,000 The terminal yield was lower/(higher) by 0.25%, the valuation would increase / (decrease) by \$43,000 The assessed market rental was higher/(lower) by 1%, the valuations would increase / (decrease) by \$78,000
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 8.00% Assessed market rentals of \$625,236	The capitalisation rate in perpetuity was lower/(higher) by 0.25%, the valuations would increase / (decrease) by \$286,000 The assessed market rental was higher/(lower) by 1%, the valuations would increase / (decrease) by \$78,000

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	2024	2023
22. Financial Assets and Liabilities			
Financial Assets			
Current			
Bank & cash		441,568	249,934
Trade and other receivables			
Trade Receivables		40,535	-
Total Trade and other receivables		40,535	-
GST Receivable		3,106	-
Total Current		485,210	249,934
Non-current			
Other Non-Current Assets			
Escrow - Rout Milner Fitchett		75,000	-
Total Other Non-Current Assets		75,000	-
Total Non-current		75,000	-
Total Financial Assets		560,210	249,934
Financial Liabilities			
Current			
Trade and other payables		122,348	93,986
GST Payable		-	36,685
Total Current		122,348	130,671
Interest-bearing loans & borrowings			
Current interest-bearing loans & borrowings			
Loans		7,976,879	-
Total Current interest-bearing loans & borrowings		7,976,879	-
Non-current interest-bearing loans & borrowings			
Loans		-	9,524,000
Total Non-current interest-bearing loans & borrowings		-	9,524,000
Total Interest-bearing loans & borrowings		7,976,879	9,524,000
Total Financial Liabilities		8,099,227	9,654,671

Fair Values

The carrying amount of the above financial assets and liabilities approximate their fair value at the end of each financial year.

	NOTES	2024	2023
23. Loans			
Current Interest-bearing Loans & Borrowings		7,976,879	-
Non-current Interest-bearing Loans & Borrowings		-	9,524,000
Total Loans		7,976,879	9,524,000

ANZ Bank repayment terms - terminating October 2024 with floating interest, but was repaid on 31 May 2024. Monthly repayments of interest only were being made commencing 1 month following the facility drawdown of the loan dated 12 October 2020 and a variation dated 5 August 2022, 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.

As at 31 March 2024 the loan has been recognised as current. The loan was repaid following the sale of 483 Cameron Road settled on 31 May 2024.

One final payment of \$7,976,879 was made on 31 May 2024 plus interest and fees 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	2024	2023
24. Trade and Other Receivables			
Accounts Receivable		40,535	-
Total Trade and Other Receivables		40,535	-

	NOTES	2024	2023
25. Issued Capital			
2,095,000 - Ordinary Shares		2,095,000	2,095,000

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

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

	NOTES	2024	2023
26. Dividends Paid			
Cash dividends declared and paid during the year			
Interim Dividend for current year		-	151,189
Final Dividend for prior year		-	378,402
Total Cash dividends declared and paid during the year		-	529,591
Dividend Per Share (Cents)		-	25

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 reporting 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 Properties. 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.

Undiscounted Contractual Cash Flows (Principal and Interest)

2024	Statement of Financial Position	Total	<1 Year	1-2 Years	2-5 Years	>5 Years
Trade and Other Payables	122,348	122,348	122,348	-	-	-
Interest bearing Liabilities	7,976,879	7,976,879	7,976,879	-	-	-
Total Financial Liabilities	8,099,227	8,099,227	8,099,227	-	-	-

2023	Statement of Financial Position	Total	<1 Year	1-2 Years	2-5 Years	>5 Years
Trade and Other Payables	130,671	130,671	130,671	-	-	-
Interest bearing Liabilities	9,524,000	10,296,179	712,781	9,583,398	-	-
Total Financial Liabilities	9,654,671	10,426,850	843,452	9,583,398	-	-

	NOTES	2024	2023
Interest Rate Sensitivity Analysis			
0.72% Increase in Interest Rates Impact on:			
Profit or Loss		(57,434)	(68,573)
Equity		(41,352)	(49,372)
Total 0.72% Increase in Interest Rates Impact on:		(98,786)	(117,945)
0.30% Decrease in Interest Rates Impact on:			
Profit or Loss		23,931	28,572
Equity		17,230	20,572
Total 0.30% Decrease in Interest Rates Impact on:		41,161	49,144

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 2024 and at 31 March 2023 were as follows:

	NOTES	2024	2023
Debt to Adjusted Capital Ratio			
Loans and Borrowings		7,976,879	9,524,000
Less: Cash and Cash Equivalents		(441,568)	(249,934)
Net Debt		7,535,311	9,274,066
Total Adjusted Capital		16,605,824	15,905,672
Debt to Adjusted Capital Ratio (%)		45	58

28. Related Parties

FSS Management Ltd (FSS) provides Management Services to the Group since 1 January 2021. All transactions conducted by the Group with FSS are related party transactions as the Group is a Shareholder of FSS. The Group paid FSS \$122,964 in management fees and \$13,868 in registry fees for the year. FSS is also a joint venture of the Group, the details which are outlined in note 30.

John Murray (John) is an independent director of the Group, appointed on 28 September 2020. John was reappointed for a further 3 years on 15 September 2023. He is not a shareholder of the Group. He was paid directors fees of \$55,194 for the year. 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. The Group entered into deeds of postponement on 1 December 2020 with John in favour of ANZ. The deeds of postponement are required by ANZ for ANZ to consent to the granting of a second ranking mortgage by the Group in favour of John. John in his personal capacity entered into a deed of variation and restatement of deed of indemnity and access with the Group. The variations include the requirement that the Group pay an amount of \$75,000 to an escrow agent to be held in escrow for the purposes of meeting any costs which John and/or Damien may incur for which the Group has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity. The Escrow amount was paid in May 2023 to Rout Milner Fitchett Trust Account. John is also a director of FSS, which is partially owned by the Group. 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 (Damien) is a director of the Group appointed 7 May 2020 and was re-appointed on 28 September 2020. Damien was reappointed for a further 3 years on 15 September 2023. All transactions conducted by the Group with Damien are related party transactions. The Group paid Damien directors fees of \$24,126 during the year. He is a current shareholder through his Company A&J Enterprises (2006) Ltd and a Trustee of the Killaloe No.2 Family Trust. Damien received dividends as per all shareholders. Damien also has an associated interest through his daughter, Alana Sophie Prendergast, who has a relevant interest in 1,000 shares in the Group. 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 in his personal capacity entered into a deed of variation and restatement of deed of indemnity and access with the Group. The variations include the requirement that the Group pay an amount of \$75,000 to an escrow agent to be held in escrow for the purposes of meeting any costs which John and/or Damien may incur for which the Group has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity. The Escrow amount was paid in May 2023 to Rout Milner Fitchett Trust Account. Damien is also a director of FSS, which is partially owned by the Group. 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.

Paul Rosanowski is an employee of FSS (Project Manager) since 15 December 2020. FSS Management Ltd paid wages (\$127,829) to Paul Rosanowski for the year to 31 March 2024. All transactions conducted by the Group with Paul Rosanowski are related party transactions. He is not a shareholder of the Group.

Richard Eberlein was a shareholder of Superstore Properties Ltd and is an employee (Property Manager) of FSS Management Ltd since 15 December 2020. FSS paid wages (\$92,601) to Richard Eberlein for the year end to 31 March 2024. He was a shareholder until 25 January 2022 when he sold his shares. No additional shares were purchased during the year.

Kathryn Brownlie was an employee (Administrator) of FSS from 18 January 2021 to 17 September 2023. FSS Management Ltd paid wages to Kathryn Brownlie (\$7,713) for the year end to 31 March 2024. 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 she received dividends as per all shareholders.

At reporting date the following investments, both direct and indirect, were held by the Directors and the

Managers: Damien Prendergast (appointed as Director 7 May 2020)

A&J Enterprises (2006) Ltd	307,000 shares
Killaloe No. 2 Family Trust	6,000 shares
Alana Sophie Prendergast	1,000 shares
Kathryn Brownlie	14,500 shares

29. Group Information and Investment in Subsidiaries and Joint Ventures

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
Joint Ventures	
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 reporting date of 31 March.

FSS Management Limited is a joint venture of Superstore Properties Limited, Superstore Properties Limited holds a 41% shareholding in FSS Management Limited. FSS Management Limited has a reporting date of 31 March.

	NOTES	2024	2023
Investments in Subsidiaries & Joint Ventures - Shareholding (%)			
Subsidiaries			
Cranford Street Properties Limited		100	100
Cameron Road Properties Limited		100	100
Joint Ventures			
FSS Management Limited		41	41

Investment in Joint Venture - 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	2024	2023
Summarised Financial Information (Statement of Financial Position) - FSS Management Limited			
Statement of Financial Position			
Current Assets		172,563	202,877
Non-Current Assets		3,739	4,491
Current Liabilities		(65,072)	(87,495)
Shareholders Current Accounts		(100,000)	(100,000)
Non-Current Liabilities		(8,964)	(18,330)
Equity		2,266	1,543
	NOTES	2024	2023
Summarised Financial Information (Statement of Profit or Loss) - FSS Management Limited			
Statement of Profit or Loss			
Revenue From Contracts With Customers		336,307	340,514
Operational Costs		(275,399)	(277,176)
Administrative Expenses		(59,575)	(53,287)
Total Statement of Profit or Loss		1,333	10,052
Profit / (Loss) Before Tax		1,333	10,052
Income Tax Expense			
Income Tax Expense		(610)	(786)
Total Income Tax Expense		(610)	(786)
Profit / (Loss) for the Year		723	9,266
Group's Share of Profit / (Loss) for the Year		296	3,795
	NOTES	2024	2023
Reconciliation of Investment in FSS Management Limited (41%)			
Investment at Beginning of Period		41,617	37,822
Minor Prior Year Adjustment		16	-
Funds Advanced to Joint Venture for the Period		-	-
Share of Profit or (Loss) for the Period		296	3,795
Investment at End of Period		41,929	41,617

The joint venture had no contingent liabilities or capital commitments as at 31 March 2024. (2023: NIL)

30. Contingent Assets and Contingent Liabilities

There is a contingent asset at reporting date for the High Court Case against both ISL and Michael Millar. The details of the ongoing litigation are disclosed in note 6.

The Group has an insurance claim in process in regard to the Cranford Street Property of which is yet to be settled.

31. Capital Commitments

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

32. Subsequent Events

Judgement of High Court Case

Judgment was entered in favour of Superstore Properties against both ISL and Michael Millar for \$656,394.52 plus GST, plus interest and costs (noting that it cannot recover the amount from both ISL and Micheal Millar).

Superstore Properties Limited received a total of \$1,110,146.84 from Investment Services Limited and Michael Millar, as payment in full for the High Court Judgment, dated 16 May 2024. The payment is for the judgment amount plus interest and GST.

Costs are yet to be determined and therefore remain unpaid.

Judgement of High Court Case - Appeal

The judgment of the High Court, dated 16 May 2024, has been appealed to the Court of Appeal.

The parts of the High Court judgment appealed are the findings that:

1. ISL/Michael Millar are liable for the sum of \$644,945.26 plus GST for management fees.
2. GST is payable on the sum.

The appeal will be opposed by Superstore. An appeal hearing has not yet been scheduled.

If the appeal is successful the funds received will need to be repaid.

Further details of the ongoing litigation are disclosed in note 6.

Sale of 483 Cameron Road

483 Cameron Road sold for \$18,000,000 and was settled on 31 May 2024. A deposit of \$1,800,000 less commission of \$216,000 was received during the financial year and has been recorded on the statement of financial position. There are additional costs yet to be incurred in the 2025 financial year as the Group completes the exit arrangements with the tenant that are required to complete the sale. These costs are estimated to be \$450,000, consisting of \$350,000 for the surrender of the lease with the tenant and a further \$100,000 for an assignment of lease for another property leased by the tenant.

ANZ Loan Repaid

The loan was repaid following the sale of 483 Cameron Road settled on 31 May 2024.

Dividend Declared

The Directors resolved in May 2024 to declare a gross fully imputed dividend to shareholders of 15 cents per share, paid on the 28th of May 2024.

	NOTES	2024	2023
33. Earnings Per Share			
Amounts used as the numerator to profit or loss			
Profit for the year and earnings used in basic and diluted EPS		700,152	(3,757,333)
Profit for the year and earnings from continuing operations used in basic and diluted EPS		46,044	-
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)		33	(179)
Basic and diluted earnings from continuing operations per share (cents)		2	-

	NOTES	2024	2023
34. Reconciliation of the net cash flow from operating activities to profit (loss)			
Net profit / (loss) after tax		700,152	(3,757,333)
Changes in Assets and Liabilities			
(Increase) / decrease in accounts receivable		(40,536)	9,430
Increase / (decrease) in accounts payable		28,363	21,507
(Increase) / Decrease in Property Valuations		(525,000)	4,050,000
Increase / (decrease) in GST payable		(39,791)	6,384
(Increase) / decrease in income tax		83,432	(68,915)
Total Changes in Assets and Liabilities		(493,533)	4,018,406
Non-Cash Movements			
(Increase) / Decrease in Rental Rebates to be Amortised Over Remaining Lease Periods		22,675	22,675
(Profit) / Loss in Investment Income of Joint Ventures		460	(3,795)
Total Non-Cash Movements		23,135	18,880
Net cash inflow / (outflow) from operating activities		229,755	279,953

	NOTES	2024	2023
35. Reconciliation of the Net Cash Flow from Financing Activities to Financing Liabilities			
Financing Liabilities			
Opening Financing Liabilities		9,524,000	9,924,000
Closing Financing Liabilities		7,976,879	9,524,000
Net Change in Financing Liabilities for Period		(1,547,121)	(400,000)
Dividends Paid		-	(529,591)
Net Cash Inflow / (Outflow) from Financing Activities		(1,547,121)	(929,591)

36. Joint Venture (renamed) - Investment in FSS Management Limited

In the current year, First NZ Properties Limited (FNZ) reached an agreement with Springs Road Property Limited (SRPL), following its liquidation, whereby shares in FSS Management Limited were transferred to FNZ.

The purchase of shares resulted in FNZ holding 59% of the shares within FSS Management Limited. As FNZ now holds more than 50% of the shares within FSS, Management reviewed its original investment assessment under NZ IFRS 11. Management have assessed that FSS Management is collectively controlled by First NZ Properties Limited and Superstore Properties Limited at the reporting date, and as such is to be treated as a Joint venture.

Given the investment was always collectively controlled by its shareholders, this suggests the original assessment, as previously reported, of the FSS Management Limited entity as an 'associate' was inappropriate.

In the prior year, this was presented in the Statement of Financial Position as "Investments in Associates" and this has now been renamed to "Investment in Joint Venture".

In the Statement of Profit or Loss it was presented as "Share Profit/Loss of Associates" and this has now been renamed to "Share Profit/Loss of Joint Venture".

The joint venture continues to be accounted for using the equity accounting method, and as such no adjustments are required to the numbers previously recognised and detailed in Note 29. Additionally, there is no impact to any financial information that has previously been reported.

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 subsidiaries (together, "the Group"), which comprises of the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

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 2024, 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") and IFRS® Accounting Standards.

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, the Company or any of its subsidiaries.

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 the matter was addressed in our audit
<p>Valuation of Investment Property</p> <p>The Group's non-current Investment Property comprises land and buildings in Christchurch. The property was valued at \$8,625,000 (2023: \$9,000,000) with a net loss in fair value of \$375,000 recognised in the consolidated statement of profit or loss and other comprehensive income (2023: \$4,050,000 net loss in fair value, of which \$1,200,000 relates to a property reclassified as held for sale in the current period).</p>	<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 use; Evaluated whether the expert had the necessary competence, capabilities, experience and objectivity to undertake the valuations;

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

- The significance to the financial statements - investment property accounts for 32% of the total assets of the Group (2023: 99%), making it a significant balance on the consolidated statement of financial position;
- The complexity of the valuation model: The valuation model is complex and relies on various estimates and underlying assumptions, such as capitalisation rates, discount rates, lease terms, current market rent and anticipated growth based on available market data.
- The property valuation requires the use of judgments specific to the property, as well as consideration of the prevailing market conditions.
- Communicating with the valuer to understand the valuation process adopted. With the purpose of the meeting being to identify and challenge the critical judgement areas in the valuation model and to confirm the valuation approach was in accordance with NZ IFRS 13 *Fair Value Measurement*, and NZ IAS 40 *Investment Property*;
- Engaged our own internal expert to critique and challenge the work performed by Management's expert, assumptions used and the appropriateness of the valuation methodology adopted; Our specialists focused on the appropriateness of the valuation methodology chosen, and the appropriateness of the capitalisation rates and discount rates applied
- We considered the adequacy of the disclosures made in Notes 17 and 21 to the financial statements, which set out the key judgements and estimates.

Other Information

The directors are responsible for the other information. The other information comprises of the Report of the Directors to the Shareholders, Directory and the Directors' Interest Register, 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 IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group, 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 decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body for our audit work for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Amy Goodman.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
30 July 2024

Directory

Superstore Properties Limited For the year ended 31 March 2024

Nature of Business

Commercial Investment Property

Registered Office

FSS Management Limited
126 Tahunanui Drive
Nelson 7011

Date of Incorporation

25 January 1999

Incorporation Number

942750

New Zealand Business Number

9429037675127

IRD Number

071-404-544

Directors

John Murray
Damien Prendergast

Bankers

ANZ
248 Trafalgar Street
Nelson 7010

Solicitors

Duncan Cotterill
197 Bridge Street
Nelson 7010

Auditors

BDO Christchurch Audit Limited
Awly Building - Level 4
287-293 Durham Street
Christchurch 8013

Chartered Accountant

RWCA Limited
Level 3, 7 Alma Street
Nelson 7010

Investment Manager, Property Manager

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

Superstore Properties Limited
(the Company)

Directors' Interests Register

Full name of director	Nature of interest	Value/extent of interest	Date disclosed
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
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 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 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 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

Damien Prendergast	Damien resigned at the 2020 AGM and was re-appointed as a director of the Company	Damien resigned as director at the 2020 AGM and was subsequently re-appointed as a director of the Company, together with John Murray	28 September 2020
John Murray	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.	<p>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.</p> <p>The deed contemplates effecting directors' and officers' liability insurance. It is intended that this cover John for liability up to \$1,000,000 on the normal terms for that type of cover issued by VERO Liability Insurance Ltd.</p>	28 September 2020
Damien Prendergast	Damien in his personal capacity entered into a deed of indemnity and access with the Company	<p>The deed of indemnity indemnifies Damien to the maximum extent permitted by section 162 of the Act and allows Damien access to company documents.</p> <p>The deed contemplates effecting directors' and officers' liability insurance. It is intended that this cover Damien for liability up to \$1,000,000 on the normal terms for that type of cover issued by VERO Liability Insurance Ltd.</p>	28 September 2020

Damien Prendergast	Damien is a director and 50% 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)
Damien Prendergast	Damien declares his associated interest that his wife, Rebecca Prendergast is also a 50% shareholder of A & J Enterprises 2006 Limited. A & J Enterprises Limited is a shareholder of the Company. Rebecca 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	The Company has granted a mortgage over properties held by it (through its wholly owned subsidiaries) in favour of	15 December 2020

	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.	Damien to secure the Company's obligations to Damien under the deed of indemnity entered into by Damien and the Company.	
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
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.	The Company will pay the following Fees to FSS: <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; FSS may at its discretion provide a rebate to the Company.	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.	The Company will pay the following Fees to FSS: <ul style="list-style-type: none"> 9% of net rental from the properties per annum plus GST; 	31 March 2021

		<ul style="list-style-type: none"> for matters not contemplated by schedule 1 of the agreement the Company will pay on a time and attendance basis of \$120 per hour; FSS may at its discretion provide a rebate to the Company. 	
Craig Dennis	<p>Craig in his personal capacity entered into deeds of postponement with Cranford Street Properties Limited and Cameron Road Properties Limited (wholly owned subsidiaries of the Company) in favour of ANZ.</p>	<p>The deed of postponement is required by ANZ for ANZ to consent to the granting of a second ranking mortgage by the Company in favour of Craig. The deed of postponement restricts the Company and Craig from taking certain actions in relation to any amount the Company owes Craig under the mortgage.</p>	13 April 2021
John Murray	<p>John in his personal capacity entered into deeds of postponement with Cameron Road Properties Limited and Cranford Street Properties Limited (being wholly owned subsidiaries of the Company) in favour of ANZ. John is also a director of Cameron Road Properties Limited and Cranford Street Properties Limited.</p>	<p>The deed of postponement is required by ANZ for ANZ to consent to the granting of a second ranking mortgage by the Company in favour of John. The deed of postponement restricts the Company and John from taking certain actions in relation to any amount the Company owes John under the mortgage.</p>	13 April 2021
Damien Prendergast	<p>Damien in his personal capacity entered into deeds of postponement with Cameron Road Properties Limited and Cranford Street Properties Limited (being wholly owned subsidiaries of the Company) in favour of ANZ. Damien is also a director of Cameron Road Properties Limited and Cranford Street Properties Limited.</p>	<p>The deed of postponement is required by ANZ for ANZ to consent to the granting of a second ranking mortgage by the Company in favour of Damien. The deed of postponement restricts the Company and Damien from taking certain actions in relation to any amount the Company owes Damien under the mortgage.</p>	13 April 2021

Damien Prendergast	Damien was appointed as a director of the Company under a letter of appointment on 7 May 2020.	Three-year appointment for a fee of \$8,200 per year as from 7 May 2020. Addition: Any excess hours undertaken, apportioned between the Companies, to be charged at \$150.00 per hour.	1 October 2021
John Murray	John in his personal capacity entered into a deed of variation and restatement of deed of indemnity and access with the Company.	<p>The deed of variation and restatement varies and restates the deed of indemnity entered in by John and the Company on 28 September 2020.</p> <p>The variations include the requirement that the Company pay an amount of \$75,000 to an escrow agent to be held in escrow for the purposes of meeting any costs which John and/or Damien may incur for which the Company has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity.</p>	22 December 2021
Damien Prendergast	Damien in his personal capacity entered into a deed of variation and restatement of deed of indemnity and access with the Company.	<p>The deed of variation and restatement varies and restates the deed of indemnity entered in by Damien and the Company on 28 September 2020.</p> <p>The variations include the requirement that the Company pay an amount of \$75,000 to an escrow agent to be held in escrow for the purposes of meeting any costs which John and/or Damien may incur for which the Company has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity.</p>	22 December 2021

John Murray	John in his personal capacity entered into an escrow agreement with the Company, Damien and Rout Milner Fitchett.	The escrow agreement sets out the terms on which the escrow funds (as contemplated by the deed of variation and restatement of deed of indemnity) will be held by Rout Milner Fitchett (as escrow agent).	22 December 2021
Damien Prendergast	Damien in his personal capacity entered into an escrow agreement with the Company, John and Rout Milner Fitchett.	The escrow agreement sets out the terms on which the escrow funds (as contemplated by the deed of variation and restatement of deed of indemnity) will be held by Rout Milner Fitchett (as escrow agent).	22 December 2021
John Murray	The Company has increased John's hourly rate for director services provided to the Company for any excess hours undertaken.	John's hourly rate has been increased from \$250 per hour to \$350 per hour. Any excess hours undertaken are apportioned between the Companies.	26 April 2022
Damien Prendergast	Damien has received from Colleen Prendergast's estate a further relevant interest in shares in the Company.	<ul style="list-style-type: none"> • Number and class: 6,000 ordinary shares. • Nature of relevant interest: Received by Damien Prendergast, Brown & Associates Trustees Limited and Andrea Prendergast as trustees of the Killaloe No.2 Family Trust. Damien is settlor, appointor, trustee and discretionary beneficiary of the trust. • Consideration: Nil. • Date of transfer: 8 February 2023 	8 February 2023.
Damien Prendergast	Damien declares his associated interest through his sister, Andrea Jane Prendergast, who received from Colleen Prendergast's estate a relevant interest in shares in the Company.	<ul style="list-style-type: none"> • Number and class: 6,000 ordinary shares. Total shareholding is 12,600 • Nature of relevant interest received by Andrea Jane Prendergast. 	8 February 2023.

Damien Prendergast	Damien declares his associated interest through his daughter, Alana Sophie Prendergast, who has a relevant interest in shares in the Company.	<ul style="list-style-type: none"> • Consideration: Nil. • Date of transfer: 8 February 2023 • Number and class: 1,000 ordinary shares. • Nature of relevant interest: Received by Alana Sophie Prendergast. • Consideration: \$4.20 • Date of transfer: 24 May 2016 	20 May 2023
Damien Prendergast	Damien was re-appointed as a director of the Company at the Company's AGM on 15 September 2023.	<ul style="list-style-type: none"> • Three-year appointment • Annual fee of \$30,000 per year (based on 12.5 hours of work per month) • Additional hours to be charged at \$250 per hour • Increased annually at 30 September based on annual CPI increase • Both the annual fee and cost of additional hours will be split between the Company and First NZ Properties Limited with the Company being responsible for 39% of the cost 	26 October 2023
John Murray	John was re-appointed as a director of the Company at the Company's AGM on the 15 September 2023.	<ul style="list-style-type: none"> • Three-year appointment • Annual fee of \$45,000 per year (based on 12.5 hours of work per month) • Additional hours to be charged at \$385 per hour • Increased annually at 30 September based on annual CPI increase • Both the annual fee and cost of additional hours will be split between the Company and First NZ 	26 October 2023

Damien Prendergast	Damien declares his interest, as a director of Cameron Road Properties Limited, in the conditional sale of its property at 483 Cameron Road (including entry into all associated documentation).	<p>Properties Limited with the Company being responsible for 39% of the cost</p> <p>The Company is the sole shareholder of Cameron Road Properties Limited and Damien, through his shareholding A & J Enterprises 2006 Limited, is a shareholder of the Company.</p> <p>Damien is a director of Cameron Road Properties Limited.</p>	4 December 2023
John Murray	John declares his interest, as a director of Cameron Road Properties Limited, in the conditional sale of its property at 483 Cameron Road (including entry into all associated documentation).	<p>The Company is the sole shareholder of Cameron Road Properties Limited and John is a director of the Company.</p>	4 December 2023
Damien Prendergast	Damien declares his interest, as a director of Cranford Street Properties Limited, in the entry into a settlement agreement and discharge with IAG New Zealand Limited, Fletcher Building Limited and ANZ Bank New Zealand Limited.	<p>The Company is the sole shareholder of Cranford Street Properties Limited and Damien, through his shareholding A & J Enterprises 2006 Limited, is a shareholder of the Company.</p> <p>Damien is a director of Cranford Street Properties Limited</p>	4 December 2023
John Murray	John declares his interest, as a director of Cranford Street Properties Limited, in the entry into a settlement agreement and discharge with IAG New Zealand Limited, Fletcher Building Limited and ANZ Bank New Zealand Limited.	<p>The Company is the sole shareholder of Cranford Street Properties Limited and John is a director of Cranford Street Properties Limited.</p>	4 December 2023

John Murray	<p>The Company entered into a deed of variation of management agreement with FSS.</p> <p>John is a director of FSS.</p>	<p>The deed of variation of management agreement amended the fees payable by the Company for services provided by FSS. The amendments are as follows:</p> <ul style="list-style-type: none"> • In the event that a subsidiary company sells its associated property, the Company will pay FSS up to 1.5% annually plus GST of the total managed funds held in all bank accounts. FSS has the ability to review the percentage at every yearly budget. • For matters not contemplated by schedule 1 of the agreement the Company will pay on a time and attendance basis of \$150 per hour. 	1 April 2024
Damien Prendergast	<p>The Company entered into a deed of variation of management agreement with FSS.</p> <p>Damien is a director of FSS.</p>	<p>The deed of variation of management agreement amended the fees payable by the Company for services provided by FSS. The amendments are as follows:</p> <ul style="list-style-type: none"> • In the event that a subsidiary company sells its associated property, the Company will pay FSS up to 1.5% annually plus GST of the total managed funds held in all bank accounts. FSS has the ability to review the percentage at every yearly budget. • For matters not contemplated by schedule 1 of the agreement the Company will pay on a time and attendance basis of \$150 per hour. 	1 April 2024

Damien Prendergast	Damien declares his interest, as a shareholder of A & J Enterprises 2006 Limited (being a shareholder of the Company) in the Company's decision to pay a dividend to its shareholders.	Damien owns shares in A & J Enterprises 2006 Limited which owns shares in the Company. Such dividends will be proportionate to A & J Enterprises 2006 Limited's shareholding in the Company.	10 May 2024
Damien Prendergast	Damien in his personal capacity entered a deed of variation and restatement of the deed of indemnity and access, and a specific security deed with the Company.	<p>The deed of variation and restatement of the deed of indemnity and access:</p> <ul style="list-style-type: none"> increases the escrow amount to be held by the escrow agent for the purposes of meeting any costs which John and/or Damien may incur for which the Company has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity from \$75,000 to an amount to be determined by the directors up to a maximum of \$150,000; and grants the directors security in the funds to be received by the Company on settlement of the sale of the property owned by Cameron Road Properties Limited, to be secured by a specific security deed. <p>The specific security deed grants the directors security in the amount of proceeds of settlement of the sale of the property at 483 Cameron Road, to be deposited in an account in the Company's name, with such secured money to be used to cover any amount relating to obligations of the Company to the directors under the deeds of indemnity.</p>	24 May 2024
Damien Prendergast	Damien in his personal capacity entered into a deed of variation and	Cameron Road Properties Limited has guaranteed the performance of the	24 May 2024

	<p>restatement of deed of guarantee, and a specific security deed with Cameron Road Properties Limited.</p> <p>Cameron Road Properties Limited is a wholly owned subsidiary of the Company. Damien is a director of the Company and of Cameron Road Properties Limited.</p>	<p>Company's obligations under the deeds of indemnity. To support the guarantee Cameron Road Properties Limited granted a mortgage over the property owned by it in favour of the directors. This property has now been sold. As part of the sale the directors agreed to discharge the mortgage held over the property and, in its place, have taken a specific security in Cameron Road Properties Limited's bank account which holds the funds of the sale. The deed of variation and restatement of deed of guarantee records this variation. This security is secured by a specific security deed executed by Cameron Road Properties Limited (as debtor).</p>	
John Murray	<p>John in his personal capacity entered a deed of variation and restatement of the deed of indemnity and access, and a specific security deed with the company.</p>	<p>The deed of variation and restatement of the deed of indemnity and access:</p> <ul style="list-style-type: none"> increases the escrow amount to be held by the escrow agent for the purposes of meeting any costs which John and/or Damien may incur for which the Company has agreed to indemnify them in accordance with clauses 2.1.1 and 2.1.3 of the deed of indemnity from \$75,000 to an amount to be determined by the directors up to a maximum of \$150,000; and grants the directors security in the funds to be received by the Company on settlement of the sale of the property owned by Cameron Road Properties Limited, to be secured by a specific security deed. 	24 May 2024

		<p>The specific security deed grants the directors security in the amount of proceeds of settlement of the sale of the property at 483 Cameron Road, to be deposited in an account in the Company's name, with such secured money to be used to cover any amount relating to obligations of the Company to the directors under the deeds of indemnity.</p>	<p>Cameron Road Properties Limited has guaranteed the performance of the Company's obligations under the deeds of indemnity. To support the guarantee Cameron Road Properties Limited granted a mortgage over the property owned by it in favour of the directors. This property has now been sold. As part of the sale the directors agreed to discharge the mortgage held over the property and, in its place, have taken a specific security in Cameron Road Properties Limited's bank account which holds the funds of the sale. The deed of variation and restatement of deed of guarantee records this variation. This security is secured by a specific security deed executed by Cameron Road Properties Limited (as debtor).</p>	<p>24 May 2024</p>
<p>John Murray</p>	<p>John in his personal capacity entered into a deed of variation and restatement of deed of guarantee, and a specific security deed with Cameron Road Properties Limited.</p> <p>Cameron Road Properties Limited is a wholly owned subsidiary of the Company. John is a director of the Company and of Cameron Road Properties Limited.</p>			