SCIL

Shopping Centre Investments Ltd

2024

Annual Report

SCIL.CO.NZ

Contents

Year in Review

FINANCIAL HIGHLIGHTS

Decrease in Rental Income

From $9.99m to **$9.94m**

Decrease in Gross Profit

From $10.04m to **$9.50m**

Increase in Valuation of Property Asset

From $121.280m to
$126.000m

Increase in Profit before Income Tax

From ($4,963,676) to
$6,691,740

Year in Review

FINANCIAL HIGHLIGHTS CONTINUED

Net Operating Income

Year 2020	Year 2021	Year 2022	Year 2023	**Year 2024**
3.76m	4.90m	5.49m	5.90m	**2.48m**

Dividend Rates – cents per share gross

Year 2020	Year 2021	Year 2022	Year 2023	**Year 2024**
4.75 cents	4.00 cents	4.25 cents	5.25 cents	**2.69 cents**

Year in Review

FINANCIAL HIGHLIGHTS CONTINUED

Property Valuation Summary

Year	Financial Reporting Valuation			Insurance Replacement Value	Plus Land Value	Total	Difference between the Valuation and the Total
	Land Value	Value of Improvements	Total Valuation				
2024	**25,520,000**	**100,480,000**	**126,000,000**	**236,262,000**	**25,520,000**	**261,782,000**	**135,782,000**
2023	25,240,000	96,040,000	121,280,000	236,262,000	25,240,000	261,502,000	140,222,000
2022	31,800,000	97,200,000	129,000,000	171,133,000	31,800,000	202,933,000	73,933,000
2021	21,190,000	104,090,000	125,280,000	171,133,000	21,190,000	192,323,000	67,043,000
2020	21,190,000	110,130,000	131,320,000	169,150,000	21,190,000	190,340,000	59,020,000

Chair's Report For The Year Ended 29 February 2024

MICHAEL KEYSE
CHAIR

The past year has been one of careful endeavour, of "holding the line" in the face of some considerable exterior challenges most notably being the current leasing environment, New Zealand's economic recessionary Impact on National retail sales, and the continuing Increase in Interest rates.

The pleasing aspect and outcome of these endeavors Is a positive conclusion from our Valuers which has Improved the equity of the Company by 4.5 million dollars.

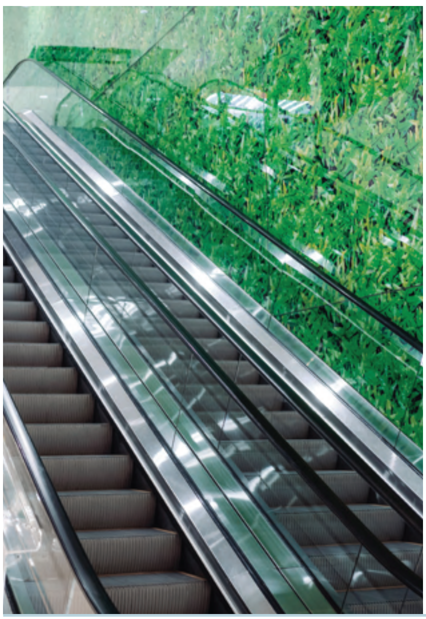
As identified in my communications during the year our occupancy percentage rates have reduced but these reductions have been minimized due to several factors. The professional persistence and application of the Collier's Leasing Team, the construction of attractive leasing presentations as Illustrated by the Leasing Showcase accessed via the Marketing Hub website (I would urge you to visit this site) the continued maintenance of the high standard of presentation and service by our Management team.

There has been somewhat of a litmus test due to a concerted number of renewals of leases during the past twelve months due to the timing of the previous constructions. Though the negotiating environment has been difficult, the majority of the negotiations have reached a satisfactory conclusion.

Chair's Report For The Year Ended 29 February 2024 CONTINUED

MICHAEL KEYSE
CHAIR

OCCUPANCY PERCENTAGE
AT FEBRUARY 2024



Despite the reported malaise in National retail sales our complex has recorded excellent tenant turnover figures, and this is illustrated by the colourful graph included within this Annual Report. This has acted very much as a promotional catalyst and has impacted upon the confidence and the positive perception of The Mall and the outcomes of the various negotiations undertaken.

Interest Charges
The direction of interest rates continues to be subject to various speculations from the informed and the uninformed. One could form the prejudiced view that neither of them offers any clear direction. It was anticipated that at this time we would have seen some reduction in rates, but this has not eventuated. A positive Indicator Is that the previous consistent Increases have plateaued and for the past twelve months our Interest charge rate has remained at similar levels with the peak being July 2023. The Board, taking advantage of a small window of opportunity, entered into two Swap Arrangements for two and three year terms respectively. This has increased our cover to 51% of the total liability.

The Board remains positive that eventually the original prognosis will eventuate, it must be kept in mind that a simple one percent reduction will improve our cashflow by $660,000 per annum. One, by a simple review of the financial accounts, can interpret the proportional Impact of such an Improvement.

Infrastructural Improvements
Despite this period being one of restraint and careful husbandry much needed repairs and improvements to our travellator systems have continued in the interim. The total considerable amount expended is listed within Note 12 "Other Expenses". This program will conclude by the end of next year with a more modest $300k being budgeted for.

Dividends
It was with a great deal of reluctance that the dividend rate was reduced from the June 2023 quarter being a result of the direct impact of the continuing interest rate rises. This reflected our Bank Covenant obligations and the necessity to maintain a prudent and responsible fiscal policy. As a shareholder, I appreciate that this is now a modest return but the Board successfully, during the past twelve months and as previously indicated, committed itself to declaring regular quarterly dividends. I have referred to the proportional impact upon cash flow if interest rates should start to decline.

Valuation
The most satisfying outcome was the increase in the fair value determination from $121,280,000 in year 2023 to $126,000,000 as at 29 February 2024. Though not part of the Valuer's mechanical deliberations they would have taken due note of the positive factors that are associated with this Complex. These include the degree of presentation, the positive interactions between Management

MICHAEL KEYSE
CHAIR

and our tenants (identified by shareholders who meet with Jason Marsden), between the Board and Senior Management, the continuing improvement in our local demographics (refer the census data), interactive and innovative community participation (refer to the Marketing Website for specific detail), the emphasis and formal recognition of our sustainability program (refer the continuance of the Toitu Enviro-Mark, the new charging Installations), the tangible recognition of our standards by National Bodies for which a further one has just been added.

69 million
Number of Shares on Issue

252
Number of Shareholders

2.50 Cents Gross
Latest dividend rate declared (at annual gross rate, RWT to be deducted)

Summary
It has been an eventful year for the Board with positive deliberations being achieved. These included:

- The conclusion with our Bankers for a successful extension of the existing facility, the maintenance of the principal repayment program, concessions to our banking covenant requirements.
- A timely introduction of the additional Swap arrangements, this being initiated by the banking experience contained within the Board.
- A successful valuation outcome emanating from the Board's positive and professional submission.
- Extensive Strategic meetings have been held in house and with our Managing Agents and Legal Advisors. A direct result was the review of our negotiating parameters, a comprehensive leasing program, illustrated by the website Showcase document, to counter the worrying National occupancy percentage rates. Despite cash flow restraints the monitoring of the travellator refurbishment program has progressed as planned and as budgeted for.

A careful audit has been maintained due to our contractual relationship with our Managing Agents, this being assisted by the commercial audit and accounting background of Board members. A further determination was to ensure a regular quarterly dividend flow and though this has been greatly impacted by the current interest rates the Board has maintained this commitment. This has been the principal focus when addressing all the other diverse dynamics.

Prior to the AGM there is an invitation extended to all shareholders to accompany Jason Marsden on a short tour. This will give you the opportunity to identify the accuracy of my rhetoric.

Again, I recommend that you visit our website (scil.co.nz), the USX website and trading platform (usx.co.nz), the Mall's detailed marketing website (the hubhornby.co.nz), the associated Leasing Showcase attached to the marketing website. From viewing this information, you can gauge the degree of professionalism achieved.

My grateful thanks and recognition of the fine contributions from both the Governance and Operational members comprising the Mall "Family".

Michael Keyse
Chair

Report From The Centre Manager

JASON MARSDEN
SENIOR CENTRE MANAGER

The most significant and apparent factor across the last twelve months is speed at which the time has gone by. The months have seemed to pass by as weeks, hardly leaving a moment for contemplation and creative thought. As busy as life and work can be, it is essential to stop occasionally, step outside the tasks at hand and dream.

Innovative ideas and new ways of doing things keep The Hub punching above its weight in an increasingly competitive environment as well as inspiring others and adding interest and variety to all roles. Some ideas we get to launch immediately, whilst others can take years for the timing and resources to fall into place. Our Thursday night market is now firmly established, driving around 2000 additional customers to the Centre on a Thursday evening, and our pet shopping nights are also a regular calendar feature. We are now working on an inter-generational connection event along with an industry-leading health and safety initiative partnering with ACC around slips, trips and falls, which make up the biggest category of public space accidents.

The Hub has received recognition for its unique custom-designed bollards, affectionately referred to as chess pawns, and most recently was awarded the Millennium New Zealand Large Site of the Year award. This recognises the very high level of custodial care and presentation of The Hub, which generates a consistent amount of positive customer feedback. A huge thank you to our custodial and security team for keeping The Hub a bright and welcoming environment.

76
Total number of tenancies.
As at latest balance date 29 February 2024

24,850 sqm
Total lettable Area

Report From The Centre Manager CONTINUED

JASON MARSDEN
SENIOR CENTRE MANAGER

As we roll past the lease anniversary for many of those tenants who joined us following the 2017 expansion, this creates a time of uncertainty and change. Hard market conditions for some see them take the opportunity to exit whilst others look to renegotiate their Lease. This can work in our favour, improving some of the core terms around rental caps and other conditions. This bubble of lease expiries also creates opportunity and workflow for our Leasing Executives, now augmented by an Auckland resource to ensure targeted national and international tenants are being effectively engaged with. We have seen OPSM relocate to a bigger tenancy next to Robert Harris, and Specsavers are currently preparing to expand into the former Health 2000 site. This will increase their store size considerably and include relocating the main entry. There now seems to be some increased activity around other vacancies and hopefully some successful lease negotiations will be announced in the near future.

The Hub has reflected the national trend for reduced shopping centre footfall but remarkably has more than made up for this in turnover growth. The twelve months to April 2024 saw turnover up 9.2% on the previous twelve months, over $23 million dollars additional through our retailers' tills.

The twelve months to April 2024 saw turnover up **9.2%** on the previous twelve months, over **$23 million dollars** additional through our retailers' tills.

A new accountancy software package was rolled out across Colliers, New Zealand, which is no easy task, especially for an asset as complex as a shopping centre. With initial teething issues now resolved and new functionality coming online, the ease of preparation and accuracy of monthly reports has increased. We are incredibly grateful to the SCIL Board for their understanding and patience during this process, a testament to the long-term relationship and trust between SCIL and Colliers, spanning over two decades.

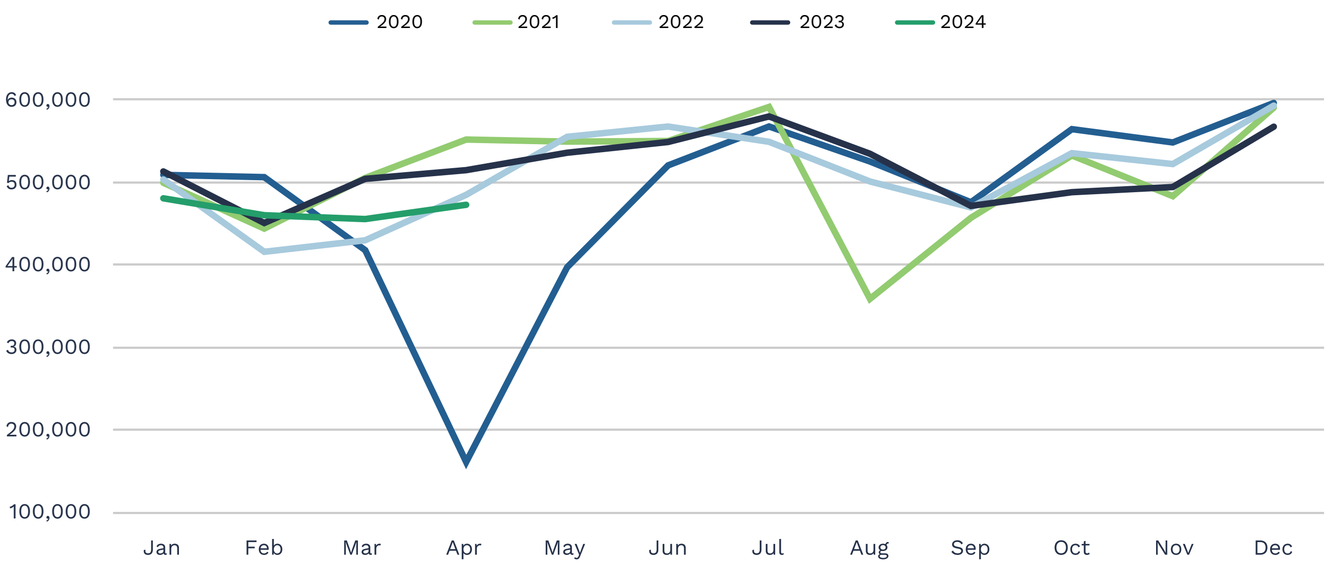
The recently released census data will no doubt deliver confirmation of growth within our catchment area, and we have already heard that the Selwyn District is once again the highest-growth district in the country. This is a great boon for us as it is an essential catchment for those residents who travel into Hornby for work. More locally, the Council is planning intensified housing centred on The Hub, and we are already seeing a large amount of this on the likes of Amyes Road, where older houses are being removed and replaced with four two-story townhouses. Future plans include a significant transport hub somewhere in Hornby, strengthening public transport connections to the CBD and reinforcing Hornby as a significant growth centre.

I wish to express my thanks to the Board of SCIL for their ongoing support and high level of involvement over the last year. The Hub would be nothing without the team that champions our community spirit: Kiri Thomson, our Operations Manager, assisted by Donna Waiariki, along with Jade and Damien at our Customer Services desk. Offsite Joanna Koster drives the technical lease and Centre oversight as Property Manager, and Gerhard Geldenhuys, our new Director of Real Estate Management Services, takes a very active role in The Hub. I would like to express my sincere thanks to all. As always, we have an open invitation to all our shareholders to visit The Hub and catch up with me in person at any time.

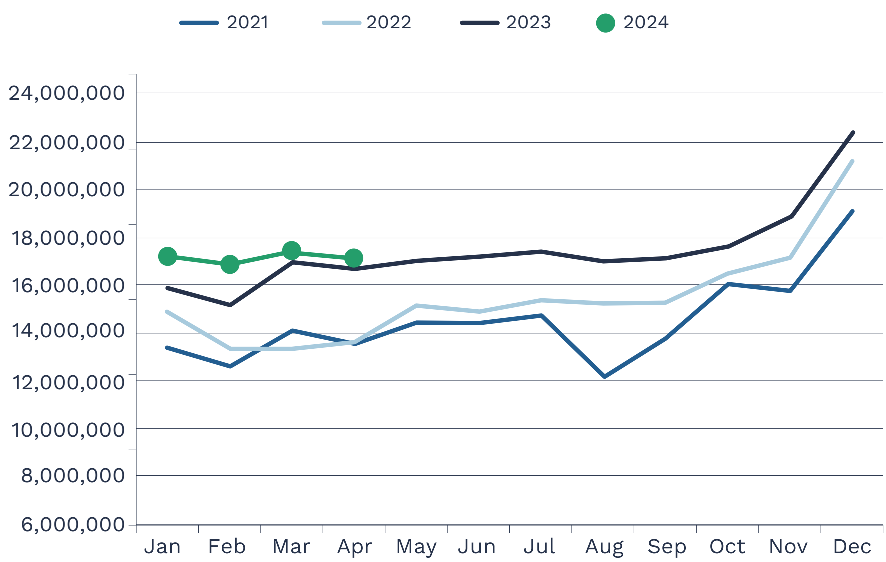
Senior Centre Manager – **Jason Marsden**

Significant Graphs

THE HUB FOOT TRAFFIC

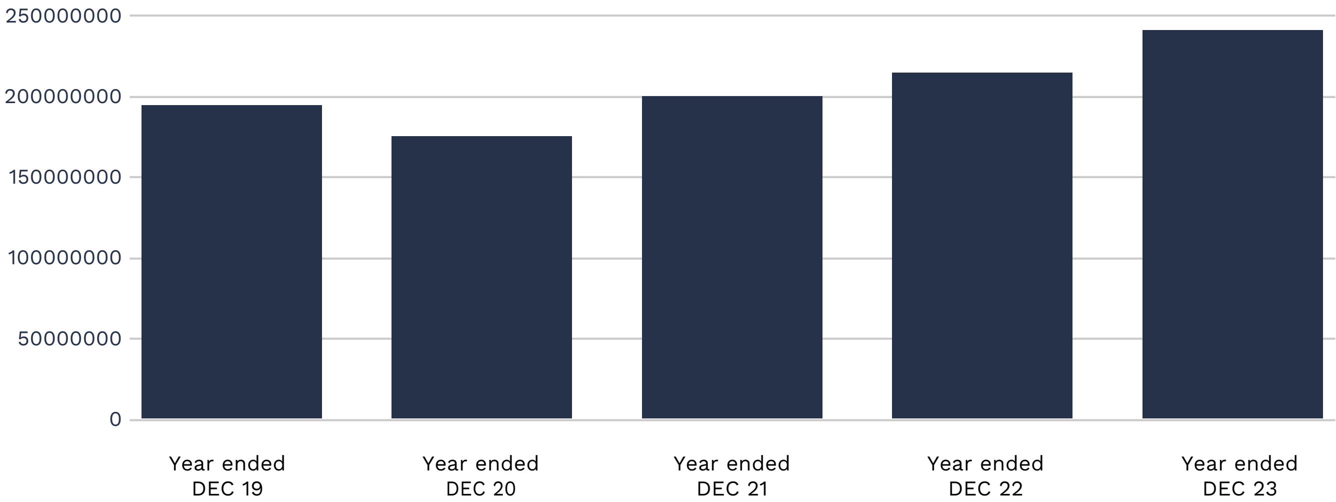


THE HUB TURNOVER
EX GST

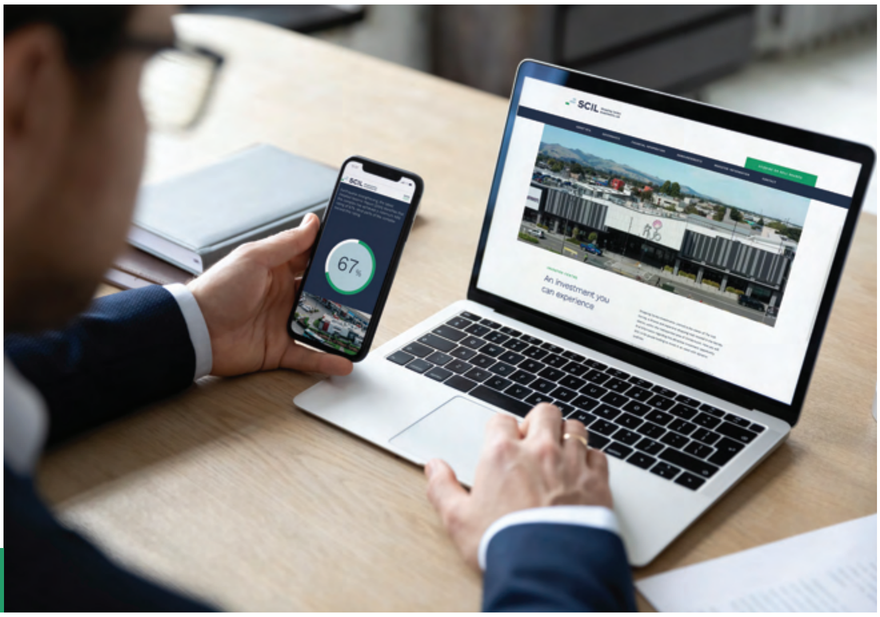


Significant Graphs CONTINUED

THE HUB HORNBY TOTAL TENANT SALES (INCLUDES CHALMERS ST SITES) INCL GST



Website



SCIL.CO.NZ

A detailed website is available online and a notification to the link has previously been sent to all shareholders

The Menu headings are:

1. **About SCIL**
   - An introduction as to "Who we are".
   - A description of the "Journey so Far".
   - A detailed "Strategy Declaration" with 5 key declarations.
   - A link to full details of the Management Team headed by Jason Marsden.

2. **Governance**
   The governance policies, practices and processes are defined within the Statement of Board Governance and the Board Charter. Both these the Statement and the Board Charter are detailed within the website.

   Statement of Board Governance
   Comprises 8 principles and is a critical component of the overall Governance Function.

   Board Charter
   This defines the Company's direction and the setting of operational goals.

   Directors
   A brief introduction to the 4 Directors.

3. Financial Information

Details as to the structure of the Company.
The 2024 Annual Report which contains the audited financial statements for the Year ended 29 February 2024.

The 2023 Annual Report.
2023 Unaudited Half Year Report.

A "Fact Sheet" which highlights Key Information as well as a short summary of results for previous years in graph and table form.

Details of Gross Dividend rates.

4. Announcements

This contains the various previous interim and annual Chairman's Reports.
The latest Annual General Meeting [AGM] notice and Attachments including the Proxy Form.
A link back to the audited financial accounts.

5. Investor Information

Secondary Listing details [Unlisted Securities Exchange "USX"].
Link to the USX website.
Details as to Sharebroker registration associated with the USX.

Accessing the Share Register, Dividend and Advice Notices via Computershare.
Link to Computershare, advice as how to Log In
a) Common Shareholder Number (CSN)
b) Authorisation Code (FIN)

6. Contact

Ability to contact the Company by way of e mail, form for completion.
Direct links to:
a) Computershare
b) Companies Office

Secondary Listing

The Company is a registered member within the USX Unlisted Securities Exchange.

This is a secondary listing and is a Trading and Information Platform which provides liquidity and transparency.

Trading, by way of bids and offers, is carried out by a determined number of sharebrokers that are registered with the Unlisted Securities Exchange, on behalf of shareholders and intending investors.

Such Brokers undertake the trading exercise and arrange the settlements.

The “Log In” website provides market information with an Issuer Profile and includes the prices and volume movements detailed within Historical Pricing Charts.

The USX operates under an Exemption in regard to the clauses of the Financial Markets Conduct Act.

Any investor must first sign an Investor Information and Disclaimer form.

The advantages of the USX listing as per their information summary are:

1. Lower compliance and cost option
2. Arms-length transparent price discovery
3. Hands off market participation
4. No need for regular and costly valuations
5. Facilitates communication with investors and shareholders
6. Lower transaction costs
7. Enables exposure to greater investor interest and publicity
8. USX initiated Issuer Profiles

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

2024 Financial Results

SHOPPING CENTRE INVESTMENTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH FEBRUARY 2024

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SHOPPING CENTRE INVESTMENTS LIMITED AND GROUP

Opinion

We have audited the consolidated financial statements of Shopping Centre Investments Limited ("the Company") and its controlled entities (together, "the Group"), which comprise the consolidated statement of financial position as at 29 February 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 29 February 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") 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 controlled entities.

Key Audit Matters

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

Valuation of Investment Properties- Key Audit Matter

As disclosed in note 6 of the consolidated financial statements the Group's Investment Properties are carried at fair value. The property was valued at $126m (2023: $121.28m). The revaluation gain recognised in the consolidated statement of profit or loss and other comprehensive income was $4.5m (2023: $9.8m loss).

We include the valuation of the investment properties as a key audit matter due to the following reasons:

- The significance to the financial statements: The investment properties accounts for 93.7% of the total assets (2023: 93.17) making it the most 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, current market rent and anticipated growth based on available market data and transactions; and
- The valuation requires the use of judgments specific to the properties, as well as consideration of the prevailing market conditions. At 29 February 2024 the property market, and economy as a whole, were significantly impacted by ongoing economic uncertainty and market volatility resulting from increasing inflation and threat of recession. Significant assumptions used in the valuations are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. A small difference in any one of the key assumptions could result in a significant change to the valuation of a property.

How the matter was addressed in our audit

Our procedures included, but were not limited to, the following:

- Reading the valuation report for the group's investment properties and reviewing the valuation methodology and the reasonableness of the significant underlying assumptions.
- Discussing with management the nature of key assumptions and the expected impacts of economic conditions on these assumptions.
- Assessing the competence, objectivity, and integrity of the independent registered valuers. We assessed their professional qualifications and experience.
- Holding discussions 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*.
- Using our in-house valuation specialists to assess the appropriateness of the valuation methodology and challenge the reasonableness of the underlying assumptions. Our specialists focused on the appropriateness of the valuation methodology chosen, and the appropriateness of the capitalisation rates and discount rates applied.
- Assessing the adequacy of the disclosures made in respect of the valuation of investment properties in the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Report 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 going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
12 June 2024

SHOPPING CENTRE INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29TH FEBRUARY 2024

BDO Christchurch

	Notes	Group 2024 $	Group 2023 $
Operating Income			
Rent Received	11	9,941,557	9,994,988
		9,941,557	9,994,988
Other Income			
Insurance Proceeds Received		140,577	467,720
Interest Received on Assets Amortised at Cost		39,882	27,570
Power Commissions & Recoveries		187,019	184,148
		367,478	679,438
Less Overhead Expenses			
Management Contributions		85,016	83,629
Operating Contributions		673,627	552,720
Power Supplies		45,716	50,133
Audit Fees (BDO Christchurch - Statutory Audit)		44,825	41,500
Directors Fees	22	203,000	203,000
Interest Expense on Lease Liabilities	10	260,781	263,667
Interest Expense on Liabilities at Amortised Cost		4,981,724	3,652,659
Other Operating Expenses	12	1,341,471	1,031,163
Repairs - Expenditure Related to Insurance Proceeds		191,870	476,981
		7,828,030	6,355,452
Operating Profit / (Loss)		**2,481,005**	**4,318,974**
Non Operating Income and Expenses			
Net change in the value of the:			
Investment Properties	6	4,503,692	(9,800,959)
Derivative Financial Instruments	9	(292,957)	518,309
		4,210,735	(9,282,650)
Profit / (Loss) before Income Tax		**6,691,740**	**(4,963,676)**
Income Tax Benefit / (Expense)			
Income Tax	13 & 14	(584,572)	(1,164,219)
		(584,572)	(1,164,219)
Profit / (Loss) Attributable to Shareholders		**6,107,168**	**(6,127,895)**
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to Shareholders		**6,107,168**	**(6,127,895)**

The accompanying Notes form part of these Financial Statements.

BDO Christchurch

28TH FEBRUARY 2023	Notes	Group			
		Share Capital	Accumulated Losses	Accumulated Losses Attribution Reserve	Total
		$	$	$	$
Balance at 28 February 2022		**73,374,286**	**(12,538,489)**	**(3,365,012)**	**57,470,785**
Total Comprehensive Income for the Year					
Profit / (Loss) for the Year		-	(6,127,895)	-	(6,127,895)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		-	(6,127,895)	-	(6,127,895)
Transactions with Owners recorded directly in Equity					
Dividends to Shareholders		-	(3,531,497)	-	(3,531,497)
Transfer to/(from) Accumulated Losses Attribution Reserve	5	-	9,800,959	(9,800,959)	-
Balance at 28 February 2023		**73,374,286**	**(12,396,922)**	**(13,165,971)**	**47,811,393**

29TH FEBRUARY 2024	Notes	Group			
		Share Capital	Accumulated Losses	Accumulated Losses Attribution Reserve	Total
		$	$	$	$
Balance at 28 February 2023		**73,374,286**	**(12,396,922)**	**(13,165,971)**	**47,811,393**
Total Comprehensive Income for the Year					
Profit / (Loss) for the Year		-	6,107,168	-	6,107,168
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		-	6,107,168	-	6,107,168
Transactions with Owners recorded directly in Equity					
Dividends to Shareholders		-	(1,981,084)	-	(1,981,084)
Transfer to/(from) Accumulated Losses Attribution Reserve	5	-	(4,503,692)	4,503,692	-
Balance at 29 February 2024		**73,374,286**	**(12,774,530)**	**(8,662,279)**	**51,937,477**

	Group	
	2024	**2023**
Dividends for the period (cents per share)	**0.0288**	**0.0513**
Dividend	1,981,084	3,531,497
Shares dividends paid on	68,907,243	68,907,243

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT THE 29TH FEBRUARY 2024

BDO Christchurch

		Group	
		2024	**2023**
	Notes	**$**	**$**
Current Assets			
Cash and Cash Equivalents	**16**	1,316,318	1,538,696
Colliers Trust Account		129,189	78,181
Accounts & Other Receivables	**17**	1,304,136	981,038
Derivative Financial Instrument	**9**	400,623	693,580
Total Current Assets		**3,150,266**	**3,291,495**
Non Current Assets			
Investment Properties	**6**	126,000,000	121,280,000
Leasehold Asset		85,956	90,146
Leasing Costs	**18**	579,829	686,399
Right-of-Use Assets	**10**	4,223,904	4,349,217
Tax Paid in Advance	**13**	487,277	477,894
Total Non Current Assets		**131,376,966**	**126,883,656**
Total Assets		**134,527,232**	**130,175,151**

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT THE 29TH FEBRUARY 2024

BDO Christchurch

	Notes	Group 2024 $	Group 2023 $
Shareholders' Equity			
Share Capital	5	73,374,286	73,374,286
Accumulated Losses		(12,774,530)	(12,396,922)
Accumulated Losses Attribution Reserve	5	(8,662,279)	(13,165,971)
Total Shareholders' Equity		**51,937,477**	**47,811,393**
Current Liabilities			
Accounts Payable	19	271,231	224,825
Interest Accrued		372,394	341,714
Bonds Prepaid		173,623	154,731
Income Received in Advance		158,406	84,305
Lease Liabilities	10	65,390	62,306
GST Payable		200,722	164,487
Provision for Deferred Maintenance		12,449	12,449
Provision for GOC Refund	20	660,261	475,388
Defit Funds Received		143,944	81,400
Term Loans - ASB Bank	8	750,000	66,812,500
Total Current Liabilities		**2,808,420**	**68,414,105**
Term Liabilities			
Term Loans - ASB Bank	8	65,312,500	-
Lease Liabilities	10	5,140,620	5,206,010
Deferred Tax Liability	14	9,328,215	8,743,643
Total Term Liabilities		**79,781,335**	**13,949,653**
Total Equity and Liabilities		**134,527,232**	**130,175,151**

Signed for and on behalf of the Board of Directors which authorised the issue of the financial statements on the 12 June 2024

D H Rankin
Director

M J Keyse
Director

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29TH FEBRUARY 2024

BDO Christchurch

	Notes	Group	
		2024	2023
		$	$
Cash flows from operating activities			
Cash was provided from:			
Rentals Received		9,592,982	10,056,550
Interest Received		40,552	25,698
Power Commissions & Recoveries		186,913	186,697
Net GST Inflows		102,557	3,887
		9,923,004	10,272,832
Cash was disbursed to:			
Payments for Services		(1,333,734)	(1,641,216)
Payments for Direct Expenses		(768,530)	(636,468)
Interest Paid		(4,951,045)	(3,480,850)
Income Tax Paid		(9,381)	(6,067)
Net GST Outflows		-	-
		(7,062,690)	(5,764,601)
Net Cash Flows from operating activities	**26**	**2,860,314**	**4,508,231**
Cash flows from investing activities			
Cash was provided from:			
Insurance Proceeds		140,577	467,720
Transfer from Colliers Trust Account		-	14,430
		140,577	482,150
Cash was disbursed to:			
Investment Properties		(118,089)	(1,286,186)
Transfer to Colliers Trust Account		(51,008)	-
		(169,097)	(1,286,186)
Net Cash Flows from investing activities		**(28,520)**	**(804,036)**
Cash flows from financing activities			
Cash was disbursed to:			
Dividends Paid		(1,981,084)	(3,531,497)
Lease Liabilities - Interest	**26**	(260,781)	(263,667)
Lease Liabilities - Principal	**26**	(62,307)	(58,295)
Loan - ASB	**26**	(750,000)	(187,500)
		(3,054,172)	(4,040,959)
Net Cash Flows from financing activities		**(3,054,172)**	**(4,040,959)**
Net Increase (Decrease) in cash & cash equivalents held		(222,378)	(336,764)
Cash & cash equivalents at beginning of the year		1,538,696	1,875,460
Cash & cash equivalents at end of the year	**16**	1,316,318	1,538,696

The accompanying Notes form part of these Financial Statements.

BDO Christchurch

1 REPORTING ENTITY

The financial statements as at and for the year ended 29 February 2024 are those for Shopping Centre Investments Limited (the Company) and its controlled entities (the Group), B C Chalmers Investments Limited and Hornby Enterprises Limited.

The Company and its controlled entities are limited liability companies incorporated and domiciled in New Zealand and are registered under the New Zealand Companies Act 1993.

The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the financial statements have been prepared in accordance with that Act.

The registered office of the Company is Level Four, 123 Victoria Street, Christchurch 8013.

The Company and Group's principal activity is property investment and management.

The financial statements were authorised for issue by the Directors on the sign off date stated on the Statement of Financial Position.

2 ACCOUNTING POLICIES

The general accounting policies applied in the preparation of the financial statements are set out below. Accounting policies for specific contents are identified in the relevant note. These policies have been consistently applied by all members of the Group to all years presented, unless otherwise stated.

A BASIS OF PREPARATION

Statement of Compliance

The financial statements for the Group have been prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993, New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), International Financial Reporting Standards ("IFRS") and the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for investment properties and derivatives which are measured at fair value, as set out below.

The New Zealand dollar is the functional currency of the Parent and each subsidiary.
All financial information is presented in New Zealand dollars, rounded to the nearest dollar.

New standards and amendments to existing standards effective after 1 March 2023

In February 2021, the IASB issued amendments to NZ IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

There were no other new standards or amendments to existing standards that came into effect from 1 March 2023 that had a material impact on the Group.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

Standards and amendments to existing standards not yet in effect and not early adopted

At the date of authorisation of the financial statements for the Group for the year ended 28 February 2024, the following standards and interpretations were in issue but not yet effective:

Standards/ Interpretations		Effective Date (Annual periods commencing on or after)
NZ IAS 1	Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current)	1 January 2024
NZ IAS 1	Presentation of Financial Statements (Amendment - Non-Current Liabilities with Covenants	1 January 2024
NZ IAS 7	Statement of Cash Flows (Amendment - Supplier Finance Arrangements)	1 January 2024
NZ IFRS 16	Leases (Amendment - Liability in a Sale and Leaseback)	1 January 2024
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The above standards are not expected to have a material impact on the Group's financial statements when they come into effect.

The Group has not yet assessed the impact of IFRS 18 *Presentation and Disclosure in Financial Statements* as the New Zealand equivalent of this standard has yet to be issued. It is expected that the standard will impact the presentation of the financial statements.

Other standards and interpretations in issue but not yet effective are expected to have an impact on the financial statements of the Group in the period of initial application.

B BASIS OF CONSOLIDATION

(i) ***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 that control commences until the date that control ceases.

(ii) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

C OPERATING CONTRIBUTIONS

Operating Contributions are the Parent's share of the Mall's operating expenses that cannot be charged to tenants. The Parent's share of the operating expenses covers charges for non-lettable areas and vacant tenancies.

D FINANCE INCOME AND FINANCE COSTS

Interest income comprises interest receivable on funds invested and is recognised as it accrues in the profit or loss using the effective interest method.

Interest expense and bank fees comprise interest and bank fees payable on funds borrowed, convertible notes, derivative financial instruments and leases.
Interest expense is recognised as it accrues in the profit or loss, using the effective interest method.

Interest expense is recognised in the profit or loss.

E GOODS AND SERVICES TAX

These financial statements have been prepared on a goods and services tax (GST) exclusive basis except for the accounts receivable and accounts payable balances which are stated inclusive of GST.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

F FINANCIAL INSTRUMENTS

i ***Non derivative financial instruments***

The Group's accounting policy for its financial assets at amortised cost and recorded at fair value through profit or loss is as follows:

At 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 expected credit losses.

Expected credit losses for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the 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 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 other operating expenses in the consolidated statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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 and deposits held on call with banks.

Fair Value Through Profit or Loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial Liabilities" section for out-of-money derivatives classified as liabilities). They are recognised in the Consolidated Statement of Financial Position.
Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss. Fair value movements hereon are recognised through profit or loss.

The Group's accounting policy for its financial liabilities amortised at cost and recorded at fair value through profit or loss is as follows:

Amortised at Cost

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. 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 the interest payable while the liability is outstanding.

Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

F FINANCIAL INSTRUMENTS (continued)

ii ***De-recognition of financial instruments***

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group de-recognises financial liabilities when the Group's obligations are discharged, cancelled or they expire.

G IMPAIRMENT

i ***Non financial assets***

The carrying amounts of the Group's non financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

H LEASES - as Lessee

The accounting policy for leases as Lessor are stipulated in Note 10.

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdiction from which it operates. Of the two leases, one provides payments to increase every two years by inflation, and the other to be reset periodically to market rental rates.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the reporting date to lease payments that are variable.

2024 Year	Group			
	Lease Contracts Number	Fixed Payments %	Variable Payments %	Sensitivity +/- $
Property leases with payments linked to inflation	1	-	50	156,009
Property leases with periodic uplifts to market rentals	1	-	50	104,292
	2	-	100	260,301
2023 Year				
Property leases with payments linked to inflation	1	-	50	127,469
Property leases with periodic uplifts to market rentals	1	-	50	106,463
	2	-	100	233,932

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would exposes the Group to excessive risk.
Typically factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the group.

At 28 February 2024 the carrying amounts of lease liabilities are not reduced because the leases do not contain any break clauses (2023: no reduction to lease liabilities).

BDO Christchurch

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, the Board and Management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group.

All judgements, estimates and assumptions are believed to be reasonable based on the current set of circumstances available to the Board. Actual results may differ from the judgements, estimates and assumptions made by the Board.

The material judgements, estimates and assumptions made in the preparation of these financial statements are detailed in the following notes:

- Investment Properties (refer Note 6)
- Deferred Taxation (refer Note 14)

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk, and liquidity risk. The Group's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on the Group's financial well being.

The Group's principal financial instruments comprise borrowings. The main purpose of these borrowings is to raise finance for the Group. The Group uses derivative financial instruments, principally interest rate swaps, to mitigate its exposure to interest rate risk.

The Group has various other financial assets and liabilities, such as accounts receivable, accounts payable, related party balances and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk (interest rate risk), credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks.

Details of the significant accounting policies, including the basis of measurement and recognition in respect of each class of financial instrument, financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

A summary of financial instruments by category can be found in note 27 to the financial statements. A summary of financial instruments by items of income, expense, gains or losses is disclosed in Profit or Loss.

A Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk arises from interest rate risk alone, as the Group has no significant exposure to currency risk or other price risk.

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's term loan obligations with a floating interest rate.

With the Group's borrowings currently on floating interest rates, the Directors regularly review the interest rates to determine whether a band of the Group's borrowings need to be fixed.

The Group uses derivative financial instruments, principally interest rate swaps, to exchange its floating short term interest rate exposure for fixed long term interest rate exposure in accordance with its policy bands.
As the Group holds derivative financial instruments, there is a risk that their fair value will fluctuate because of underlying changes in market interest rates. This is accepted as a product of the Group's interest rate economic hedging policy.
The value of derivative financial instruments is disclosed in the Statement of Financial Position.

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4 **FINANCIAL RISK MANAGEMENT (Continued)**

A **Market Risk (Continued)**

The sensitivity analysis following has been determined based on the exposure to interest rates for both derivative and non derivative instruments at the year end. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the year end was outstanding for the whole year. A 100 basis point increase or decrease (2023: 100 basis point) is used when reporting interest rate risk internally and represents the Boards's assessment of the reasonably possible changes in interest rates.

Non Derivative Instruments	Group						
	28th Feb 2024	Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%	28th Feb 2023		Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%
Financial Assets							
Cash and Cash Equivalents	1,316,318	13,163	(13,163)	1,538,696		15,387	(15,387)
	1,316,318	13,163	(13,163)	1,538,696		15,387	(15,387)
Financial Liabilities							
ASB Loan*	66,062,500	660,625	(660,625)	66,812,500		668,125	(668,125)
	66,062,500	660,625	(660,625)	66,812,500		668,125	(668,125)

*The sensitivity analysis for the ASB Loan of 100 basis points (2023: 100) is applied to the interest rate of 8.23% (2023: 7.18%) and this derives the resulting impact on the Group.

The impact on equity of the Group of the + / - 1.00% movement would be $466,173 [$647,462 less 28%]
(2023: +/-1.00% $469,971 [$652,738 less 28%])

Derivative Instruments	Group						
	28th Feb 2024	Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%	28th Feb 2023		Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%
Financial Assets							
Derivative Financial Instrument	400,623	4,006	(4,006)	693,580		6,936	(6,936)
	400,623	4,006	(4,006)	693,580		6,936	(6,936)

The impact on equity of the Group of the + / - 1.00% movement would be $2,884 [$4,006 less 28%]
(2023: +/-1.00% $4,994 [$6,936 less 28%])

B **Credit Risk**

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge its obligations and the Group will suffer financial loss as a result. Financial instruments which potentially subject the Group to credit risk consist of cash and cash equivalents, Colliers Trust Account, accounts receivable, other receivables and loans to subsidiaries.

With respect to the credit risk arising from cash and cash equivalents, there is limited credit risk as cash is deposited with the ASB Bank, a registered bank in New Zealand. The credit rating of this bank is AA- (Standard and Poors) (2023 credit rating: AA- (Standard and Poors))

With respect to the credit risk arising from accounts receivable, the Group only enters into lease arrangements over its investment properties with creditworthy third parties. It is the Group's policy to subject all potential tenants to credit verification procedures. In addition accounts receivable balances are monitored on an ongoing basis and overdue accounts followed up rigorously. Amounts which are past due are not considered impaired when payment is expected shortly.

With respect to the credit risk arising from interest rate swap arrangements, there is limited credit risk as the counterparty is a registered counterparty and is a registered bank in New Zealand. The credit rating for the bank is AA- (Standard and Poors).

Further details of the Group's accounts receivable, including details of the Group's impairment allowances, are disclosed in note 17 to the financial statements.

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4 FINANCIAL RISK MANAGEMENT (Continued)

C Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty realising assets and raising sufficient funds to satisfy commitments associated with financial liabilities.

The maturities of the Group's accounts payable, accruals and other liabilities are detailed in the table below. The amounts stated below are undiscounted.

The maturities of the Group's borrowings based on the remaining period is more than one year (2023: more than one year), with all borrowings due later than one year (2023: more than one year).

Further details of the Group's borrowings, including the maturities of the Group's borrowings, are disclosed in note 8 to the financial statements. Details of the renegotiated finance facility are detailed in Note 28.

The table below analyses the Group's financial liabilities (principal and interest) by the relevant contracted maturity groupings based on the remaining period as at 29 February 2024 and 28 February 2023.

2024 Year	Group					
	Carrying Amount	Total Contractual cash flows	0-1 year	1-2 years	2-5 years	> 5 years
Financial Liabilities						
Accounts Payable	271,231	271,231	271,231	-	-	-
ASB Loan	66,062,500	80,455,812	6,186,944	6,125,219	68,143,649	-
Total as at 29 Febuary 2024	66,333,731	80,727,043	6,458,175	6,125,219	68,143,649	-

2023 Year	Group					
	Carrying Amount	Total Contractual cash flows	0-1 year	1-2 years	2-5 years	> 5 years
Financial Liabilities						
Accounts Payable	224,825	224,825	224,825	-	-	-
ASB Loan	66,812,500	79,526,325	5,547,138	5,493,288	68,485,900	-
Total as at 28 Febuary 2023	67,037,325	79,751,150	5,771,963	5,493,288	68,485,900	-

The maturity analysis of the Group's liquidity risk is based on the Group's maturity dates set out in its term loan facilities. All loan facilities are committed facilities with a reputable, independently rated, first tier trading bank. Banking covenants are monitored quarterly and reported to the lenders each quarter to ensure the Group is in compliance. The Group was in compliance during the current year, but not the prior year.

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5 SHARE CAPITAL AND RESERVES

	Share Numbers	Group $
Authorised and issued share capital at 1 March 2022	68,907,243	73,374,286
Authorised and Issued share capital at 28 February 2023	68,907,243	73,374,286
Authorised and issued share capital at 1 March 2023	68,907,243	73,374,286
Authorised and Issued share capital at 29 February 2024	68,907,243	73,374,286

All ordinary shares on issue are fully paid, carry equal voting rights, share equally in dividends and have no par value.

Accumulated Losses Attribution Reserve	Group	
	2024	2023
As at 1 March	(13,165,971)	(3,365,012)
Transfer from Accumulated Losses	4,503,692	(9,800,959)
As at 28 February	(8,662,279)	(13,165,971)

The Accumulated Losses Attribution Reserve consists of the fair value adjustments recorded against the investment properties.

International Financial Reporting Standards and the New Zealand equivalents to the International Financial Reporting Standards require fair value adjustments to be recorded through the Profit or Loss.
In the 2021 reporting year and for all future years, the Directors decided to identify the total fair value adjustments recorded against investment properties separately from Accumulated Losses within the Statement of Changes in Equity to clearly identify the split between the two different accounts. This is achieved via a transfer from Accumulated Losses to the Attribution Reserve.

There are no restrictions on this reserve and transfers can be made back to Accumulated Losses.

BDO Christchurch

	Group	
	2024	2023
6 INVESTMENT PROPERTIES		
As at 1 March	121,280,000	129,000,000
Additions - Lift	8,735	1,509,331
Additions - Strengthening	-	289,493
Additions - Other Capital Items	207,573	282,135
	121,496,308	131,080,959
Fair Value Adjustment	4,503,692	(9,800,959)
As at 28 February	**126,000,000**	**121,280,000**
These totals comprise		
Main Complex known as the Hornby Hub	126,000,000	121,280,000
	126,000,000	121,280,000

The property is secured against the borrowings from ASB. Details of the borrowings and security are included in note 8.

ACCOUNTING POLICIES

Investment properties are held to both earn rental income and for long term capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

After initial recognition at cost including directly attributable transaction costs, investment properties are stated at fair value, on the basis of current market valuations made by registered public valuers on an annual basis. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Gains or losses on the disposal on investment properties are recognised in the profit or loss in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of the current market conditions. The fair value also reflects, on a similar basis, the cash outflows that could be expected in respect of the property. The fair value also reflects, on a similar basis, the highest and best use of the property.

No depreciation or amortisation is provided for on investment properties. However, for tax purposes, depreciation is claimed on building fit out and a deferred tax liability is recognised where the building components of the registered valuation exceeds the tax book value of the building.

Fair value adjustments of the investment properties recognised in Profit or Loss and then transferred to the Accumulated Losses Attribution Reserve are detailed in Note 5.

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6 INVESTMENT PROPERTIES (Continued)

MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Registered public valuers have been used to determine the fair value of investment properties. The fair value was determined using a combination of both direct capitalisation and discounted cash flow approaches. The discounted cash flow method is used to cross check against the value against the primary method, being the direct capitalisation method.

Using a direct capitalisation approach the subject property rental is divided by a market derived capitalisation rate to assess the market value of the asset. Further adjustments are then made to the market value to reflect under or over renting, additional revenue and required capital expenditure.

Discounted cash flow projections are based on estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current (at the date of the statement of financial position) market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

NOTES

Fair value reflects the highest and best use of the investment property at the end of the reporting period. Investment property measurements are categorised as level 3 in the fair value hierarchy. During the year, there were no transfers of investment properties between levels of the fair value hierarchy.

The contents of the Fair Value hierarchy table are included within this note.

DSA Report prepared by Structex, dated 28 February 2022

On 28 February 2022, Structex issued a Detailed Seismic Assessment (DSA) report to the Group identifying that the seismic strengthening work completed throughout the Mall has resulted in the main building structure achieving a seismic rating of at least 67% NBS (Importance Level 3). Higher seismic ratings have been achieved in other areas such as the Banking Precinct and Farmers areas.

The Importance Level 3 is a higher standard than for stand alone buildings as it is for buildings that contains large crowds and may pose a risk to large numbers of people in close proximity.

Valuation

The properties were valued as at the 29 February 2024 by Kane Sweetman and Jacqueline Frost, independent registered valuers of the firm CVAS (NZ) Limited trading as Colliers. Both are members of the Property Institute of New Zealand (MPINZ). (2023: Gary Sellars of CVAS (CHC) Limited trading as Colliers.)

The valuation methodology adopted is the market income valuation approach which takes into account the current market rental income from rents received, and allowances for vacancies can be made.
Last year,the valuation methodology adopted was the market income valuation approach.

In response to escalating inflation levels in late 2021, the Reserve Bank of New Zealand (RBNZ) embarked on a steep monetary tightening cycle, with wholesale interest rates increasing from 0.25% to 5.50%. Further increases have not been ruled out, although most analysts expect these are broadly at their peak for the current cycle.

Further to this is the compounding impact of military conflict in Europe and the Middle East. There 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 and price points, albeit less substantially in the case of the more affordable investments. These market changes have occurred incrementally over the course of 2022 and 2023 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 of late 2023.

Notwithstanding the apparent stabilisation of the current market, there remains a shortage of recent sales transactions in many sectors of the market from which to fully ascertain current market values. This increases the uncertainty around Colliers' valuation conclusions and we do not yet rule out the possibility of further value changes over the course of 2024, particularly if there is an increase of transactional activity at higher than current yields and repricing the market.

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6 INVESTMENT PROPERTIES (Continued)

Valuation (continued)

In light of these prevailing marketing conditions, Colliers strongly recommend that the valuation of all property be kept under frequent review as valuation advice could become outdated significantly more quickly than is normally the case.
Colliers reiterate, in accordance with the accepted definition, that the market value is concluded "as at the valuation date" and is based on Colliers' interpretation of events, evidence (such as it is) and sentiment up to that date. It is the value on that day.

A capitalisation rate of 8.00% was adopted under the market income valuation approach, with turnover and casual rent being capitalised at 9.50% and power recoveries and commissions income being capitalised at 9.50% to produce a market value of $126,000,000. As part of the valuation assessment, the discounted cashflow investment valuation approach was considered whilst adopting a discount rate of 9.50% to cross check the market income valuation.

In 2023, a capitalisation rate of 8.00% was adopted under the market income valuation approach, with turnover and casual rent being capitalised at 9.50% and power recoveries and commissions income being capitalised at 8.25% to produce a market value of $121,280,000. As part of the valuation assessment, the discounted cashflow investment valuation approach was considered whilst adopting a discount rate of 9.50% to cross check the market income valuation.

There are no other material changes to the approach in the valuation methodology.

The basis and assumptions Colliers have used in determining the value of the investment properties are as follows:

1 Colliers were instructed to assess the market value for financial reporting purposes on the basis that the lessee's interest in the property at 21 Carmen Road is excluded. Colliers have completed the financial reporting valuation on this basis.
2 Colliers were instructed to assess the market value for mortgage security purposes including the lessee's interest in the property at 21 Carmen Road is included. Colliers have completed the financial reporting valuation on this basis.
3 Colliers Real Estate Management Limited has provided financial data in relation to tenancy schedules, operating expenses summaries and budgets. Colliers have relied upon this information in completing the valuations.
4 Colliers' valuations have been completed on the assumption that the building(s) and associated site development can be adequately covered by normal full reinstatement insurance, including earthquake cover both now and in the future. Should this not be the case or should the situation change in the future, Colliers caution that the valuations may change.

The above assumptions were also applied in the 2023 year.

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6 INVESTMENT PROPERTIES (Continued)

The table below explains the key inputs used to measure fair value for investment properties.

Valuation Techniques

Capitalisation Approach	A valuation technique which determines fair value by assessing the current market rental for the property, and capitalising at an appropriate yield. Adjustments can then be made for vacancies and other capital adjustments (i.e. difference in contract rent) where appropriate.
Discounted Cash Flow Investment Valuation Approach	A valuation technique which requires explicit assumptions to be made regarding the prospective income and expenses of a property over an assumed holding period, typically ten years. The assessed cash flows are discounted to present value at an appropriate, market-derived discount rate to determine fair value.

Unobservable Inputs within the Market Income (MI) Valuation Approach

Gross Market Rent		The annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction, including a fair share of property operating expenses.
2024	$ 9,992,787	
2023	$ 9,163,434	
Core Capitalisation Rate		The rate of return, determined through analysis of comparable, market-related sales transactions, which is applied to a property's sustainable net income to derive value.
2024	8.00% - 9.50%	
2023	8.00% - 9.50%	

Unobservable Inputs within the Discounted Cash Flow (DCF) Investment Valuation Approach

Discount Rate		The rate, determined through analysis of comparable, market-related sales transactions, which is applied to a property's future net cash flows to convert those cash flows into a present value.
2024	9.50%	
2023	9.50%	
Terminal Capitalisation Rate		The rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated future market value.
2024	8.50%	
2023	8.50%	

Sensitivity Analysis

The following table shows the impact on the fair value of a change in a significant unobservable input:

Significant Inputs	Methodology	**Fair Value Measurement Sensitivity to Increase in Input**	**Fair Value Measurement Sensitivity to Decrease in Input**
Gross Market Rent	MI, DCF	Increase	Decrease
Core Capitalisation Rate	MI	Decrease	Increase
Discount Rate	DCF	Decrease	Increase
Terminal Capitalisation Rate	DCF	Decrease	Increase

Due to the number of variables that go into the valuation of the investment property, the financial impact on the fair value cannot be reliably determined.

The variables used within the valuation include the valuer relying on estimates and making assumptions around capitalisation rates, the market rent and anticipated growth based on available market data and transactions.

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7 CAPITAL WORKS IN PROGRESS & SEISMIC STRENGTHENING WORK

		Group	
		2024	2023
As at 1 March		-	914,107
Additions - Capital Repairs subject to Insurance Claim		-	20,110
Additions - Lift		8,775	1,052,095
Additions - Seismic Strengthening Works	6	-	289,493
Additions - Other Works	6	207,573	282,135
		216,348	2,557,940
Less			
Transfer to Investment Properties	6	(216,348)	(2,080,959)
Transfer to Statement of Profit or Loss (Dycore Repairs)		-	(476,981)
		(216,348)	(2,557,940)
As at 28 February		-	-

NOTES

Additions of $216,348 include no capitalised interest for the year ending 29 February 2024 (2023: $2,080,959 / $0).

Capital Works in Progress are initially carried at cost. The value of Capital Works in Progress is assessed annually by the Directors. Where there is evidence that costs previously capitalised no longer meet the criteria, or are no longer relevant, they are written off.

8 BORROWINGS

	Group	
Balance of ASB Term Loan at 28 February:	2024	2023
Current	750,000	66,812,500
Non-Current	65,312,500	-
	66,062,500	66,812,500

ACCOUNTING POLICIES

Borrowings are recognised initially at fair value, plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

i *Maturities*

The maturities of the Group's borrowings are disclosed in Note 4(C - Liquidity Risk). The values identified within this disclosure are undiscounted and reflect both the principal repayments and expected interest payments.

NOTES

ii *Facility*

	Amount	Matures		Reset Maturity Date	Floating
The Group has facilities with the ASB Bank for $67,000,000 facility (fully drawn)	66,062,500	31/10/2026		4/03/2024	

On 27 March 2024, ASB extended the loan maturity date by one year from 31 October 2025 to 31 October 2026.
The Loan to Value Ratio covenant was also increased from 52% to 55%.
The Board accepted the offer from ASB and signed Amendment to Committed Cash Advances Facility Agreement on 22 April 2024.

iii *Security*

The facilities are secured by way of a registered mortgage security over the land and buildings, which comprises the investment property. In addition, a general security deed is in place. The Bank is also secured by a deed of assignment of lease between the Company and the Mutual School of Art Inc (The Hornby WMC Inc) over 212 car parks situated on the leasehold property at 39 Carmen Road owned by the subsidiary Hornby Enterprises Ltd.

The value of the property is detailed in note 6.

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8 BORROWINGS (Continued)

iv *Other*

	2024	2023
The floating interest rate, subject to the interest swap rates (see Note 9) on the term loan facility of $66,062,500 (2023: $66,812,500) at reporting date was:	8.23%	7.18%

The borrowings are subject to monthly principal payments of $62,500 and interest until the maturity date.
No borrowing costs were capitalised to investment properties during the year (2023: $0) - Note 6.

The covenants on all borrowings require a loan to value ratio of not more than 55% (2023: 52%) and an interest cover ratio (that is, the ratio of earnings before interest to interest) of not less than 1.5:1 (2023: 1.5:1).
The Group complied with these covenants during the current year.
In 2023, the Group complied with the interest cover ratio covenant during the current year, but not the loan to value ratio.
As at and for the year ended 28 February 2024 the Group had a loan to value ratio of 52.43% (2023: 55.09%), an interest cover ratio of 1.50 (2023:2.23) and registered mortgage security of $66,062,500 (2023: $66,812,500)

As at 28 February 2023, due to the decrease in the value of the mall, the Group's loan to value ratio rose to 55.09%. As this exceeded the maximum ratio of 52.00% as stated in the ASB loan document, the ASB had the right to demand repayment of the loan. The term loan is therefore recorded as a current liability.
On 17 May 2023, ASB issued a confirmation of breach of covenant notice however they advised that no action will be taken, and this will be reassessed as at 29 February 2024. The receipt of this advice does not alter the classification of the loan as a current liability as this confirmation was received post reporting date.
The Board have acknowledged receipt of ASB's letter dated 17 May 2023 regarding the breach of the covenant and that no action will be taken. The Board expect that the loan will be renewed on 29 February 2024 and will be done so on acceptable terms.

9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2024	2023
Fair value of fixed interest rate swaps with start dates that have commenced	400,623	693,580
At 28 February	400,623	693,580

The fair value of of the interest rate derivative is determined from valuations prepared by ASB Bank using valuation techniques classified as Level 2 in the fair value hierarchy (2023: Level 2). These are based on the present value of estimated future cash flows based on the term and maturity of the contract and the current market interest rate at reporting date.

i *Maturities*

The Group had derivative financial instruments in place being fixed interest swaps totalling $33,400,000 (2023: $13,400,000)
Interest rates of 2.31% - 4.85% (2023: 2.31%).
The maturity dates are 4 November 2024 ($13,400,000), 3 February 2026 ($10,000,000) and 3 February 2027 ($10,000,000).
The monthly swap charge is calculated as follows; interest at the floating rate is charged on the full amount of the loan, the swap additional charge is then calculated at the fixed rate less the BBR-FRA rate. As at balance date the swap rate, after the necessary calculations, equates to 5.64% (2023: 4.90%).

ii *Unrealised net change in fair value of derivative financial instruments:*

The unrealised net change in fair value of derivative financial instruments was a loss of $292,957 (2023: gain of $518,309)

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10 LEASES

Right-of-Use Assets - Land	Group 2024	Group 2023
At 1 March	4,349,217	4,222,662
Depreciation	(125,313)	(125,312)
Effect of modification to lease terms	-	251,867
At 28 February	4,223,904	4,349,217

Lease Liabilities - Land	Group 2024	Group 2023
At 1 March	5,268,316	5,074,744
Effect of modification to lease terms	-	251,867
Interest Expense	260,781	263,667
Lease Payments	(323,087)	(321,962)
	5,206,010	5,268,316

Lease Liabilities Due (Undiscounted)	Group 2024	Group 2023
Up to 3 months	80,772	80,772
Between 3 and 12 months	242,316	242,316
Between 1 and 2 years	323,088	323,088
Between 2 and 5 years	969,264	969,264
More than 5 years	9,872,628	10,195,716
	11,488,068	11,811,156

The lease liabilities due are not discounted, and are the current contractual cash commitments over the term of the leases.

The weighted average incremental borrowing rate applied to lease liabilities on 1 March 2024 was 4.95% (2023: 4.95%).

<u>Lease Commitments</u>

At reporting date, the Group as lessee had lease commitments to:

Lessor	Description	Lease Commencement	Lease Expiry
Hornby Working Mens' Club	212 car parks	1 September 2013	30 August 2048
S R Halliwell	23 Carmen Road	1 April 2010	31 March 2035 (Right of Renewal)

The lease with S R Halliwell contains three rights of renewals, being 31 March 2035, 31 August 2048 and 31 August 2058.

The final expiry date of the lease is 31 August 2068.

Lease payments made:	Group 2024	Group 2023
Hornby Working Mens' Club	148,824	148,824
S R Halliwell	174,263	173,138
	323,087	321,962

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11 RENT RECEIVED

	Group 2024	Group 2023
Base Rent	8,525,699	8,771,045
Covid-19 Rent Relief	500	(3,458)
Percentage Rent	911,480	580,206
Casual Leases Rent	102,890	249,287
Car Park - Hornby Working Mens' Club	78,624	78,624
Sign	167,234	171,261
Sundry	155,130	148,023
	9,941,557	9,994,988

The contractual future minimum property base rent income to be received on property owned by the Group at balance date is as follows:

	2024	2023
Within one year	8,228,958	8,068,942
One year or later and not later than five years	20,687,645	21,043,165
Later than five years	1,930,391	2,228,079
	30,846,994	31,340,186

The weighted average lease duration by rental income is 3.76 years (2023: 4.09 years).

ACCOUNTING POLICIES

The Group enters into retail leases with tenants on its investment property. The Group has determined that it retains all significant risks and rewards of ownership and has therefore classified the leases as operating leases.

Rental income from investment properties is recognised in the profit or loss on a straight line basis over the term of the lease. Where lease incentives are offered, they will be capitalised within the Statement of Financial Position and amortised on a straight line basis only over the length of the lease to which they relate (see Note 18). Contingent rents associated with leases entered into with tenants are recognised in revenue when the factors triggering contingent rents occur.

12 OTHER EXPENSES

		Group 2024	Group 2023
Accounting Fees		141,013	136,348
Administration Expenses		-	9,167
Bad Debts Written Off		11,377	-
Consultant's Fees		16,316	5,701
Credit Losses Allowance		40,086	53,453
Depreciation - Right-of-Use Assets	**10**	125,313	125,313
Electricity		40,715	28,503
Insurance / Rates / Body Corp Fees		28,281	25,833
Lease Incentives - Amortised	**18**	157,788	173,957
Leasing Fees - Amortised	**18**	83,472	65,654
Legal Fees		89,623	76,035
Listing Fees (USX)		20,192	13,754
Non Deductible Expenses		1,362	1,073
Registry Services (Computershare)		14,880	12,963
Repairs - General		529,368	228,629
Valuation Fees		26,090	39,131
Other Operating Expenses		15,592	35,649
		1,341,471	1,031,163

Throughout the year fees have been paid to Colliers for:

			2024	2023
Leasing Fees	*Colliers Real Estate Management Limited*	**22**	134,688	73,873
Valuations	*CVAS (CHC) Limited*		26,090	3,120
			160,778	76,993

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13 TAXATION

	Group 2024	Group 2023
Reconciliation of income tax (expense) / benefit and accounting profit multiplied by statutory tax rate:		
Profit / (Loss) before taxation	**6,691,740**	**(4,963,676)**
Prima facie income tax calculated at the statutory income tax rate of 28% (2023: 28%)	(1,873,687)	1,389,829
Plus tax effect of		
Unrealised net change in value of investment properties	1,261,034	(2,744,269)
Depreciation	766,925	801,373
Depreciation - Right-of-Use Assets	(35,088)	(35,088)
Expected Credit Losses	(11,224)	(14,967)
Incentives and Fit Out Contributions	15,000	24,853
Insurance Proceeds Received but Not Utilised	-	(119,180)
Interest - Lease Liabilities	(73,019)	(73,827)
Leasing Fees - Deductible in Year Incurred	37,713	20,684
Leasing Fees - Amortised	(23,372)	(18,383)
Losses on Disposal	5,535	24,376
Non Deductible Expenses	(382)	(300)
Operating Leases Payments	90,465	90,150
	159,900	(654,749)
Losses brought forward		-
(Taxation Due) / Losses available to be carried forward	159,900	(654,749)
Deferred Taxation (refer Note 14)		
Depreciation Recoverable	(714,157)	(616,822)
Expected Credit Losses	11,224	14,967
Insurance Proceeds Received but Not Utilised	-	119,180
Lease Incentives Paid	(59,181)	(45,560)
Lease Liabilities	(17,446)	54,200
Right-of-Use Assets	35,088	(35,435)
	(744,472)	(509,470)
Income tax benefit (expense) reported in Profit or Loss	(584,572)	(1,164,219)
Tax Paid in Advance		
Provisional Tax Paid	478,619	1,126,750
Resident with holding tax paid	8,658	5,892
	487,277	1,132,642
Less Provision for Taxation	-	(654,748)
Total Tax Paid in Advance	487,277	477,894

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14 DEFERRED TAXATION

	Deferred Tax Liabilities		Deferred Tax Assets		Net Deferred Tax	
	2024	2023	2024	2023	2024	2023
Group						
Depreciation Recoverable	(9,883,753)	(9,169,596)	-	-	(9,883,753)	(9,169,596)
Expected Credit Losses	-	-	29,781	18,557	29,781	18,557
Lease Liabilities	-	-	1,457,683	1,475,129	1,457,683	1,475,129
Lease Incentives Paid	-	-	90,867	150,048	90,867	150,048
Losses	-	-	159,900	-	159,900	-
Right-of-Use Assets	(1,182,693)	(1,217,781)	-	-	(1,182,693)	(1,217,781)
	(11,066,446)	(10,387,377)	1,738,231	1,643,734	(9,328,215)	(8,743,643)

Movement in temporary differences during the year	Opening Balance	Recognised in Profit or Loss **(Note 13)**	Recognised in Equity	Closing Balance
Group: 2024 Year				
Depreciation	(9,169,596)	(714,157)	-	(9,883,753)
Expected Credit Losses	18,557	11,224	-	29,781
Lease Liabilities	1,475,129	(17,446)	-	1,457,683
Lease Incentives Paid	150,048	(59,181)	-	90,867
Losses	-	159,900		159,900
Right-of-Use Assets	(1,217,781)	35,088	-	(1,182,693)
	(8,743,643)	(584,572)	-	(9,328,215)
Group: 2023 Year				
Depreciation	(8,552,775)	(616,822)	-	(9,169,597)
Expected Credit Losses	3,590	14,967	-	18,557
Insurance Proceeds Received but Not Utilised	(119,180)	119,180	-	-
Lease Liabilities	1,420,929	54,200	-	1,475,129
Lease Incentives Paid	195,609	(45,560)	-	150,049
Liability Component of Convertible Notes	-	-	-	-
Right-of-Use Assets	(1,182,346)	(35,435)	-	(1,217,781)
	(8,234,173)	(509,470)	-	(8,743,642)

ACCOUNTING POLICIES

No material uncertain tax positions exist as at reporting date. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax expense in the period in which such determination is made.

KEY JUDGEMENT

Deferred tax is provided for on depreciation of investment properties as it is assumed that the carrying amount will be recovered when they are sold.

Deferred tax is recognised on lease liabilities and right-of-use assets due to the difference in financial reporting purposes and the amounts used for taxation.

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15 IMPUTATION CREDIT ACCOUNT

	Group 2024	Group 2023
Opening Imputation credit balance	9,175	3,016
Taxation Paid (Income Tax)	9,841	177
Taxation Paid (RWT deducted)	8,658	5,982
	27,674	9,175
Less Refunds	(9,116)	-
Prior Year Adjustment	(91)	-
	(9,207)	-
Closing imputation credit balance	**18,467**	**9,175**

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise	Interest Rate	Group 2024	Group 2023
Cash at Bank	0.00%	29,206	246,745
ASB Maintenance Reserve Fund	2.55%	330,472	601,894
ASB Savings Account	2.90%	956,640	690,057
		1,316,318	1,538,696

All funds held are held in either a chequing or savings account. No funds were held on term deposit at 29 February 2024.

17 ACCOUNTS RECEIVABLE

	Group 2024	Group 2023
Rentals due	1,336,758	815,424
Power Commissions & Recoverables Due	20,390	18,550
Other Receivables	53,350	213,340
	1,410,498	1,047,314
Provision for Expected Credit Losses	(106,362)	(66,276)
Total	1,304,136	981,038
Due less than 30 days (current)	1,304,136	981,038

All receivables are considered collectable as they are trading within current terms.

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using an expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on a similar credit risk.

Provision for Expected Credit Losses	Group 2024	Group 2023
Opening Provision at 1 March	(66,276)	(12,823)
Bad Debts Written Off	11,377	-
Release or (Additional) Expected Credit Losses Provision	(51,463)	(53,453)
Closing Provision at 28 February	(106,362)	(66,276)

Due to a lack of useful historical data on which to base receivable impairment analysis, the Group has assessed its expected credit losses for each individual debtor applying judgement using the property managers experience, customer knowledge and interactions and expected economic factors. This has resulted in an increase in the expected credit losses provision to $106,362 (2023: $66,276). This credit loss provision reflects the uncertainty associated with the collection of certain outstanding debts at year end.

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18 LEASING COSTS

		Group	
		2024	2023
Leasing costs consist of the following:			
Leasing Fees			
Opening Balance		204,087	195,869
Incurred during the year		134,688	73,872
Amortised	**12**	(83,472)	(65,654)
Closing Balance		255,303	204,087
Lease Incentives			
Opening Balance		482,313	556,270
Incurred during the year		-	100,000
Amortised	**12**	(157,788)	(173,957)
Closing Balance		324,525	482,313
Total Leasing Costs		579,828	686,400

ACCOUNTING POLICIES

Where lease incentives are offered, and leasing fees paid, these will be capitalised within the Statement of Financial Position and amortised on a straight line basis only over the length of the lease to which they relate.

19 ACCOUNTS PAYABLE

	Group	
	2024	2023
Accruals and other liabilities in respect of investment properties	-	29,064
Other accounts payable, accruals and other liabilities	271,231	195,761
Total	271,231	224,825
Due less than 30 days (current)	271,231	224,825

20 PROVISION FOR GOC REFUND

	Group	
Provision for rent refund due to tenants	2024	2023
Opening Provision at 1 March	475,388	347,419
Additional Provision during the year	522,768	438,651
Refunds to tenants	(337,895)	(310,682)
Closing Provision at 28 February	660,261	475,388

The Provision for GOC (Gross Occupancy Cap) Refund identifies the estimated rent that is to be refunded to tenants. A Gross Occupancy Cap limits a tenants occupancy expense (rent paid) to a percentage (as per the lease agreement) of their turnover. Therefore, if their calculated occupancy expense is less than the rent paid to the Group then they will receive a refund for the overpaid rent.

The Provision for GOC Refund recognised during the year is calculated based on the turnover provided by tenants to Colliers (the Property Manager). However, it is not paid out until certified turnover figures have been provided to the Group.

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21 GROUP COMPANIES

As at the 29 February 2024 Shopping Centre Investments Limited held shareholdings in the following subsidiaries:

Subsidiary	Balance Date	Incorporated in NZ	Domiciled	Shareholding 2024	Shareholding 2023
BC Chalmers Investments Ltd	29/02/2024	23/08/2005	New Zealand	100.00%	100.00%
Hornby Enterprises Ltd	29/02/2024	8/08/2008	New Zealand	100.00%	100.00%

Hornby Enterprises Ltd — This company has a long term leasehold interest in a property at 23 Carmen Road. A sealed car park has been constructed on this leasehold land comprising 112 car parks which is leased long term to the Hornby Working Men's Club. 212 carparks are in turn leased from that entity.

B C Chalmers Investments Limited — This company previously held property and leased property along Chalmers Street. In the year ended 29 February 2012, the property held was transferred to the Parent.

There have been advances by the parent company to the various subsidiaries, these are interest free and repayable on demand. Though impaired these have not been written off.

22 RELATED PARTY DISCLOSURES

The parent entity is Shopping Centre Investments Limited. Shopping Centre Investments Limited has control over B C Chalmers Investments Limited and Hornby Enterprises Limited.

Key management personnel within the group is any person or persons having the authority and responsibility for planning, directing and controlling the activities of the Company and group, directly or indirectly, including any director. Key management personnel within the Company and Group are detailed below. There are no other key management personnel apart from directors.

Directors within the Company and Group for the year ending 28 February 2024 were:

Director		Entity		Directors Fees Paid 2024	Directors Fees Paid 2023
Nigel Atherfold		Shopping Centre Investments Limited	A: 25/07/2022	40,000	24,083
Michael Keyse	Chairman	Shopping Centre Investments Limited	A: 19/08/2013	80,000	80,000
Sarah Ott		Shopping Centre Investments Limited	A: 30/03/2021	41,500	41,500
David Rankin		Shopping Centre Investments Limited	A: 15/07/2014	41,500	41,500
Tony Sewell		Shopping Centre Investments Limited	R: 25/07/2022	-	15,917
(Key: A = Appointed and R = Retired)				203,000	203,000

Michael Keyse, in addition to his Director role, also carries out further duties as there is no appointment of a determined CEO. The fee paid to him takes into account these additional demands.

No Directors Fees were payable at 29 February 2024 (2023: nil)

From time to time directors of the Group or their related entities provide services to the Company and Group.

Michael Keyse, a director of Shopping Centre Investments Limited, was also a consultant to Nexia Christchurch Limited Chartered Accountants until 31 December 2017, with whom the Company and Group has transacted with during the year. Nexia Christchurch Limited prepare the Company's annual financial statements, and monthly reports for the Board.

Michael Keyse has a beneficial interest in the Sherwood Family Trust which holds 555,304 shares at 28 February 2024. (2023: Held 555,304 shares)

Michael Keyse also holds 110,910 shares of Shopping Centre Investments Limited in his own name (2023: Held 110,910 shares).

BDO Christchurch

22 RELATED PARTY DISCLOSURES (continued)

David Rankin, a director of Shopping Centre Investments Limited, has a beneficial interest in the D H Rankin Children's Trust which holds 608,000 shares as at 28 February 2024. David Rankin is also a director of Livingstone First Realty Limited which holds 50,000 shares at 28 February 2024.
(2023: D H Rankin Childrens Trust held 608,000 shares.)
(2023: Livingstone First Realty Limited held 50,000 shares.)

David Rankin is also a Trustee of the Rotary Club of Cashmere Charitable Trust which held 10,000 shares at 28 February 2024.
(2023: Held 10,000 shares.)

David Rankin is also a Trustee of a shareholder in Amicus, who as insurance brokers co-ordinate the Directors' and Officers Liability insurance for the Group. The insurance premiums paid to Amicus during the year were $17,625 (2023: $16,025).

Tony Sewell, a director of Shopping Centre Investments Limited until 25 July 2022, has a beneficial interest in the Fermanagh Trust which holds 84,000 shares as at 28 February 2024 (2023: Held 84,000 shares).

Colliers Real Estate Management Limited are the managers of the shopping centre.

Evan Harris, the National Retail Consultant of Colliers Real Estate Management Limited and oversees leasing for Shopping Centre Investments Limited, has a beneficial interest in the E E Harris Family Trust which holds 247,960 shares at 28 February 2024 (2023: Held 247,960 shares).

Joanna Koster, an Associate Director - Retail of Colliers Real Estate Management Limited and oversees leasing and property management of Shopping Centre Investments Limited, holds 86,786 shares as at 28 February 2024 (2023: Held 86,786 shares).

Jason Marsden, employed by Colliers Real Estate Management Limited and is the Mall Manager at The Hub, holds 97,003 shares as at 28 February 2024 (2023: Held 97,003 shares).

Kiri Thomson, employed by Colliers International Real Estate Management Limited and is the Operations Manager at The Hub, jointly holds 20,000 shares as at 28 February 2024 (2023: Held 20,000 shares).

Details in respect of these related party transactions is set out below:

	Group	
	2024	2023
Accounting, secretarial and administrative support:		
Nexia Christchurch Limited	141,013	135,598
Rede Advisers	-	9,167
	141,013	144,765
Insurance:		
Amicus	17,625	16,025
Leasing:		
Colliers Intl. Real Estate Mgmt Ltd	134,688	73,873
Total value of transactions with related parties	**293,326**	**234,663**

BDO Christchurch

22 RELATED PARTY DISCLOSURES (continued)

The Company and Group had the following trade payables and trade receivables outstanding with related parties:

	2024		2023	
	Trade receivable	Trade payable	Trade receivable	Trade payable
Colliers Intl. Real Estate Mgmt Ltd	-	-	-	-
Nexia Christchurch Limited	8,816	-	-	13,469
Total	8,816	**-**	**-**	**13,469**

The terms and conditions of the above balances are unsecured creditors with terms of payment to be made within 14 days of the invoice date.

The parent company has provided intercompany advances to it's subsidiary companies B C Chalmers Investments Limited and Hornby Enterprises Limited.

The advances to the subsidiaries have been impaired by the Directors as the subsidiaries have insufficient assets to repay the advances. These balances are eliminated on consolidation.

The terms and conditions of these advances are that they are interest free and repayable on demand.

23 CAPITAL COMMITMENTS

2024 Year:
As at 29 February 2024, the Group has no capital commitments.

2023 Year:
As at 28 February 2023, the group had no capital commitments.

The subsidiaries have no capital commitments relating to any matters.

24 CONTINGENT LIABILITIES

As at 29 February 2024 the Group had no contingent liabilities (2023: nil)

25 SUBSEQUENT EVENTS

2024 Year:
On 14 March 2024, the Board passed a resolution approving a gross dividend of 0.6625 cents per share to be paid 28 March 2024. The gross dividend paid was $430,670.

On 27 March 2024, ASB extended the loan maturity date by one year from 31 October 2025 to 31 October 2026.
The Loan to Value Ratio covenant was also increased from 52% to 55%.
The Board accepted the offer from ASB and signed Amendment to Committed Cash Advances Facility Agreement on 22 April 2024.
ASB have effectively applied the amendment to the covenant from 29 February 2024 and have assessed the Loan to Value Ratio at the new rate of 55% at year end.

From 1 March 2024, the Group has received $52,559 plus GST in insurance proceeds towards the ram raid repairs.
These are the final insurance proceeds to be received in relation to this claim.

BDO Christchurch

26 RECONCILIATION OF REPORTED INCOME / (LOSS) WITH CASH FLOWS from Operating Activities

	Group	
	2024	2023
Net Income	**6,107,168**	**(6,127,895)**
Non cash and non operating items		
Unrealised net change in value of investment property	(4,503,692)	9,800,959
Unrealised net change in value of derivative financial instruments	292,957	(518,309)
Bad Debts	11,377	-
Depreciation	129,501	129,771
Insurance Proceeds	(140,577)	(467,720)
Interest on Lease Liabilities	260,781	263,667
Tax Expense	-	654,748
Deferred tax	584,572	509,471
	(3,365,081)	10,372,587
Cash flow from operations before working capital changes	2,742,087	4,244,692
Movements in Working Capital		
Increase / (Decrease) in Accounts Payable	99,812	54,740
Increase / (Decrease) in Interest Accrued (Loans)	30,679	171,809
Increase / (Decrease) in Bonds	(17,973)	(17,973)
Increase / (Decrease) in Credit Losses Allowance	28,709	53,453
Increase / (Decrease) in GST Payable	102,559	3,888
(Increase) / Decrease in Interest Accrued	670	(1,872)
(Increase) / Decrease in Leasing Fees	(51,217)	(8,219)
(Increase) / Decrease in Lease Incentives	157,789	73,957
Increase / (Decrease) in Provision for GOC Refund	184,873	127,969
(Increase) / Decrease in Accounts Receivable	(398,405)	(188,026)
(Increase) / Decrease in Prepayments	(9,887)	(119)
(Increase) / Decrease Future Tax Benefits	(9,382)	(6,068)
	118,227	263,539
Net Cash Flows from Operating Activities	**2,860,314**	**4,508,231**

BDO Christchurch

26 RECONCILIATION OF REPORTED INCOME / (LOSS) WITH CASH FLOWS from Operating Activities (continued)

ACCOUNTING POLICIES

The following is the definition of the terms used in the Statement of Cash Flows:

i ***Cash and cash equivalents*** means cash, demand deposits and other highly liquid (being those with original maturities of three months or less) investments in which the group has invested as part of its day to day cash management. Cash includes current liabilities such as negative cash balances in the form of overnight bank overdrafts. Cash does not include receivables or payables or any borrowing that forms part of a term liability.

ii ***Operating activities*** include all transactions and other events that are neither investing nor financing activities.

iii ***Investing activities*** include those relating to the addition, acquisition, and disposal of investment properties and any addition and reduction of subsidiary investment and loans.

iv ***Financing activities*** are those activities that result in changes in the size and composition of the capital structure of the Group, including dividends paid.

Cash Flows from Financing Activities

2024	2023	Cash Flows	Non-Cash Changes Reclassification Between Short and Long Term	2024
Long-term borrowings				
Lease Liabilities	4,625,384	(269,834)	785,070	5,140,620
Term Loans - ASB	-	-	65,312,500	65,312,500
	4,625,384	(269,834)	66,097,570	70,453,120
Short-term borrowings				
Lease Liabilities	53,254	(53,254)	65,390	65,390
Term Loans - ASB	66,812,500	(750,000)	(65,312,500)	750,000
	66,865,754	(803,254)	(65,247,110)	815,390
	71,491,138	(1,073,088)	850,460	71,268,510

2023	2022	Cash Flows	Reclassification Between Short and Long Term	2023
Long-term borrowings				
Lease Liabilities	5,016,359	(272,408)	(118,567)	4,625,384
Term Loans - ASB	67,000,000	(187,500)	(66,812,500)	-
	72,016,359	(459,908)	(66,931,067)	4,625,384
Short-term borrowings				
Lease Liabilities	58,385	(49,554)	44,423	53,254
Term Loans - ASB	-	-	66,812,500	66,812,500
	58,385	(49,554)	- 66,856,923	66,865,754
	72,074,744	(509,462)	(74,144)	71,491,138

BDO Christchurch

27 FINANCIAL INSTRUMENTS - BY CATEGORY

The Group has the following Financial Instruments:

2024 Year

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Assets				
Cash and cash equivalents	1,316,318	-	-	1,316,318
Colliers Trust Account	129,189	-	-	129,189
Accounts Receivable	1,304,136	-	-	1,304,136
Derivative Financial Instruments	-	-	400,623	400,623
Total as at 29 February 2024	2,749,643	-	400,623	3,150,266

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Liabilities				
Accounts payable,accruals & other liabilities	-	271,231	-	271,231
ASB Loan	-	66,062,500	-	66,062,500
Total as at 29 February 2024		66,333,731	-	66,333,731

2023 Year

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Assets				
Cash and cash equivalents	1,538,696	-	-	1,538,696
Colliers Trust Account	78,182	-	-	78,182
Accounts Receivable	981,038	-	-	981,038
Derivative Financial Instruments	-	-	693,580	693,580
Total as at 28 February 2023	2,597,916	-	693,580	3,291,496

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Liabilities				
Accounts payable,accruals & other liabilities	-	224,825	-	224,825
ASB Loan	-	66,812,500	-	66,812,500
Total as at 28 February 2023	-	67,037,325	-	67,037,325

ASB Loan

The ASB Loan is a financial instrument that is recorded at amortised cost.
However, due to worsening credit spreads the fair value of the ASB Loan at 28 February 2024 has been calculated using the Fair Value Hierarchy Level 2 with discount rates of 8.18% to 8.23% (2023: 7.18% to 7.41%).
The worsening credit spreads lead to the use of Fair Value Hierarchy Level 2 as the calculation relies upon the RBNZ 90 day BKBM rate, which is a quoted rate available as at and post reporting date.

The fair value of the ASB Loan at 28 February 2024 is $66,327,188 (2023: $66,769,041)

BDO Christchurch

28 CAPITAL MANAGEMENT POLICIES

The Company and Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through maintaining an optimal balance of debt and equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the loan to value ratio. The ratio is calculated as borrowings divided by investment properties.
During the year ended 29 February 2024, the Group's strategy was to maintain a loan to value ratio of no more than 55%.

The covenants on all borrowings require a loan to value ratio of not more than 55% (2023: 52%) and an interest cover ratio (that is, the ratio of earnings before interest to interest) of not less than 1.50:1 (2023: 1.50:1).
The Group complied with these covenants during the current year.
In 2023, the Group complied with the interest cover ratio covenant during the current year, but not the loan to value ratio.

As at and for the year ended 29 February 2024, the Group had a loan to value ratio of 52.43% (2023:55.09%).
The Group had an interest cover ratio of 1.50 (2023: 2.23) and registered mortgage securities of $66,062,500.
As at 29 February 2024 the funds drawn totalled $66,062,500 (2023: $66.812,500)

The Company's capital management objectives are:

- The Director's assess the cash flow requirements and the covenants before resolving to declare a dividend. Subject to these conditions being met, dividends are generally paid on a quarterly basis.

- The Director's assess the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

- At 29 February 2024, the Company had met its covenants.
  On an annual basis, the Board advises the ASB in regards to whether or not the covenant obligations have been met.

- Additional bank covenants, not listed above, on all borrowings require:
  * Undertake seismic strengthening work to ensure all land and buildings secured meet no less than 67% of the New Building Standards.

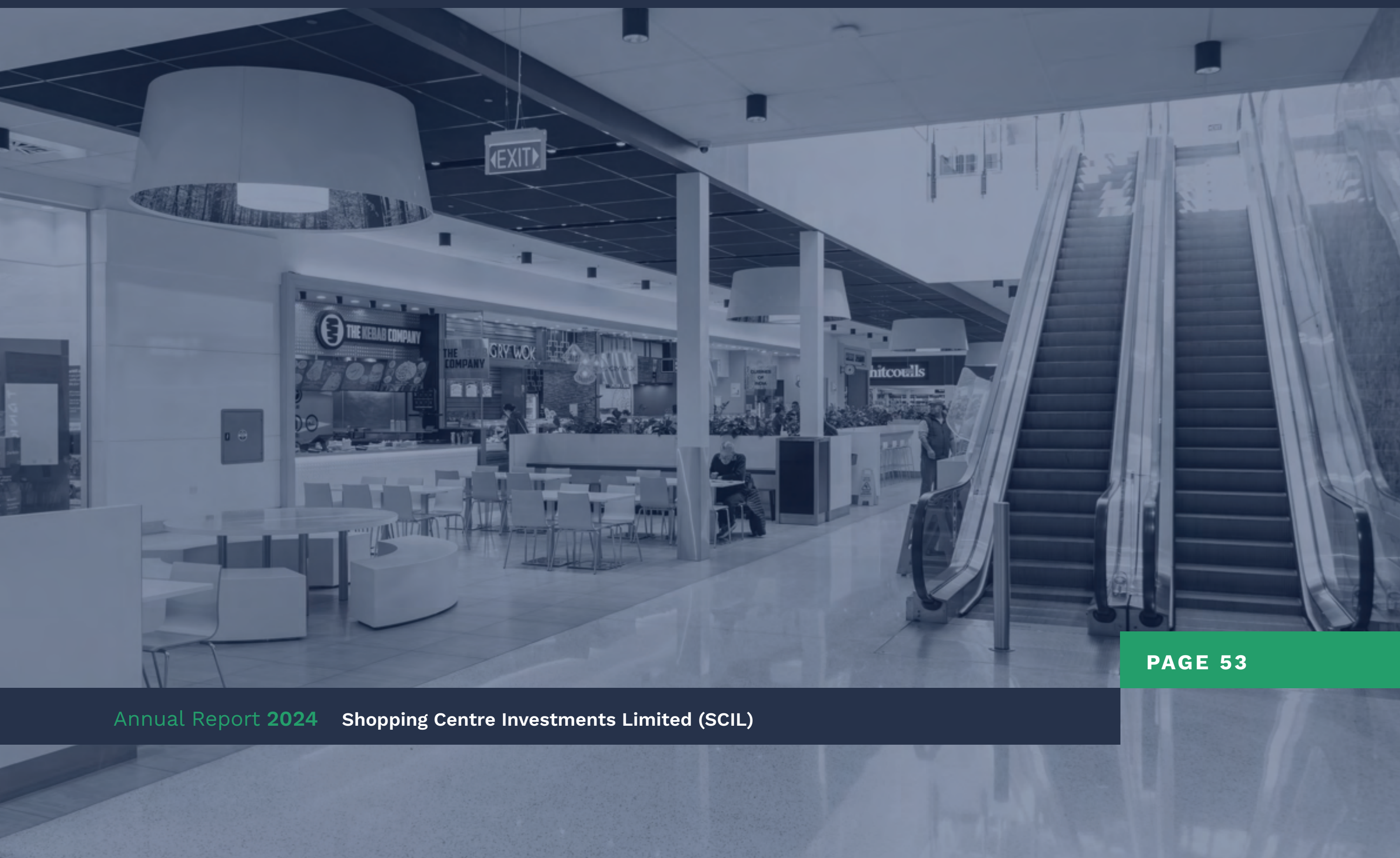
29 Dividend Payout Ratio

	Group	
	2024	2023
Cash Flows from Operations	**2,860,314**	**4,508,231**
Less amount retained	879,230	976,734
Cash Dividend	**1,981,084**	**3,531,497**
Payout Ratio	69%	78%
Cash Dividend (cents per share)	0.0288	0.0513

	2024			2023		
Dividends paid as follows	Date	Rate (cps)	Gross	Date	Rate (cps)	Gross
	31/03/2023	0.00813	559,871	25/03/2022	0.01375	947,475
	30/06/2023	0.00813	559,871	30/06/2022	0.01250	861,341
	29/09/2023	0.00625	430,670	30/09/2022	0.01250	861,341
	20/12/2023	0.00625	430,670	21/12/2022	0.01250	861,341
			1,981,084			**3,531,497**

SUMMARY OF FINANCIAL RESULTS FOR THE FIVE YEAR PERIOD 2020 TO 2024

Five Year
Financial Summary



Summary Of Financial Results For The Five Year Period 2020 To 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020	2021	2022	2023	2024
Rent Received	9,384,254	9,259,886	9,624,413	9,994,988	9,941,557
Insurance Recoveries	-	-	425,644	467,720	140,577
Interest Received	8,410	(3,412)	8,952	27,570	39,882
Sundry Income	182,279	160,844	162,247	184,148	187,019
	9,574,943	9,417,318	10,221,256	$10,674,426	10,309,035
DIRECT EXPENSES					
Management Contributions	70,467	53,107	89,288	83,629	85,016
Operating Contributions	628,059	497,834	587,492	552,720	673,627
	698,526	550,941	676,780	636,349	758,643
Gross Profit	**8,876,417**	**8,866,377**	**9,544,476**	**10,038,077**	**9,550,392**
OVERHEAD EXPENSES					
Audit Fees	40,651	32,800	40,500	41,500	44,825
Directors Fees	183,000	183,000	205,579	203,000	203,000
Interest	2,653,021	1,946,299	2,074,136	3,652,659	4,981,724
Interest Expense on Conv Notes	185,394	102,737	21,105	-	-
Interest Expense on Lease Liabilities	253,460	256,553	253,953	263,667	260,781
Other Operating Expenses	656,287	851,085	1,047,923	1,558,277	1,579,057
	3,971,813	3,372,474	3,643,196	5,719,103	7,069,387
Net Operating Income	**4,904,604**	**5,493,903**	**5,901,280**	**4,318,974**	**2,481,005**
Unrealised net change investment properties	(3,451,413)	(4,697,631)	1,882,161	(9,800,959)	4,503,692
Derivative Financial Instruments	-	-	175,271	518,309	(292,957)
Impairment Development Costs	-	(22,452)	-	-	-
	1,453,191	773,820	7,958,712	(4,963,676)	6,691,740
Deferred Tax	(1,177,678)	(1,544,981)	(1,616,020)	(1,164,219)	(584,572)
Net Income	**275,513**	**(771,161)**	**6,342,692**	**(6,127,895)**	**6,107,168**
Equity Opening	59,837,103	57,256,794	54,142,786	57,470,785	47,811,393
Effect of Adoption of NZ IFRS 16	(650,792)	-	-	-	-
Net Income	275,513	(771,161)	6,342,692	(6,127,895)	6,107,168
Distributions	(2,205,031)	(2,342,847)	(3,014,693)	(3,531,497)	(1,981,084)
Equity Closing	**57,256,793**	**54,142,786**	**57,470,785**	**47,811,393**	**51,937,477**

Summary Of Financial Results For The Five Year Period 2020 To 2024 CONTINUED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2020	2021	2022	2023	2024
SHAREHOLDER EQUITY					
Share Capital	62,856,275	62,856,275	73,374,286	73,374,286	73,374,286
Convertible Notes	10,518,011	10,518,011	-	-	-
Accumulated Losses	(16,117,492)	(13,984,326)	(12,538,489)	(12,396,922)	(12,774,530)
Accumulated Losses Attribution Reserve	-	(5,247,174)	(3,365,012)	(13,165,971)	(8,662,279)
	57,256,794	54,142,786	57,470,785	47,811,393	51,937,477
CURRENT LIABILITIES					
Accounts Payable	325,323	434,704	532,536	523,262	654,188
Income Received in Advance	-	-	-	84,305	158,406
Interest Accrued	187,063	133,673	169,905	341,714	372,394
Liability Component of Convertible Notes	827,510	475,877	-	-	-
GST Payable	184,862	120,640	170,258	164,487	200,722
Provision for Deferred Maintenance	12,449	12,449	12,449	12,449	12,449
Provision for GOC Cap refunds	484,145	328,050	347,419	475,388	660,261
Term Loan Current Portion	-	-	-	66,812,500	750,000
	2,021,352	1,505,393	1,232,567	68,414,105	2,808,420
TERM LIABILITIES					
Term Loan	67,525,000	67,000,000	67,000,000	-	65,312,500
Lease Liabilities	5,018,055	5,074,743	5,016,359	5,206,010	5,140,620
Liability Component of Convertible Notes	475,877	-	-	-	-
Deferred Tax Liability	5,748,460	7,195,951	8,234,172	8,743,643	9,328,215
	78,767,392	79,270,694	80,250,531	13,949,653	79,781,335
Total Equity and Liabilities	**138,045,538**	**134,918,873**	**138,953,883**	**130,175,151**	**134,527,232**
CURRENT ASSETS					
Cash and Cash Equivalents	2,186,190	2,071,338	1,968,071	1,616,877	1,445,507
Accounts Receivable	782,685	673,255	700,459	981,038	1,304,136
Derivative Financial Instrument	-	-	175,271	693,580	400,623
Tax Paid in Advance	1,799,709	-	-	-	-
	4,768,584	2,744,593	2,843,801	3,291,495	3,150,266
NON CURRENT ASSETS					
Investment Properties	128,300,000	125,580,000	129,000,000	121,280,000	126,000,000
Capital Works in Progress	-	2,805	457,236	-	-
Capital Repairs subject Insurance Claim	-	-	456,871	-	-
Leasehold Asset	104,435	99,356	94,602	90,146	85,956
Leasing Costs	521,091	445,434	752,139	686,399	579,829
Right of Use of Assets	4,351,428	4,343,257	4,222,662	4,349,217	4,223,904
Tax Paid in Advance	-	1,703,428	1,126,572	477,894	487,277
	133,276,954	132,174,280	136,110,082	126,883,656	131,376,966
Total Assets	**138,045,538**	**134,918,873**	**138,953,883**	**130,175,151**	**134,527,232**

Additional Information

Corporate Governance

The governance policies, practices and processes are defined within the Statement of Board Governance and Board Charter.

The Statement of Board Governance comprises 8 principles based on the contents of publications by the Institute of Directors, the handbook for Directors published by the FMA (Financial Marketing Authority) and though not a member of the NZX Exchange the "NZX Corporate Governance Code has been referred to.

These principles are detailed within the Company website, the headings of which are:
1. Code of Ethical Behaviour
2. Board Composition and Performance
3. Board Committees
4. Reporting and Disclosure
5. Remuneration
6. Risk Management
7. Auditors
8. Shareholder Rights and Relations

The Board Charter

The role of the Charter is to define the Company's direction and to set operational goals.

The goals of the company are:

1. To provide a Mall of Regional stature with at least two anchor tenants in place.
2. To put in place a suitable divergence and quality of tenants to attract maximum rental returns and provide an interesting and eclectic range of products and services to attract shoppers at maximum levels. With such goals it would be anticipated that the Company would maximise its income producing potential and that returns satisfactory to the stakeholders would be achieved.
3. To maximise the asset value of the investment, aim for a diversification of asset holdings and to improve the liquidity of the shareholder investment.
4. To identify that the entity has responsibilities to its community base, to promote an environment of well-being and sustainability.

Board of Directors

MICHAEL KEYSE
Board Chair

Michael is a Fellow of, Chartered Accountants Australia New Zealand, and previously a Senior Partner of Hilson Fagerlund Keyse, Chartered Accountants, Christchurch. Michael, before retiring from public practice, was an advisor to a diverse range of clients and was instrumental in establishing a number of successful property syndications.

His experience in Public Practice has allowed him to forge positive relationships with other professional advisors including bankers, valuers, lawyers, project managers, property management professionals, architects, structural engineers, and financial advisors.

Michael has acted as an accountant for a public company and is experienced in prospectus construction and audit. He has overseen various trusteeships and executive positions for several charitable bodies, the largest of which bestowed upon him a life membership in recognition of his professional stewardship. Michael holds Directorships in a varied number of private companies.

SARAH OTT
Independent Board Member

Sarah joined the board of SCIL in March 2021 and is an experienced Chartered Accountant with a broad commercial background having held a range of public practice roles, both commercial and corporate. Sarah has significant experience in the governance of investment entities, including a directorship of a property syndicate manager for ten years, seeing it through the cycle of acquisition, development and sale. She also chairs the board of a significant family investment company and is a trustee and advisor to a number of family investment entities.

Having worked in financial, operational and investment management, Sarah has significant experience in governance and management of property based investments.

Sarah is currently the independent Chair of Halland Investments Limited, and has previously been the Director of Ocean Partners Property Management and an Executive Director at Ernst Young.

DAVID RANKIN
Board Member

Appointed Director July 2014. David is a Director of Livingstone Realty Limited having formerly been Principal Officer and Director of H G Livingstone Ltd when it was managing 27 Shopping Centres throughout New Zealand. With over 30 years of experience in the real estate industry, he is a Life Member and former Director of The Real Estate Institute of New Zealand, Chartered Member of the Institute of Directors, is qualified in valuation and has been a Registered Valuer.

David is a Director and former Chairman of Addington Raceway Ltd, is Chairman of NZ Metropolitan Properties Ltd and was Chairman of a Co-operative Company for several years.

Due to his senior position and experience David has project managed and sat on the development boards for commercial developments which included overseeing construction contracts, leasing and rent reviews

NIGEL ATHERFOLD
Board Member

Nigel joined the board in July 2022. He is an experienced director. In the last 15 years he has served on boards that have covered the spectrum from farming to manufacturing to consumer-branded goods, from start-ups to rapid growth to mature companies.

He is currently on the boards of Landcorp Farming Limited (deputy chair), Rural Equities Limited, Melody Dairies GP Limited, Spring Sheep Dairy NZ Management Limited, and Terracostosa Limited.

The early part of his career was spent in the property finance and corporate banking areas of New Zealand's major banks before spending five years in the treasury division of New Zealand Dairy Board. He has been self-employed since 2006 and is part-owner of an economics and treasury risk management advisory firm TDB Advisory Limited.

He has a bachelors degree in economics degree and a masters degree in corporate finance.

Directory

Registered Office
c/o Nexia New Zealand
Chartered Accountants
Level 4, 123 Victoria Street
Christchurch 8013
PO Box 4160
Christchurch 8040
Telephone: +64 3 379 0829
Email: info@scil.co.nz
Website: nexia.co.nz

Management Centre
The Hub Hornby
418 Main South Road
Hornby
Christchurch 8441
PO Box 16344
Hornby
Christchurch
Telephone: +64 3 349 2790
Senior Centre Manger: Jason Marsden
Operations Manager: Kiri Thomson

Registrar
Computershare Investor Services Ltd
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Victoria Street West
Auckland 1142
Telephone: +64 9 488 8777
Toll free: 0800 359 999 (within NZ)
Facsimile: +64 9 488 8787
E Mail: enquiry@computershare.co.nz

Auditor
BDO Christchurch
Chartered Accountants
Level 4, 287/293 Durham Street Nth
Christchurch 8013
PO Box 246
Christchurch
Telephone: +64 3 379 5155

Managing Agents
Colliers International
Level 2, Anthony Harper Tower
62 Worcester Boulevard
Christchurch 8013
PO Box 13478
Christchurch 8141
Telephone: +64 3 379 6280
Director of Real Estate Management Services:
Gerhard Geldenhuys
Assoc Director: Joanna Koster

Legal Advisors
Saunders Robinson Brown
Level 2, 130 Kilmore Street
Christchurch 8013
PO Box 39
Christchurch 8140
Telephone: +64 3 377 4470
Email: reception@srblaw.co.nz

DIRECTORS

Chair: **Michael Keyse**
Independent Director: **Sarah Ott**
Non-Executive Directors: **David Rankin, Nigel Atherfold**

SCIL

Shopping Centre
Investments Ltd

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