ASBUILT HOLDINGS

EURO-COMMERCIAL REIT

Asbuilt Holdings Property Investment Trust company (AHPIC) is a Real Estate Investment Trust (REIT). Our objective is to provide Investors with an attractive level of income, coupled with the prospect of income and capital growth, through investing in commercial property.

Highlights

FINANCIAL
as at 30 September 2022

TOTAL ASSETS

$313.7m

2022: $303.0 million

NAV TOTAL RETURN*

11.5%

(2022: 9.6%)

EPRA VACANCY RATE*

6.5%

(2022: 8.6%)

WEIGHTED AVERAGE UNEXPIRED LEASE TERM*

4.5 years

(2022: years)
5.0

EPRA NAV PER INVESTMENT*

94.9p

(2022: 89.6p)

ANNUALISED DIVIDEND PER INVESTMENT

5.00p

(2022: 4.42p)

RENT COLLECTED IN THE YEAR

98.2%

(2022: 95.7%)

DIVIDEND COVER*

81.2%

(2022: 119.0%)

* Alternative performance measure

OPERATIONAL
as at 30 September 2022

Sold four office assets and two leisure assets for $69.5m.

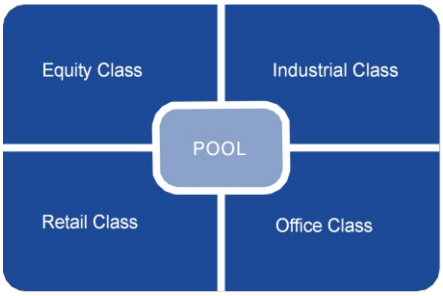
15 lease transactions completed with a contracted rent of $2.5m per annum.

98.2% of rent due was collected.

Portfolio is now 100% in retail warehousing, in line with the new investment strategy, with cash available for further investment at the appropriate time.

A summary of the Company’s financial record since inception can be requested for by Executive Stakeholders

Our Structure



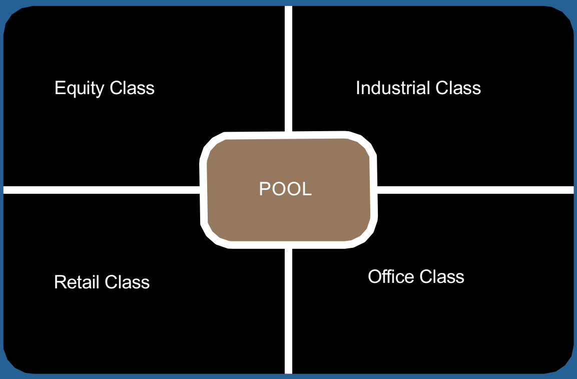
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your upline, solicitor, accountant or other financial adviser acknowledged by our company. If you have sold or otherwise transferred all your Investment in Asbuilt Property Investment Company, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the desk agent, bank or agent through whom the sale or transfer was made to for transmission to the purchaser or transferee.

Our Company’s Description

Asbulit Holdings Euro -Commercial Property REIT focuses on acquiring, owning, holding, earning rentals from, and selling commercial properties and distributing income from rentals to investment holders in the pool through short and long term appreciation of properties with the company’s portfolio.

Asbuilt Holdings Company (the ‘Company’) is registered under the Registry of Companies, New Zealand Financial Services Authority. It is an investment company as defined by Section 833 of the Companies Act 2004.

The Company is a closed-ended property investment company, which was launched in September 2017. The Company offers four distinctive classes of ordinary investment levels in issue with individual investment prices. The Investments classes are listed on the segment of the Official Homepage. The Company follows the EU REIT regime for the purposes of taxation.



Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model. Investment properties are revalued quarterly with resulting gains and losses recognized in profit or loss. Investment properties consist of land and buildings that are not occupied for use by or in the operations of the Company or for sale in the ordinary course of business but are held to earn rental income together with the potential for capital and income growth.

The Company can invest principally in one or more of the three commercial property sectors; office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark.

The Company’s investment objective is to provide Investors with an attractive level of income together with the prospect of income and capital growth.

We acquire assets where we can add value through active asset management. Properties that can be enhanced to institutional grade are key targets. The experience and depth of our Investment Manager’s team gives us the resources and capability to execute this strategy.

An important outcome for the year was the successful implementaion of the strategy to focus, for the foreseeable future, on investment in the retail warehouse sector. The Company sold its once and leisure assets, and now has cash available for reinvestment in addiional retail warehouse properies, at the appropriate ime. The Investment Manager has extensive experience as a developer, investor and asset manager of retail warehouse assets.

The Company has a well-located porfolio of good -quality assets, which ofers a reliable income stream and with opportuniies to enhance and improve income and value through acive asset management.

Going forward, the Company’s intenion is to invest its available cash in retail warehouse assets, which strengthen the porfolio structure and are accreive to both capital growth and dividend cover.

Case Study

Resilience in retail: why retail warehouses are still winners

READ MORE ABOUT
Our Strategy

READ MORE ABOUT
Sustainability

Our retail warehouse assets

AS AT 30 SEPTEMBER 2022

Well-let retail warehouse parks with good income streams and asset management angles.

NUMBER OF PROPERTIES

11

PORTFOLIO VALUE

$231.4m

CONTRACTED RENT

$16.2m

WEIGHTED AVERAGE UNEXPIRED LEASE TERM

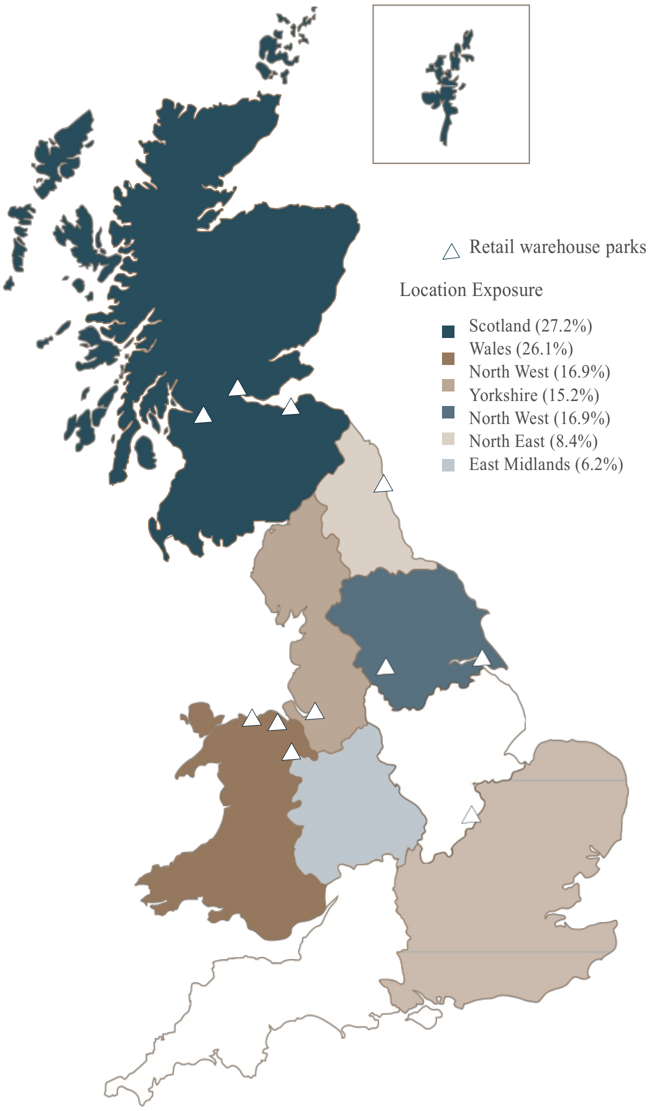
4.5 years

EPRA VACANCY RATE

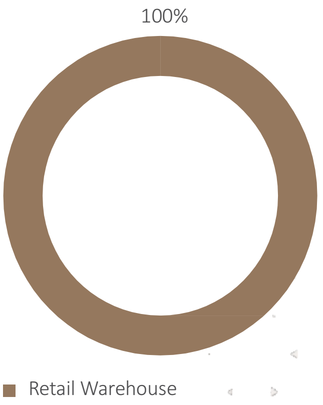
6.5%

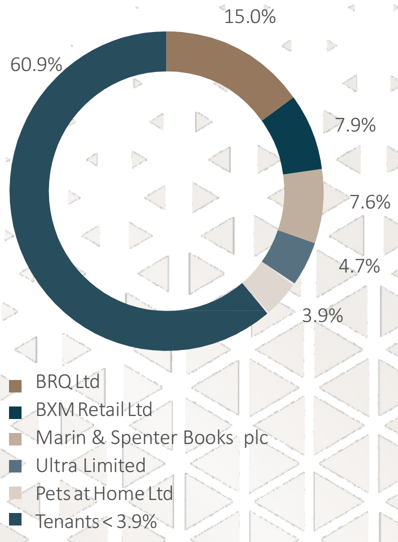
AVERAGE RENT PER SQ. FT.

$14.72


△ Retail warehouse parks
Location Exposure
Scotland (27.2%)
Wales (26.1%)
North West (16.9%)
Yorkshire (15.2%)
North West (16.9%)
North East (8.4%)
East Midlands (6.2%)

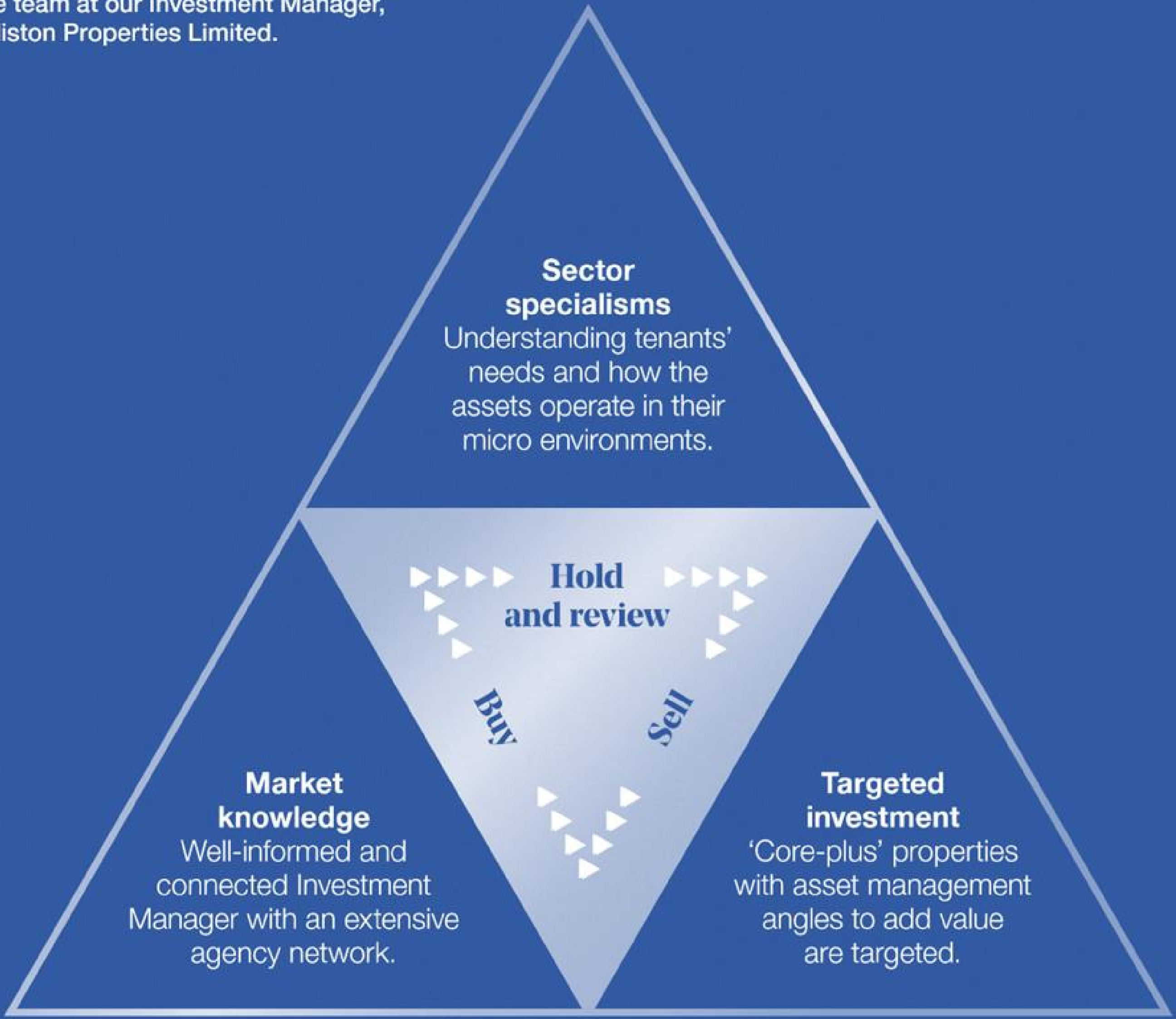
PORTFOLIO COMPOSITON AS AT 30 SEPTEMBER 2022





A retail warehouse specialist

We aim to add value at all stages of the investment process. This is achieved through the expertise and skills of the team at our Investment Manager, Ediston Properties Limited.


Sector specialisms
Understanding tenants' needs and how the assets operate in their micro environments.
Hold and review
Buy
Sell
Market knowledge
Well-informed and connected Investment Manager with an extensive agency network.
Targeted investment
'Core-plus' properties with asset management angles to add value are targeted.

Buy

Detailed due diligence and forensic cash-flow analysis.

Environmental, Social and Governance (ESG) issues integrated into investment decisions.

Hold and review

Credible and implementable business plan, which considers ESG factors, to deliver positive asset performance; keep on top of market sentiment and price potential; and deliver income and capital growth.

Sell

Sell assets and recycle capital, with the objective of reinvesting in properties with asset management angles to exploit. Consider ESG credentials of each asset when forming any disposal strategy.

Experienced and well advised

The Investment Manager has a focused and talented team of real estate experts, with extensive experience property markets, especially in the retail warehouse sector.

The Investment Manager understands how the assets fit into the local and economic environment, and what opportunities and risks exist beyond general market movements.

Unlocking value

The Investment Manager is well-resourced and seeks to identify value-adding opportunities for each asset.

The generous ratio of surveyors to properties ensures asset management initiatives can be identified and properly followed through to execution.

Generally, three to six projects are allocated to each surveyor and, given the diverse skill-set of the team, it is usual to have more than one member of the team involved on a project.

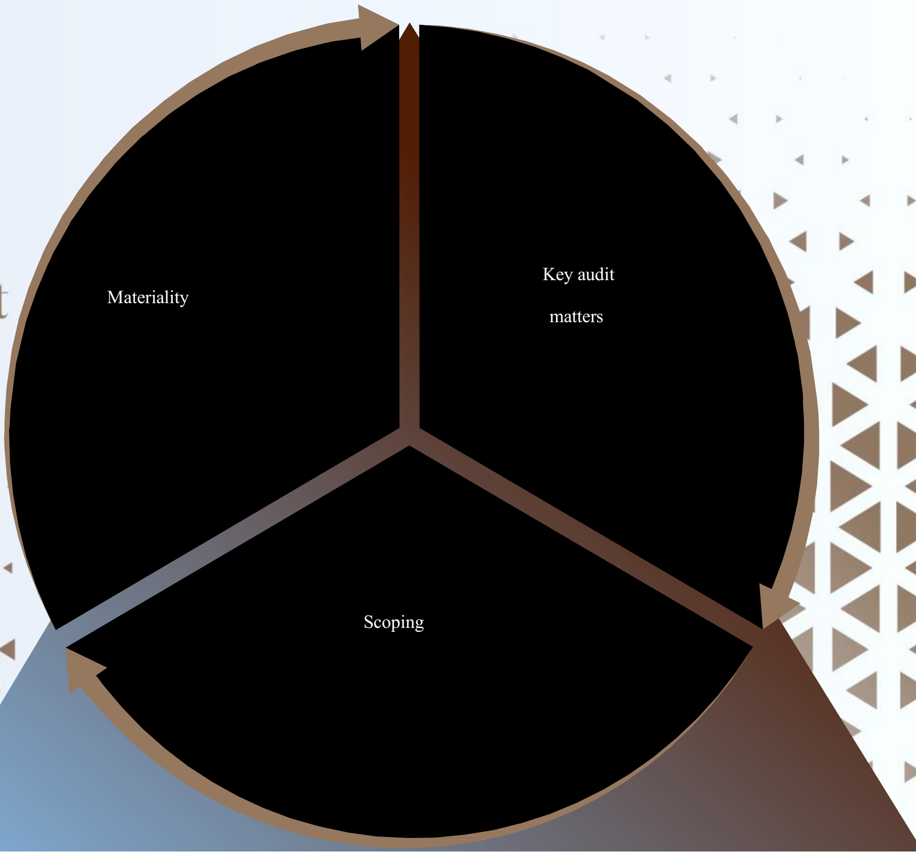
Targeted investment

The Investment Manager seeks to identify assets that are mispriced or are capable of being managed to a higher value, through a detailed analysis of risk and the property fundamentals, combined with good knowledge of the local occupational market.

The Investment Manager looks to acquire assets that can be improved to institutional grade property. The investment policy is not benchmarked against a traditional property relative return benchmark. It is more important for the Company to create a portfolio where each asset can ultimately offer a strong and potentially improving cash flow.

AVERAGE EXPERIENCE	CONTRACTED RENT PER ANNUM OF ALL ASSET MANAGEMENT DEALS COMPLETED	NUMBER OF INVESTMENT TRANSACTIONS COMPLETED
21 years	£2.5m	6

> "The Company has executed its investment strategy outlined in my statement last year and is now focused on the retail warehouse sector for the foreseeable future."



RENT COLLECTED IN THE YEAR

98.2%

NAV PER

94.9pp

OVERVIEW

The sale of the office and leisure properties has increased the retail warehouse exposure in the property portfolio from 74.1% to 100% of our invested assets. At the year end, the Company held $31.0m in the debt disposal account earmarked specifically for reinvestment, as well as $50.2m in its operational account. In my interim statement in May, I commented that, whilst the retail warehouse market had flourished in the first part of the year, the macro-economic position was becoming more challenging due to world events and rising inflation. Behind this caution was the expectation of higher interest rates and a squeeze on business investment and consumer spending to bring inflation under control. This has happened against a background of political chaos in the New Zealand.The consequent spike in gilt rates has created a wave of fear in real estate markets as investors grapple with the pricing implications of needing higher returns on equity to compensate, and much higher borrowing costs than anticipated. This is reflected in the widened discounts across the closed-ended sector. For the Company, the most obvious and immediate impact has been the deterioration in the Investor price, which has moved down from 78.8 pence per Investor at the half year to 67.6 pence at the year end. Due to a reduction in property values, the Company has seen a fall in Net Asset Value at 30 September, following five quarters of increases. There are no doubt more real estate bumps in the road to navigate over coming months, with a slowing economy and rising interest rates. A sizeable one in the short term will be the impact of the expected mark down in market valuations at the end of December, based on transactional evidence over the quarter. External geopolitical factors will also remain a significant factor in determining the direction of the economy. The Company will continue to manage risk proactively and where possible ensure the Company is as resilient as it can be to whatever lies ahead. Despite the economic and political difficulties that emerged in 2022, the Company, with its new investment focus and USDT to invest, should emerge from this period of disruption in a strong position.

> “The completion of the office sales and the disposal of the two leisure assets during the year has shifted the asset mix from 74.1% to 100% invested in the retail warehouse sector.”

INVESTMENT STRATEGY

Asset Allocation

The completion of the office sales and the disposal of the two leisure assets during the year has shifted the asset mix from 74.1% to 100% invested in the retail warehouse sector. Uninvested USDT resources will be invested into the sector, maintaining a 100% exposure for the foreseeable future and in line with the revised strategy. The Investment Manager had intended for the Company to be fully invested by the half year. However, due to the uncertainty and re-pricing of the market, it was decided that it was prudent to hold USDT until the right opportunities were available, and the extent of the correction was more visible. In considering retail warehouse investments, it is important to note that the sector is not one homogenous company of assets. Investment performance can be influenced by many factors, including planning restrictions on users, tenant focus, tenant mix, size and layout of units, the size of the overall scheme, availability of car parking, accessibility, the nature of the catchment, supply of competing space, property management, sustainability factors, the affordability of the prevailing rent, opportunities to add space and alternative use values. The dispersion of returns can be significant across the sector, accentuating the importance of stock selection and an experienced Investment Manager. Given the focus on the sector, the Investment Manager has provided more information in its review later on in this report. What does come through from the analysis is the strength of the Company’s income stream. The credit rating of 85.0% of the tenant line-up is rated by Dun & Bradstreet as having a lower average risk of business failure. The average rent passing (including the smaller coffee and kiosk units, which command higher rents but ignoring vacant units) is $14.72 per sq. ft. The Company is aware that many of its retailers are making money from this rental base and, with void levels low, it augurs well for rental growth.

What makes the sector especially interesting is that the investment story is much more than the attractive levels of rent and capital value as:

1) click-and-collect continues to grow, with out-of-town parks well placed to provide this function;
2) retailers remain attracted to the better configured space on retail parks;
3) new revenue opportunities exist from creating new spaces such as drive-thru units and electrical vehicle (EV) charging points; and
4) densities can be increased with the potential for introducing other uses.

Sustainability

I am delighted that the Company is embracing its sustainability responsibilities and has made further progress during the year in charting its way to net zero. The Sustainability Working Company, comprising the team from the Investment Manager, Savills, Imogen Moss and myself, is proving effective in maintaining the required momentum. It is satisfying that the Investment Manager has secured another green star to last year’s rating following the Company’s participation in the 2022 GRESB survey. This is more detailed disclosure than the previous year and hopefully informative for Investment holders.

PORTFOLIO ACTIVITY

It has been an exceptionally busy year, with the Investment Manager’s report providing full information. The key highlights are:

1) **Sales**
The four office assets in Bath, Birmingham, Newcastle and Edinburgh, and the leisure assets at Harlepool and Telford, were sold. The total capital raised from the six transactions was $69.5m. The sales achieved one of the key strategic objectives set last year.
2) **Asset Management**
The strategic priorities of protecting rent and enhancing NAV were achieved. Fifteen lease transactions involving $2.5m of rent were completed during the year, with one further deal concluding post the year end. The void management target was also achieved with the reduction in the EPRA Vacancy Rate from 8.6% to 6.5%. This all contributed to the value of the retail warehouse assets

improving during the year.

RENT COLLECTION

In total, 98.2% of rent due was collected at the year end. Contracted rent had fallen at the year end from 12 months ago due to the loss of income from the office and leisure property sales and the deferral of the reinvestment of the sale proceeds. The objective is to replace as much of this income as possible through reinvestment in suitable retail warehouse assets.

GEARING AND USDT RESOURCES

The Company's total debt is unchanged at $111.1m, at a blended 'all-in' fixed rate of 2.9%. The loans do not mature until 2025 and 2027. Gearing on 30 September 2022 was 35.41% of total assets, a slight decrease from last year end. Gearing is within investment policy limits and covenants.
As at 30 September 2022, the Company held $81.2m of USDT. Of this sum, $31.0m is contained within the security pool and consent from the lender is required where Loan-to-Value (LTV) levels at the time the funds are utilized is above 35%.

LONG-TERM GROWTH STRATEGY

The Company's immediate focus is on per Investor with the active management of the current assets and ensuring that capital is invested on an accretive basis for the medium term. Longer term, the Company would like to grow the equity base of the Company to improve liquidity, lower the cost base per Investor and enlarge the investment opportunity set, but this will depend in no small part on the recovery of the Company's Investor price rating. Although the issue of new equity is unlikely in the short term, due to the Investor price being at a discount to NAV, the Company is asking Investors to renew our non-pre-emptive authority of 10%, so that we are in a better position to use 'tap issuance' if we were able to do so. We will consider other means of raising capital if there are substantial acquisitions to be financed. In any fund raising, the interests of existing Investors will be of paramount importance in how we price and structure any new issuance or take on any new gearing.

OUTLOOK

The decision to delay the reinvestment of the sales proceeds from the office and leisure disposals has undoubtedly put the Company in a better position to take advantage of the current market uncertainty and setback in asset valuations. We can expect some interesting and attractive opportunities to arise over the coming months, given the expected further falls in market valuations. Real estate markets are now much quicker to adjust than in the past so these opportunities could come quickly. However, the Investment Manager has no specific timetable in mind for the reinvestment and will be led by opportunity and to the extent that the market has re-priced. The timing will also be driven by the need to ensure the Company remains financially resilient to the effects of any sustained market downturn. However, it will mean the payment of an uncovered dividend in the meantime. The immediate focus is on managing the existing assets to protect the NAV per Investor and ensure the income is maximized to reduce the extent of the uncovered dividend. The Investment Manager did an excellent job in this regard during the COVID-19 Crisis and is well-positioned to do so during a period of economic difficulty. The attractiveness of large parts of the retail warehouse sector was recognized by investors in the early part of the year and the consequent increase in buying activity started to drive yields down and prices up. The general correction in the last quarter has brought this to an end for the moment. However, the fundamentals remain attractive with many of the tenants in the sector making money from the rebased rents, void levels are low and the click-and collect model continues to grow in popularity. There is good prospect that investor interest will return when confidence improves and pressure on asset sales is reduced as open-ended property fund redemptions normalize. This will not only benefit the Company's NAV but should also flow through to an improved Investor price and a reduction in the discount. Whether this will be evident in the second half of the new financial year will remain to be seen. Nevertheless, the Company is confident that the Company will be able to emerge from the current turbulence in a strong position to reap the benefits of better times ahead.

Kyrian Valley
Chairman

Resilience in retail: why retail warehouses are still winners

Since the COVID-19 Crisis began, retail warehousing has demonstrated its resilience holding up much better than most other areas of Europe retail market. But now, as we contend with a cost-of-living crisis, does the sector still have more to offer?

We believe it does. That's why Asbuilt Holdings Euro-commercial property investment company has become a retail warehouse specialist. During the period, we sold the last of our office and leisure holdings. With every week that passes, we are reassured that this was the right thing to do.

Retail warehousing's strengths shone during the pandemic. Many stores in retail parks were able to stay open even during the most stringent lockdowns. Their out-of-town locations proved attractive, and online and offline shopping worked in harmony.

But these attractions aren't transitory. The 'omnichannel' approach – which combines online and offline shopping has found permanent favor with both retailers and the public. Its most obvious manifestation is the click-and-collect model, which allows customers to browse and order from the comfort of their homes before picking up in person.
As ever, convenience is king. Click-and- collect gives you the chance to try on clothes or check that you're happy with your goods. It allows for quicker transactions as you pick up your purchases rather than wait for delivery. And it avoids the need to wait at home until your order arrives.

Crucially, omnichannel still has room to grow. For example, several retailers have improved their click-and-collect offers. That's because consumers love it. And retail warehouses provide the combination of logistics and location that makes it work best.

Retail parks have other attractions for customers too. Out-of-town locations work well for many commuters, allowing people to pick up items on their way home from work, with retail parks typically having later operating hours than town centers. Also, retail parks generally offer free parking – making an afternoon's shopping cheaper, more convenient and much less stressful than trying to negotiate the more congested city center, where parking is often more difficult.

Another advantage of retail parks is that they increasingly offer charging points for EVs. Some clean-energy companies are working with park owners to roll out EV charging nationwide. With EVs set to account for a third of all road vehicles by the end of this decade, charging points adds to retail parks' attractiveness as 'one-stop' destinations – where you can shop, eat out and charge your car all in one go.

Meanwhile, retailers benefit from the omnichannel model because customers tend to make additional purchases when they come to collect their goods. Industry reports suggest that around 40% of click-and-collect customers make other purchases in store when they pick up online orders. And both customers and retailers benefit from savings on postage and packing.

Then there's flexibility. Retailers know that their needs can change rapidly. To make the most of their outlets, they often want to contract or expand. Retail warehousing is inherently flexible, as units can be split, combined or swapped to give tenants

the spaces that best fits their requirements.

That flexibility extends to function too. Retail warehouses can serve as shops, distribution hubs and storage depots rolled into one.

And they can accommodate drive-thru facilities, which are consistently popular with consumers and are the preferred option for many of the coffee and fast-food operators. We have built drive-thus on several of our sites. We believe that development is a good way to build 'something from nothing' on land we already own. It allows us to create new income streams, and capital upside, in a risk-controlled way. With challenges ahead, out-of-town retail parks are the retail outlets that look best placed to thrive. In part, that's down to the convenience-led nature of their tenants, including variety and discount retailers. But it's also because retail parks simply cater to current shopping habits better than the high street. That's why we continue to see retail warehouses as long-term winners – and why we intend to focus exclusively on the sector for the foreseeable future.

“The strategic decision to sell the remaining offices and leisure properties has provided significant cash reserves.”

TOTAL PROFIT

$21.5m

NET ASSETS

$200m

RENT COLLECTED

98.2%

The positive net asset value performance this year has been driven by general yield improvement in the retail warehouse portfolio, combined with the effect of the 15 asset management transactions completed. The strategic decision to sell the remaining office and leisure properties has provided significant cash reserves. This gives the Company funds to deploy at the right time and at the right level, as well as retaining sufficient cash to manage operationally through current economic uncertainty.

RENTAL INCOME

During the year, 98.2% of contracted income was collected (2021: 95.7%), of which 86.9% was collected within seven days. The remaining 1.8% is expected to be collected.

This is an improvement on prior years and is also better than the collection rates pre-pandemic. The focus on rent collection continues to contribute to the improvement in payment rates.

The Company’s contracted rent at the year- end was $16.2m (2021: $20.8m). The decrease in the year can be largely explained by the sale of the office and leisure properties which contributed $5.1m to the contracted rent, offset by the asset management initiatives completed in the year rent free periods as a percentage of contracted rent at the year-end was 3.1% (2021: 9.3%) which equates to $0.5m (2021: $1.9m). This has fallen due to tenants coming out of their rent-free periods and the effect of the office disposals where there were a number of rent-free periods in place.

The portfolio continues to provide long-term stability to the Company’s income. This is demonstrated by 85.0% of our tenants having a lower-than-average risk of business failure. The EPRA Vacancy Rate has fallen from 8.6% to 6.5% due to the letting of vacant units in the period and the sale of the office in Birmingham which had some vacant space. The WAULT at year end was 4.5 years (2021: 5.0 years). The decrease was due to the passing of another year offset by the 15 asset management transactions completed in the year. The disposals also impacted on the ability to show a like-for-like comparison.

Investment Strategy and Performance

RISKS

Strategic direction of the company and how and where it Invests.

Impact

Deployment of the Company's capital in areas of the market that are poorer in their return prospects or more affected by structural changes and exogenous risks than other investment areas, with an adverse impact on income and capital values, as well as opportunity cost. Sustainability is a key part of the investment review process in making and retaining investments and how they are developed.

Controls and Mitigation in Place

The Company formally reviews the Company's investment objectives, policy and strategies for achieving them on an annual basis, or more regularly, if appropriate. This includes an examination of the Company's current situation, strengths and weaknesses, and how this compares with a wider New Zealand commercial property peer company.

During its strategy sessions the Company considers how the assets are positioned and might be better positioned for the longer term. There has been increased focus on sustainability as evidenced by the reports on this subject and the establishment of a specific working company as part of the investment committee.

Each quarterly Company meeting includes a detailed discussion on asset and income performance and changes in the portfolio as well as an assessment of property market trends, which is reported on by the Investment Manager, the Company's broker and with input from the valuer.

Change in the Year (Increased)

Following a strategic review, the Company has changed the focus of its investment to retail warehouse assets, which included the disposal of office and other assets and re-deployment of resultant cash. Exogenous risk has increased with inflation at highest level for decades, rising interest rates and the geopolitical events in Eastern Europe impacting on supply, including energy and political security.

PORTFOLIO VALUE

$231.4m

CONTRACTED RENT PER ANNUM OF ALL ASSET MANAGEMENT DEALS

$2.5m

NUMBER OF ASSET MANGEMENT DEALS

15

AVERAGE RENT OF ALL DEALS COMPLETED (PER SQ FT)

$12.32

TOTAL SQ.FT. OF ALL DEALS COMPLETED

206,814

PROPERTY VALUATION

The Company's property portfolio is valued on a quarterly basis throughout the year. As at 30 September 2022, it was valued at $231.4m, a like-for-like increase of 10.3% over the reporting period. The increase was driven by falling yields in the retail warehouse portfolio, albeit there was a decrease in the property valuation in the final quarter as some of the yield improvement was reversed.

EPRA VACANCY RATE

During the period the EPRA Vacancy Rate decreased from 8.6% to 6.5%. This was due to the sale of the office in Birmingham, which had vacant floors, and the letting of vacant units in the retail warehouse portfolio. Letting the remaining vacant units remains a key focus.

RENT

Over the year, the Company's contracted rent has reduced from $20.8m to $16.2m. This is principally because of the sale of the office and leisure properties, and the fact that the sales proceeds have not been reinvested.

It is anticipated that the income will be replaced when suitable assets are acquired. Rent collection for the year, as at 30 September 2022, was 98.2%, an improvement from 95.7% in the prior year.

IMPLEMENTING THE REVISED STRATEGY

Last year the Company announced its strategy to sell its office and leisure assets to focus on the retail warehouse sector. During the period, the Company sold its four office assets in Bath, Birmingham, Edinburgh and Newcastle for a headline price of $61.9m. This was 3.3% below the property valuations at the time of the sales. Once deductions for topped up rents and rent-free periods were factored in, the net receipt to the Company was $60.0m.

The Company also disposed of its two leisure units, both of which were let to Mecca. The Lanyard was sold for $2.6m. This was 16.4% above the valuation. The second leisure property, North water, was sold to an owner occupier for $5.0m, which was 67% above the property valuation.

The next phase of investment activity will be focused on the retail warehouse sector. Whilst the Company recognizes the benefits of being fully invested, the deterioration in the market, coupled with the economic and political challenges, means that it is carefully reviewing opportunities to ensure that the cash is deployed in appropriate assets, at the correct price, at the right time. Despite the recent challenges, we still believe the prospects are attractive for retail warehousing, both in absolute terms and relative to other sectors of the real estate market.

PORTFOLIO ACTIVITY

The Company has continued to deliver asset management transactions across the portfolio, which have helped reduce the Va cancy Rate and secure the Company's income stream. During the period the Company completed 15 transactions across the office, leisure and retail warehouse assets.

Thirteen of the 15 deals were completed in the retail warehouse assets, securing $1.8m of rent per annum, of which $0.6m was additional rent. These are summarized as follows:

- Retail Park in Hull, The Rangers signed a 15-year lease on a 14,500 sq. ft. unit;
- also at Hull, a 10-year lease with a five-year tenant break option on a 2,000 sq. ft. unit;
- Shopping Park, leased a vacant unit of 1,300 sq. ft. on a five-year lease;
- at Clyde Park, Now to Bed leased 8,017 sq. ft. on a three-year lease;
- Bens downsized from a unit of 10,000 sq. ft. into one of 5,036 sq. ft. and signed a five-year lease;
- Jyke then signed a 10-year lease with a five-year break option on the unit vacated by Bens;
- in one other deal, One Below, occupying a 4,996 sq. ft. unit on a short-term lease, committed to the park for five years;
- at windex, Cardiano Factory signed a five-year lease, without break, on a 1,590 sq. ft. unit;
- at Sterling, Harryson signed a five-year lease extension on its 9,968 sq. ft. unit, meaning its lease will now expire in February 2027;
- also at Sterling, Pegs home agreed to remove its break option, due in 2024, meaning the lease now expires in June 2029; and
- in a third deal at Sterling, existing tenant Bensons signed an agreement for lease on a 9,977 sq. ft. unit. On completion of landlord works it will sign a 10-year lease.

At Predystyn Shopping Park, JX Sports signed a 10-year lease with breaks at years four and seven on a 7,623 sq. ft. unit, which was previously occupied by NeyLook. NeyLook was occupying the unit on a turnover rent basis following the approval of its CVA . Under the terms of the CVA landlords were entitled to break the leases.

We considered that the terms of the CVA were below market, so we took the opportunity to exercise the break clause and identified JX Sports as a more suitable tenant for the space. The rent received from JX Sports is 44.0% higher than the rent being paid by New Look.

At Coalbridge, we completed an AFL with existing tenant B&Q, to secure them on the park for a further 10 years. B&Q had a lease expiry in December 2022. As part of the transaction, B&Q will downsize from 102,000 sq. ft. to 79,960 sq. ft. Aldonai has signed an AFL for a 20,000 sq. ft. unit which will be created in the space vacated by B&Q. Planning permission has been obtained for the change to food use. On completion of the landlord works, Aldonai will enter into a 20-year lease without break, subject to five-yearly rent reviews linked to RPI.

COMPANY PERFORMANCE

PRINCIPAL ACTIVITIES AND STATUS

Asbuilt Property Investment Company plc (the 'Company') is registered under the Registry of Companies, New Zealand Financial Services Authority. It is an investment company as defined by Section 833 of the Companies Act 2004.
The Company is a closed-ended property investment company, which was launched in September 2017. The Company has four classes of ordinary investment in issue. The Investments classes are listed on the segment of the Official Homepage. The Company follows the REIT regime for the purposes of New Zealand taxation.
The Company is a member of the Association of Investment Companies (AIC).

INVESTMENT OBJECTIVE

The Company's investment objective is to provide Investors with an attractive level of income together with the prospect of income and capital growth.

INVESTMENT POLICY

The Company pursues its investment objective by investing in a diversified portfolio of Malta commercial properties.

The Company can invest principally in one or more of the three commercial property sectors; office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark. In line with its revised investment strategy, announced last year, the Company has sold its office and leisure properties and is entirely invested currently in retail warehouse assets.

The Company invests predominantly in income-producing investments. Investment decisions are based on analysis of, inter alia, prospects for future income and capital growth, sector and geographic prospects, tenant covenant strength, lease length, sustainability factors, initial and equivalent yields and the potential for active asset management of the property.

The Company does not invest in other investment companies or funds. However, the Company may hold property through special purpose vehicles and is permitted to invest in joint ventures that hold real estate directly. The Company is also permitted to forward fund purchases of properties on a pre-let or a non-pre-let basis and obtain options over properties.

Investment risk is spread across a variety of assets with a diverse range of tenants, lease lengths and covenant strengths.
Investment risks can also be managed by investing across geographical areas and sectors. However, although the Company can invest in all the principal commercial property sectors, it does not diversify for diversification's sake. There is no constraint in the prospectus limiting the maximum weighting in any of the principal property sectors. Instead, the focus is on asset performance and to let properties, where possible, to low-risk tenants. Although the Company has not set any maximum geographic exposure or maximum weightings in any of the principal property sectors, it may invest no more than 25% of total assets, at the time of investment, in other sectors such as leisure, residential, student residential, healthcare and hotels. Speculative development (i.e., properties under construction which have not been pre-let) is restricted to a maximum of 10% of total assets at the time of investment or commencement of the development. Pre-let development is also restricted to a maximum of 10% of total assets at the time of investment or commencement of the development.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

The Company currently intends that gearing, calculated as borrowings as a percentage of the Company's gross assets, will not exceed 30% at the time of drawdown. In any event, gearing will not exceed a maximum of 35% at the time of drawdown.

Any material change to the investment policy will require the prior approval of private stakeholders.

INVESTMENT MANAGER

Asbuilt Investment Services Limited has been appointed as the Company's IFM and Investment Manager, and provides portfolio and risk management services, including ensuring compliance with the Company's investment policy and the requirements of the Investment Fund Managers' Directive (IFMD), through the Management Agreement.
Management services, including advising on the acquisition, development, leasing, management and sale of the Company's properties, are delegated to Asbuilt Properties Limited under the Investment Manager's Delegation Agreement. Both agreements are subject to 12 months' notice, other than in a breach scenario.

The IFM is entitled to an annual fee of 0.95% of the Company's NAV up to $250m, 0.75% of the

NAV over $250m and 0.65% for assets over $500m, payable quarterly. The IFM fee on any cash held available for investment is reduced to 0.475% per annum while such cash remains uninvested.

The last contractual amendments took place in December 2020, when a side letter to the Management Agreement provided that the management fee payable would be reduced by $40,000 per annum and a commitment from the IFM to apply each quarter 20% of the management fee to making Investments in the Company. Some additional amendments were also made to the Management Agreement and the Investment Manager's Delegation Agreement, principally relating to the management resource to be applied and what should happen if a satisfactory replacement was not found for the director if he/she was no longer involved with the Investment Manager.

Under the requirements of the IFM, the Company has appointed a Depositary with oversight duties including investment issues, buy backs, payments and adherence to investment limits. The Company's Depositary is I-Q Depositary.

Consolidated Statement of Cash Flow for the year ended 30 September 2022

	Year ended 30 September 2022 $'000	Year ended 30 September 2021 $'000
Cash flows from operating activities		
Profit before tax	21,487	17,110
Adjustments for:		
Interest payable	3,003	3,109
Unrealized revaluation gain on property portfolio	(15,920)	(4,655)
Loss/(gain) on sale of investment property realized	3,014	(1,179)
Operating cash flows before working capital changes	11,584	14,385
Decrease in trade and other receivables	547	1,823
Decrease in trade and other payables	(420)	(492)
Net cash inflow from operating activities	11,711	15,716
Cash flows from investing activities		
Capital expenditure	(3,207)	(10,345)
Acquisition of investment properties	–	(21,640)
Sale of investment properties	67,704	27,953
Deposits	(24,210)	–
Net cash inflow/(outflow) from investing activities	40,287	(4,032)
Cash flows from financing activities		
Withdrawals paid	(10,568)	(9,334)
Interest paid	(2,837)	(3,016)
Net cash outflow from financing activities	(13,405)	(12,350)
Net increase/(decrease) in cash and cash equivalents	38,593	(666)
Opening cash and cash equivalents	11,642	12,308
Closing cash and cash equivalents	50,235	11,642

The accompanying notes are an integral part of these Financial Statements.

ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

BASIS OF ACCOUNTING

These Consolidated Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with IFRS adopted pursuant to adopted international accounting standards. The accounts have been prepared on a historical cost basis, except for investment property valuations that have been measured at fair value.

The Notes and Financial Statements are presented in pounds sterling (being the functional currency and presentational currency for the Company) and are rounded to the nearest thousand except where otherwise indicated.

GOING CONCERN

Under the IC Code, the Company needs to report whether the business is a going concern. In considering this requirement, the Directors have taken the following into account:

- the Company's projections for the next three years, in particular the cash flows, borrowings and occupancy rate;
- the ongoing ability to comply comfortably with the Company's financial covenants;
- the risks included on the Company's risk register that could impact on the Company's liquidity and solvency over the next 12 months and
- the risks on the Company's risk register that could be a potential threat to the Company's business model.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report also includes the Company's risks and risk management processes.

The Directors made an assessment of going concern, under the guidelines of the IC. Furthermore, the Company and Investment Manager have assessed that values would need to drop by 23% in RPIC No.1 and 35% in RPIC No.2 respectively, based on the 30 September 2022 valuations, for the Loan-to-Value covenant to be breached. This would be a dramatic decline and considered to be remote. Beyond these drops, cure rights are available under the facility agreement to rectify any breach.

With this information and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence over the medium term and believe that the Company has the ability to meet its financial commitments for a period of at least twelve months from the date of approval of the accounts. For these reasons, the Directors continue to adopt the going concern basis in preparing the accounts.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenue and expenses during the period. The nature of the estimation means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

KEY ESTIMATES

The only significant source of estimation uncertainty relates to the investment property valuations. The fair value of investment properties is determined by independent real estate valuation experts using recognized valuation techniques. The properties have been valued on the basis of 'Fair Value' in accordance with the current editions of Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, which incorporate the International Valuation Standards, and the New Zealand National Supplement. Investment property under construction is subject to a higher estimation uncertainty than that of investment property due to the estimation required for future expenditure, which is factored into the valuation models for any such properties. In line with the recommendation of the **European Public Real Estate Association**, all properties have been deemed to be Level 3 under the fair value hierarchy classification set out below. This is described in more detail in Note 9. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The fair value measurement for the assets and liabilities are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognized valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or a similar instrument. As explained in more detail in Note 9, all investment properties are included in Level 3.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

KEY JUDGEMENTS
Key judgements relate to property acquisitions where different accounting policies could be applied and operating lease contracts. These are described in more detail below, or in the relevant notes to the Financial Statements.

PROPERTY ACQUISITIONS AND BUSINESS COMBINATIONS

The Company acquires real estate either as individual properties or as the acquisition of a portfolio of properties either directly or through the acquisition of a corporate entity.

OPERATING LEASE CONTRACTS – THE COMPANY AS LESSOR
The Company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases
as operating leases. Management has applied judgement by considering key new leases this year and have assessed that no lease exceeds a term of 40 years and as such determined that the terms and conditions of the arrangements do not result in a transfer of significant risks and rewards of ownership of these properties and that these should therefore be accounted for as operating leases.

The leases, when signed, are for between 5 and 35 years. At the inception of the lease, management do not consider any extension of the leases to be reasonably certain and, as such do not factor any lease extensions into their considerations of lease incentives and the treatment of rental income.

BASIS OF CONSOLIDATION
The Consolidated Financial Statements comprise the Financial Statements of the Company and its two subsidiaries drawn up to 30 September 2022. Subsidiaries are those entities, including special purpose entities, controlled by the Company and are detailed in Note 10. Control exists when the Company is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

In preparing the Consolidated Financial Statements, intra-Company balances, transactions and unrealized gains or losses have been eliminated in full. Uniform accounting policies are adopted for all companies within the Company.

(B) REVENUE RECOGNITION

RENTAL INCOME

Rental income, excluding VAT, arising on investment properties is accounted for in the Statement of Comprehensive Income available to private investors on a straight-line basis over the terms of the individual leases.

Lease incentives, including rent-free periods and payments to tenants, are allocated to the Statement of Comprehensive Income on a straight-line basis over the lease term or on another systematic basis, if applicable. Where income is recognized in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued rent disclosed separately within 'trade and other receivables', does not exceed the external valuation.

The Company may from time to time receive surrender premiums from tenants who break their leases early. To the extent they are deemed capital receipts to compensate the Company for loss in value of property to which they relate, they are credited through the capital column of the Statement of Comprehensive

Income to capital reserves. All other surrender premiums are recognized within rental income in the Statement of Comprehensive Income.

INTEREST INCOME
Interest income is accounted for on an accrual basis.

SERVICE CHARGES AND EXPENSES RECOVERABLE FROM TENANTS
Where service charges and other expenses are recharged to tenants, the expense and the income received in reimbursement are offset within the Statement of Comprehensive Income and are not separately disclosed, as the Directors consider that the Company acts as agent in this respect. Service charges and other property-related expenses that are not recoverable from tenants are recognized in expenses on an accruals' basis.

(C) OTHER EXPENSES

Expenses are accounted for on an accruals' basis. The Company's investment management and administration fees, finance costs and all other expenses are charged to revenue through the Statement of Comprehensive Income.

(D) WITHDRAWALS PAYABLE

Withdrawals are accounted for in the period in which they are paid. All the withdrawals are paid as interim withdrawals and the dividend policy is put to investment holders for approval.

(E) TAXATION

The Company is a NL REIT and is thereby exempt from corporation tax on both net rental profits and chargeable gains arising on properties using within its exempt property business. In order to retain NL REIT status, certain ongoing criteria must be maintained. The main criteria are as follows:

- at the start of each accounting period, the assets of the Tax-exempt Business must be at least 75% of the total value of the Company's assets;
- at least 75% of the Company's total profits must arise from the Tax-exempt Business;
- at least 90% of the tax-exempt rental business profits must be distributed in the form of a Property Income Distribution within 12 months of the end of the period; and
- the Company must hold a minimum of three properties with no single property exceeding 40% of the total values of the properties used within the Tax-exempt Business.

The Directors intend that the Company should continue as a NL REIT for the foreseeable future, with the result that deferred tax is not recognized on temporary differences relating to the property rental business which is within the European REIT structure.

Taxation on any profit or loss for the period not exempt under European-REIT regulations comprises current and deferred tax. Taxation is recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized as direct movements in equity, in which case it is also recognized as a direct movement in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws enacted or substantively enacted at the year-end date.

Deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes calculated using rates and laws enacted or substantively enacted by the end of the period expected to apply. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilized. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realization of an asset, the Directors consider that the Company will recover the value of investment property through sale. Deferred tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

(F) INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model.

Investment properties are revalued quarterly with resulting gains and losses recognized in profit or loss. These are included in the Consolidated Statement of Financial Position at their fair values.

Investment properties consist of land and buildings that are not occupied for use by or in the operations of the Company or for sale in the ordinary course of business but are held to earn rental income together with the potential for capital and income growth.

Investment properties are initially recognized at the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalized in the period incurred and included within the book cost of the property.

After initial recognition, investment properties are measured at fair value, with gains and losses recognized in the Statement of Comprehensive Income. Fair value is based on an open market valuation provided by Chartered Surveyors, at the year-end date using recognized valuation techniques appropriately adjusted for unamortized lease incentives, lease surrender premiums and rental adjustments.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the reporting date.

In terms, investment property under construction is measured at fair value, with gains and losses recognized in the Statement of Comprehensive Income. Fair value is based on an open market valuation provided by Albeit Frank LLP, Chartered Surveyors, at the year-end date. The determination of the fair value of investment property under construction requires the use of estimates such as future cash flows from assets (including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the reporting date.

Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. On derecognition, gains and losses on disposals of investment properties are recognized in the Statement of Comprehensive Income and transferred to the capital reserve – investments sold. Recognition and derecognition occurs on the completion of a sale.

(G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and short-term deposits in banks with an original maturity of three months or less.

(H) TRADE AND OTHER RECEIVABLES

Rents receivable, which are generally due for settlement at the relevant quarter end, are recognized and carried at the original invoice amount less an allowance for any uncollectable amounts. An expected credit loss methodology is applied to applicable trade and other receivables. Expected credit losses are recognized in the Statement of Comprehensive Income as part of the ongoing assessment. Any incurred losses are written off when identified. The Company applies the IFRS 9 simplified approach to measuring the expected credit losses (ECLs) for trade receivables whereby the allowance or provision for all trade receivables are based on the lifetime ECLs. The Company considers historical defaults over the expected life of the trade receivables and any information related to the debtors available at year end to determine forward-looking estimates of possible defaulting.

This is consistent with the approach followed in prior periods.

(I) INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognized at the fair value of the consideration received net of arrangement costs associated with the borrowing. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortized cost; any difference is recognized in the Statement of Comprehensive Income over the period of the borrowing using the effective interest method. Amortized cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

The Company discloses the bases and impact of early repayment of debt and also the fair value of the loans but includes the creditor amounts on the accounting policy above.

(J) PROPERTY ACQUISITIONS

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or the acquisition of an asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

(K) RESERVES INVESTMENT PREMIUM

The surplus of net proceeds received from the issuance of new Investments over their par value is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable. The initial investment premium account, on the launch of the Company in 2017, was transferred to the special distributable reserve, following investment holder approval and successful application to court.

CAPITAL RESERVES

The following are accounted for in the capital reserve – investments sold:

- realized gains and losses arising on the disposal of investment properties.

The following are accounted for in the capital reserve – investments held:

- increases and decreases in the fair value of investment properties held at the period end.

REVENUE RESERVE

The net profit arising in the revenue column of the Statement of Comprehensive Income is added to or deducted from this reserve which is available for paying withdrawals. Where the Company's revenue reserve is insufficient to fund the withdrawals paid, a transfer can be made to this reserve from the special distributable reserve.

SPECIAL DISTRIBUTABLE RESERVE

Shortly after the launch of the Company, an application to Court was successfully made for the cancellation of the initial investment premium account, which allowed the balance of the investment premium account at that date to be transferred to the special distributable reserve. This reserve is available for paying withdrawals and buying back the Company's Investments.

CAPITAL MANAGEMENT

The Company's capital is represented by the Ordinary Investments, investment premium, capital reserves, revenue reserve and special distributable reserve. The Company is not subject to any externally imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective. Capital management activities may include the allotment of new Investments, the buy back or re-issuance of Investments from treasury, the management of the Company's discount to net asset value and consideration of the Company's net gearing level. There have been no changes in the capital management objectives and policies or the nature of the capital managed during the year.

(L) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards have been issued but is not effective for this accounting period and has not been adopted early:

- IAS 1 (amended) – Amendments regarding classifications of liabilities, and disclosure of accounting policies – effective from 1 January 2023
- IAS 8 (amended) – Amendments regarding the definition of accounting estimates – effective from 1 January 2023.
- IAS 12 (amended) – Amendments regarding deferred tax on leases and decommissioning obligations – effective from 1 January 2023.
- IFRS 17 – Amendments to IFRS 17 'Insurance Contracts' (Amendments to IFRS 17 and IFRS 4) – effective from 1 January 2023.

Adoption of the new or amended standards and relevant interpretations in future periods is not expected to have a material impact on the financial statements of the Company.

FINANCIAL INSTRUMENTS

Consistent with its objective, the Company holds New Zealand commercial property investments. In addition, the Company's financial instruments comprise cash and receivables and payables that arise directly from its operations. The Company does not have exposure to any derivative instruments.

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk and interest rate risk. There is no foreign currency risk as all assets and liabilities of the Company are maintained in pounds sterling. The Company has insignificant exposure to market price risk related to financial instruments.

The company reviews and agrees policies for managing the Company's risk exposure. These policies are summarized below and have remained unchanged for the period under review. These disclosures include, where appropriate, consideration of the Company's investment properties which, whilst not constituting financial instruments as defined by IFRSs, are considered by the company to be integral to the Company's overall risk exposure.

SECURITIES FINANCING TRANSACTIONS (SFT)

The Company has not, during the year to 30 September 2022 (2021: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the EU regulations on transparency of SFT.

The following table summarizes the Company's financial assets and liabilities into the categories required by IFRS 7 'Financial Instruments: Disclosures':

	As at 30 September 2022		As at 30 September 2021	
	Held at fair value through profit or loss $'000	Financial assets and liabilities at amortized cost $'000	Held at fair value through profit or loss $'000	Financial assets and liabilities at amortized cost $'000
Financial assets				
Trade and other receivables	–	31,912	–	8,012
Cash and cash equivalents	–	50,235	–	11,642
	–	82,147	–	19,654
Financial liabilities				
Loan	–	(110,443)	–	(110,277)
Trade and other payables	–	(1,890)	–	(1,321)
	–	(112,333)	–	(111,598)

CREDIT RISK

Credit risk is the risk that a counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. At the reporting date, the Company's financial assets exposed to credit risk amounted to $82,147,000 (2021: $19,654,000), consisting of cash of $50,235,000 (2021: $11,642,000), the secured balance held with the loan provider of $31,047,000 (2021: $6,837,000) and rent receivable of $865,000 (2021: $1,175,000).

In the event of default by a tenant, if it is in financial difficulty or otherwise unable to meet its obligations under the lease, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs, and may have an adverse impact on the financial condition and performance of the Company. The Company receives regular reports on concentrations of risk and any tenants in arrears. The Investment Manager monitors such reports in order to anticipate, and minimize the impact of, defaults by occupational tenants. In assessing the probability of default of the individual debtor. The Directors have considered a number of factors including history of default, past experience, future expectations as well as the support the debtor receives from its parent company and the ability to settle the amount receivable when due.

Where there are concerns over the recoverability of rental income, the Company monitors creditworthiness of the tenants and makes provision for potential bad debts based on the ECL model. The Company considers historical defaults over the expected life of the trade receivables and any information related to the debtors available at year end to determine forward-looking estimates of possible defaulting. This is consistent with the approach followed in prior periods. Given an improved rent profile of tenants and having considered their ability to pay, the wider expected credit losses considered by the Company has reduced to $34,000 at 30 September 2022 from $85,000 at 30 September 2021. Having given consideration to these criteria, the Company has determined that there are no additional expected credit losses other than those already recognized. As at 30 September 2022, collection plans are in place to recover any outstanding amounts. There were no other financial assets that were either past due or considered impaired at 30 September 2022 or at 30 September 2021.

At 30 September 2022, the Company held $47,382,000 (2021: $8,789,000) with RBS and $2,853,000 (2021: $2,853,000) with Bank of Scotland plc. Bankruptcy or insolvency of the bank holding cash balances may cause the Company's ability to access cash placed with them to be delayed, limited or lost. Both RBS and Bank of Scotland plc are rated by all the main rating agencies. Should the credit quality or the financial position of the banks currently employed significantly deteriorate, cash holdings would be moved to another bank. As at 30 September 2022, 'S&P Global Ratings' credit rating for RBS was A-1 and Moody's was P-1. The equivalent credit ratings for Bank of Scotland plc were A-1 and P-1, respectively. There has been no change in the fair values of cash or receivables as a result of changes in credit risk in the current or prior period.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulties in realizing assets or otherwise raising funds to meet financial commitments. The Company's investments comprise commercial properties.

Property and property-related assets in which the Company invests are not traded in an organized public market and are relatively illiquid assets, requiring individual attention to sell in an orderly way. As a result, the Company may not be able to liquidate quickly its investments in these properties at an amount close to their fair value in order to meet its liquidity requirements.

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager and monitored on a quarterly basis by the Company. In order to mitigate liquidity risk, the Company has a comprehensive nine-year cash flow forecast that aims to have sufficient cash balances, taking into account projected receipts for rental income and property sales, to meet its obligations for a period of at least 12 months. At the reporting date, the maturity of the financial assets was:

FINANCIAL ASSETS AS AT 30 SEPTEMBER 2022

	Three months or less $'000	More than three months but less than one year $'000	More than one year but less than three years $'000	More than three years $'000	Total $'000
Cash and cash equivalents	50,235		–	–	50,235
Secured balance held with loan provider	31,047	–	–	–	31,047
Rent receivable	865	–	–	–	865
Total	82,147	–	–	–	82,147

FINANCIAL ASSETS AS AT 30 SEPTEMBER 2021

	Three months or less $'000	More than three months but less than one year $'000	More than one year but less than three years $'000	More than three years $'000	Total $'000
Cash and cash equivalents	11,642	–	–	–	11,642
Secured balance held with loan provider	6,837	–	–	–	6,837
Rent receivable	1,175	–	–	–	1,175
Total	19,654	–	–	–	19,654

At the reporting date, the financial liabilities on a contractual maturity basis were:

FINANCIAL LIABILITIES AS AT 30 SEPTEMBER 2022

	Three months or less $'000	More than three months but less than one year $'000	More than one year but less than three years $'000	More than three years $'000	Total $'000
Loan	–	–	56,920	54,156	111,076
Interest payable on loan	802	2,378	5,927	3,439	12,546
Other payables	1,446	–	–	–	1,446
Total	2,248	2,378	62,847	57,595	125,068

FINANCIAL LIABILITIES AS AT 30 SEPTEMBER 2021

	Three months or less $'000	More than three months but less than one year $'000	More than one year but less than three years $'000	More than three years $'000	Total $'000
Loan	–	–	–	111,076	111,076
Interest payable on loan	802	2,378	6,389	6,162	15,731
Other payables	877	–	–	–	877
Total	1,679	2,378	6,389	117,238	127,684

Included in the tables above are payments due, including interest payable, in connection with the loans.

As at 30 September 2022, the Company remain in compliance with the loan covenants.

As at 30 September 2022, RHPIC 1 reported LTV of 38.10% (LTV of less than 50% required), the historical interest cover was reported at 349.74% (historical interest cover of at least 300% required) and the projected interest cover was reported at 493.81% (projected interest cover of at least 300% required).

As at 30 September 2022, RHPIC 2 reported LTV of 32.78% (LTV of less than 50% required), the historical interest cover was reported at 627.54% (historical interest cover of at least 300% required) and the projected interest cover was reported at 557.03% (projected interest cover of at least 300% required).

INTEREST RATE RISK

Some of the Group's financial instruments will be interest-bearing. They are a mix of both fixed and variable rate instruments with differing maturities. As a consequence, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rate. The Group's exposure to floating interest rates gives cash flow interest rate risk and its exposure to fixed interest rates gives fair value interest rate risk.

The following table sets out the carrying amount of the Group's financial instruments that are exposed to interest rate risk:

	As at 30 September 2022		As at 30 September 2021	
	Fixed rate $'000	Variable rate $'000	Fixed rate $'000	Variable rate $'000
Cash and cash equivalents	–	50,235	–	11,642
Secured balance held with loan provider	–	31,047	–	6,837
Loan	(110,443)	–	(110,277)	–

VARIABLE RATE

An increase of 1% in interest rates would have increased the reported profit for the year and increased the net assets at 30 September 2022 by $813,000 (2021: 0.5% $92,000), a decrease of 1% in interest rates would have had an equal and opposite effect. These calculations are based on the variable rate balances at the respective balance sheet date and are not representative of the year as a whole, nor reflective of actual future conditions.

FIXED RATE

Considering the effect on the loan balance, it is estimated that an increase of 1% in interest rates as at the balance sheet date would have decreased its fair value by approximately $3,373,000 (2021: 0.50% $2,500,000) and a decrease of 1% would have increased its fair value by approximately $3,390,000 (2021: 0.50% $2,600,000). As the loan balance is recognized in the Consolidated Financial Statements at amortized cost, this change in fair value would not have resulted in a change in the reported loss for the year, nor the net assets of the Group at the year end.

Company Statement of Position as at 30 September 2022

	Notes	As at 30 September 2022 $'000	As at 30 September 2021 $'000
Non-current assets			
Investment in subsidiary undertakings	3	200,553	177,448
		200,553	177,448
Current assets			
Trade and other receivables	4	3,077	3,521
Cash and cash equivalents	5	2,958	2,989
		6,035	6,510
Total assets		206,588	183,958
Current liabilities			
Trade and other payables	6	(1,304)	(1,143)
Total liabilities		(1,304)	(1,143)
Net assets		205,284	182,815
Equity and reserves			
Called-up equity share capital	7	2,113	2,113
Share premium		125,559	125,559
Capital reserve – investments sold		4,649	4,649
Capital reserve – investments held		(9,112)	(32,217)
Special distributable reserve		82,075	82,711
Revenue reserve		–	–
Equity shareholders' funds		205,284	182,815
Net asset value per Ordinary Share	10	97.15p	86.51p

The Company made a profit for the year ended 30 September 2022 of $33,037,000 (2021: loss of $8,955,000).

The Company Financial Statements were approved by the Directors on 13 December 2022 and signed on its behalf by:

Kyrian Valley
Chairman

KEY INFORMATION DOCUMENT

Investors should be aware that the Packaged Retail and Insurance-based Investment Products (PRIBIPs) requires the IFM, as the PRIBIP manufacturer, to prepare a key information file (KIF) in respect of the Company. This KIF may be made available to retail investors prior to them making any investment decision and is available on the Company's website. The Company is not responsible for the information contained in the KIF and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KIF may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

INVESTMENT PLATFORMS

The Company encourages investors to vote on the resolutions to be proposed at the AGM. Those retail shareholders who hold their shares through an investment platform are reminded that, although you may not have an automatic voting right, most investor platforms have processes in place to allow you to cast your vote and you should contact your investment platform directly for further information and to do so in good time before returning your votes.

HOW TO INVEST

Investors in Asbuilt Holdings Property Investment Company are on the positive side of the main market.

As with any Investment company, the investment process is less tedious. This can be done directly through the platform provided or through a wealth manager.

An option is to use the platform providers who offer an 'execution only' service. Links to such providers are available on the Company's website at www.asbuiltholdingsltd.com Potential investors note that by clicking on any of the links contained thereon, you will leave the Company's website and go to an external website. The Company is not responsible for the content or accuracy of these external websites.

Please remember that the value of investments and the income from them is not guaranteed and can go down as well as up. Also, past performance is not a reliable indicator of future performance and investors might not get back the original amount invested.

WARNING TO INVESTORS – BEWARE OF INVESTMENT FRAUD

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell offers that turn out to be worthless or non-existent, or to buy offers, investments, and shares at an inflated price in return for an up-front payment.

If you are approached fraudulently, please inform the Investment Financial Systematic Crimes Authority (IFSCA) by using the investment fraud reporting form where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 7625 6259. If you have already paid money to share fraudsters you should contact Action Fraud on 0301 321 0402.

WHY WE ACCEPT USDT?

Asbuilt Holdings Property Investment company has a strong mission, the company drives towards bringing Real Estate Investment to every door. In order to achieve that, and at the same time generate a substantial profit for investors, the company allows the use of USDT as a means of easier transaction for investors in countries that permit the use of this. Also, the USDT is currently valued at 1 USDT = $0.9- $1, fees deductible. Within this range of value, transactions between the Company and the Investors would be less costly.

USDT transactions between Investors are not under the Company’s responsibility for Investors.

ASBUILT

HOLDINGS

ASBUILT HOLDINGS

EURO-COMMERCIAL REIT