



ANNUAL REPORT

For the year ended 31 March 2009

ST JOHN BALANCED PROPERTY FUND LIMITED

CONTENTS

DIRECTORS' REPORT	1
INCOME STATEMENT	3
STATEMENT OF CHANGES IN EQUITY	4
BALANCE SHEET	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7
STATUTORY INFORMATION	23
AUDITORS' REPORT	24
DIRECTORY	IBC

WALTON PLAZA, WHANGAREI

WALT: 1.46 years
PASSING YIELD: 11.23%
VACANCY: 0.00%
VALUATION: \$13,000,000 (\$14,000,000)



CANTERBURY ARCADE, 170 QUEEN STREET, AUCKLAND

WALT: 1.35 years
PASSING YIELD: 7.96%
VACANCY: 32.3%
VALUATION: \$16,800,000 (\$18,400,000)



BUNNINGS, 1/55 LAMBIE DRIVE, MANUKAU CITY

WALT: 7.34 years
PASSING YIELD: 8.23%
VACANCY: 0.00%
VALUATION: \$15,400,000 (\$17,000,000)



DIRECTORS' REPORT

The Directors are pleased to present the Annual Report for St John Balanced Property Fund Limited ('the Company' or 'St John') for the year ended 31 March 2009.

FINANCIAL RESULTS SUMMARY

The Company reported a profit before tax and asset revaluations of \$311,234 for the year ended 31 March 2009, compared to last year's loss of \$67,778. The increase in operating profit was primarily due to an increase in gross rentals and significantly lower leasing commissions being incurred during the year.

However negative asset revaluations of \$4.2 million, caused primarily by increased capitalisation rates, resulted in an overall loss for the year of \$3.559 million. As a consequence equity decreased from \$11.98 million as at 31 March 2008 to \$8.42 million as at 31 March 2009 and bank debt as a percentage of total assets increased from 28% to 31%. As at 31 March 2009 the net asset backing of each ordinary share was \$1.75.

EXTRAORDINARY GENERAL MEETINGS

On 2 April 2009 special meetings of bond holders and shareholders were held to consider extraordinary resolutions proposed by the Manager to redeem the mortgage bonds that had been issued to investors in 1999, by conversion into ordinary shares. The resolutions were passed with 94% of investors present (in person or by proxy) voting in favour.

Shareholders at the meeting also voted in favour of Chris Minty, General Manager of the majority shareholder (St Laurence Property & Finance Limited) being appointed as a director to the Company.

The mortgage bonds were redeemed on 9 July 2009 as scheduled, with each mortgage bond converting into 2,286 ordinary shares. The conversion ratio was based on the 31 March 2009 net asset backing of \$1.75 per share.

DIVIDEND POLICY

The Board's current dividend policy is to endeavour to pay 90% of the net surplus after tax before property gains, as dividends to shareholders semi-annually. The first dividend payment is to be made in November 2009 in respect to the broken period of 9 July 2009 to 30 September 2009. Thereafter dividends payments will be made in May and November each year in respect to the respective six month periods ending 31 March and 30 September.

On the basis of the Company's current level of profitability we are forecasting a gross dividend payment of 3.75 cents per share in November 2009 and 7.5 cents per share in May 2010.

BANK FUNDING

We are pleased to advise that Westpac has agreed to extend its \$14.16 million loan facility for a further term of two years to 31 July 2011. The extension has been provided on the condition that the Company makes principal repayments of \$50,000 per month commencing 30 August 2009 and that the bank's margin is increased from 1% to 2%.

PROPERTY PORTFOLIO

Generally the property portfolio has performed well over the last 12 months. Although the portfolio did suffer an 8.5% decrease in value, this drop, when compared to the experience of listed property trusts, must be considered a good result with many of them suffering decreases in value of over 10%.

Passing yields have been maintained at 2008 levels and vacancies have increased only marginally. The Weighted Average Lease Terms (WALT) have decreased as expected and is reflective of the type and the age of the leases within our buildings.

In order to protect our dividend objectives we believe that an appropriate strategy is the immediate sale of one of the properties in the portfolio, and the reinvestment of these funds in full or in part, into a new property for the portfolio.

We comment over the page in more detail on the specific performance of each property and on our view of their future outlook.



Walton Plaza, Whangarei

WALT:	1.46 years
PASSING YIELD:	11.23%
VACANCY:	0.00%
VALUATION:	\$13,000,000 (\$14,000,000)

Walton Plaza has performed well over the last 12 months but, as indicated in our last report, is moving into a period of tenancy vacation. Accident Compensation Corporation will be vacating at the end of this year and will result in the property having a vacancy level of 8.7%. In addition, NZ Police have advised us that they will be reducing their required area next year when their lease comes up for renewal. We are endeavouring to negotiate a new six year lease on the space that they wish to retain. The decrease in value as at 31 March 2009 was in line with our own projections.

We have three rent reviews due in the middle of the year and are projecting modest increases in these rentals at an average of approximately 3%. We are now working with the local real estate agencies in respect to the likely future vacant space. This will require some expenditure being incurred to refurbish the vacant areas and meet other leasing up costs. As such the building's performance will be affected during the next 12 months. The focus for management will be securing new tenants and improving the WALT for the property.



Canterbury Arcade, 170 Queen Street, Auckland

WALT:	1.35 years
PASSING YIELD:	7.96%
VACANCY:	32.3%
VALUATION:	\$16,800,000 (\$18,400,000)

This property continues to suffer from substantial vacancies (in terms of area), primarily in the upper office levels. Despite this the property has traded reasonably well. Substantial management time is required to manage this property due to the significant number of tenants, many of whom are on short term leases. Turnover of tenants is expected in a building of this nature and it is pleasing to note that through to 31 March 2009 the occupancy level has remained at the previous year's level despite the tougher economic conditions.

We have been advised by 'World Man' that they will be vacating their premises on the High Street frontage and this is a significant blow to the building. However we have been active in promoting the premises to potential new tenants and are confident that we will achieve a new leasing.

During the latter part of 2008 we commissioned a review of the property in relation to its redevelopment potential. This report concluded that the property had limited redevelopment potential and any development of the site would be limited due to historical classification of some aspects of the building. Based on this report it was decided to seek interest from potential purchasers for the building. At the time of writing this report the property is subject to a conditional agreement for sale and purchase.

Should the current conditional agreement for sale and purchase not be concluded then we will seek to upgrade the building, improving the lease profile by leasing up the vacant space, renegotiating the short term leases and carrying out a modest refurbishment of the property.

Bunnings, 1/55 Lambie Drive, Manukau City

WALT:	7.34 years
PASSING YIELD:	8.23%
VACANCY:	0.00%
VALUATION:	\$15,400,000 (\$17,000,000)

This property has continued to perform to expectation and has proven to be a well performing, easily managed property. The decrease in the valuation of the property as at 31 March 2009 was disappointing as, whilst it was consistent with the overall market decreases experienced by other property holding institutions, we were hoping that any decrease in value would have been minimal given the quality of the tenant and duration of the lease.

Although we expect to see a continuation of the current difficult economic conditions, especially with regards to property, the property's good long term lease profile to a significant tenant should ensure that there is no significant change to its underlying performance.



OUTLOOK

The property market continues to be difficult and although there are some signs of stability it is highly likely that we will continue to see pressure on rentals and values. A focused asset management team will look to preserve value by tenant retention and optimum expense management.

The sale of Canterbury Arcade, if it proceeds, will result in the portfolio having little or no debt. This will allow the Company to investigate new value add opportunities, such as possibly undertaking a share buy back or making new acquisitions.

We will also, over the next six months, seek to improve the liquidity of your shares by looking to list them on the online trading facility, Unlisted (www.unlisted.co.nz).

Finally we would like to take this opportunity to thank you for your continued support. For those who are able to attend the Company's AGM in September, we look forward to seeing you there.

Yours sincerely

KEVIN PODMORE
DIRECTOR

CHRIS MINTY
DIRECTOR

ST JOHN BALANCED PROPERTY FUND LIMITED
INCOME STATEMENT
 FOR THE YEAR ENDED 31 MARCH 2009

	NOTE	2009	GROUP 2008	2009	COMPANY 2008
Operating revenue					
Gross rental income	5	5,029,648	4,923,266	1,951,652	2,095,006
Interest income		6,709	38,684	6,709	38,443
Dividend income		1,307	960	1,307	960
Total operating revenue		5,037,664	4,962,910	1,959,668	2,134,409
Net gain/(loss) from fair value adjustment on investment properties	10	(4,325,554)	2,579,336	(1,600,000)	1,150,000
Expenses					
Audit fees		15,560	23,054	15,560	23,054
Directors fees		-	5,000	-	5,000
Finance expenses	6	3,568,024	3,604,714	3,567,898	3,604,631
Lease commissions		24,858	271,964	24,858	43,904
Other expenses		1,105,601	1,115,219	629,066	691,661
Trustee fees		11,887	10,747	10,624	10,747
Non deductible expenses		500	-	500	-
Total expenses		4,726,430	5,030,698	4,248,506	4,378,997
Profit/(loss) before income tax		(4,014,320)	2,511,548	(3,888,838)	(1,094,588)
Income tax (credit)/expense	7	(455,083)	(237,550)	(221,352)	(42,613)
Profit/(loss) for the year		(3,559,237)	2,749,098	(3,667,486)	(1,051,975)
Earnings per share					
Basic and diluted earnings/(loss) per share	14	(0.74)	0.57		

The accompanying notes form part of and are to be read in conjunction with these financial statements

ST JOHN BALANCED PROPERTY FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2009

GROUP

	NOTE	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2007	13	4,800,001	4,433,506	9,233,507
Profit for the year ended 31 March 2008		-	2,749,098	2,749,098
Total recognised income and expense for the year		-	2,749,098	2,749,098
Balance at 31 March 2008		4,800,001	7,182,604	11,982,605
Balance at 1 April 2008		4,800,001	7,182,604	11,982,605
(Loss) for the year ended 31 March 2009		-	(3,559,237)	(3,559,237)
Total recognised income and expense for the year		-	(3,559,237)	(3,559,237)
Balance at 31 March 2009		4,800,001	3,623,367	8,423,368

COMPANY

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2007	4,800,001	(2,164,150)	2,635,851
(Loss) for the year ended 31 March 2008	-	(1,051,975)	(1,051,975)
Total recognised income and expense for the year	-	(1,051,975)	(1,051,975)
Balance at 31 March 2008	4,800,001	(3,216,125)	1,583,876
Balance at 1 April 2008	4,800,001	(3,216,125)	1,583,876
(Loss) for the year ended 31 March 2008	-	(3,667,486)	(3,667,486)
Total recognised income and expense for the year	-	(3,667,486)	(3,667,486)
Balance at 31 March 2009	4,800,001	(6,883,611)	(2,083,610)

The accompanying notes form part of and are to be read in conjunction with these financial statements

ST JOHN BALANCED PROPERTY FUND LIMITED
BALANCE SHEET
AS AT 31 MARCH 2009

	NOTE	GROUP 2009	GROUP 2008	COMPANY 2009	COMPANY 2008
Current assets					
Cash and cash equivalents	12	1,004,526	781,961	356,688	212,900
Trade and other receivables	11	58,867	49,624	33,230	30,428
Current tax receivable		14,928	13,268	14,928	13,268
Total current assets		1,078,321	844,853	404,846	256,596
Non-current assets					
Deferred tax asset	8	-	-	305,890	83,956
Investment in subsidiaries	9	-	-	19,900,000	19,900,000
Investment properties	10	45,200,000	49,400,000	16,800,000	18,400,000
Total non-current assets		45,200,000	49,400,000	37,005,890	38,383,956
Total assets		46,278,321	50,244,853	37,410,736	38,640,552
Current liabilities					
Trade and other payables	16	839,567	791,197	703,973	686,303
Borrowings	18	14,160,000	-	14,160,000	-
Mortgage bonds	15	19,200,000	-	19,200,000	-
Total current liabilities		34,199,567	791,197	34,063,973	686,303
Non-current liabilities					
Intercompany advances	17	-	-	5,430,373	3,010,373
Term borrowings	18	-	14,160,000	-	14,160,000
Mortgage bonds	15	-	19,200,000	-	19,200,000
Deferred tax liabilities	8	3,655,386	4,111,051	-	-
Total non-current liabilities		3,655,386	37,471,051	5,430,373	36,370,373
Equity					
Share capital	13	4,800,001	4,800,001	4,800,001	4,800,001
Retained earnings		3,623,367	7,182,604	(6,883,611)	(3,216,125)
Total equity		8,423,368	11,982,605	(2,083,610)	1,583,876
Total equity and liabilities		46,278,321	50,244,853	37,410,736	38,640,552

On behalf of the Directors



K J Podmore
18 May 2009

The accompanying notes form part of and are to be read in conjunction with these financial statements

ST JOHN BALANCED PROPERTY FUND LIMITED
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2009

	NOTE	2009	GROUP 2008	2009	COMPANY 2008
Cash flows from operating activities					
Cash provided from:					
Interest received		6,709	38,684	6,709	38,443
Rental income and operating costs recovered		4,847,213	4,930,702	1,893,850	2,169,322
Other revenue received		1,307	960	1,307	960
Income tax refunded		-	10,846	-	10,846
Net GST		6,204	3,822	-	1,669
		4,861,433	4,985,014	1,901,866	2,221,240
Cash applied to:					
Interest paid on mortgage bonds		(2,400,000)	(2,400,000)	(2,400,000)	(2,400,000)
Interest paid on term loan		(1,177,971)	(1,198,912)	(1,177,971)	(1,198,912)
Other interest paid		(126)	(172)	-	-
Income tax paid		(2,241)	-	(2,241)	-
Net GST		-	-	(6,176)	-
Other expenses paid		(1,058,530)	(1,481,478)	(591,690)	(794,968)
		(4,638,868)	(5,080,562)	(4,178,078)	(4,393,880)
Net cash flows from operating activities	20	222,565	(95,548)	(2,276,212)	(2,172,640)
Cash flows from investing activities					
Cash applied to:					
Fit out of investment properties		-	(770,664)	-	-
		-	(770,664)	-	-
Net cash flows from investing activities		-	(770,664)	-	-
Cash flows from financing activities					
Cash provided from:					
Loan from St John Manukau Limited		-	-	1,160,000	870,000
Loan from St John Whangarei Limited		-	-	1,260,000	1,161,000
		-	-	2,420,000	2,031,000
Cash applied to:					
Repayment of loan from St John Manukau Limited		-	-	-	(1,113,000)
Repayment of loan from St John Whangarei Limited		-	-	-	(167,000)
		-	-	-	(1,280,000)
Net cash flows from financing activities		-	-	2,420,000	751,000
Net increase in cash and cash equivalents		222,565	(866,212)	143,788	(1,421,640)
Cash and cash equivalents at beginning of year		781,961	1,648,173	212,900	1,634,540
Cash and cash equivalents at end of year	12	1,004,526	781,961	356,688	212,900

The accompanying notes form part of and are to be read in conjunction with these financial statements

1. REPORTING ENTITY

St John Balanced Property Fund Limited ("the Company") is a Company domiciled in New Zealand, registered under the Companies Act 1993. The Company is an issuer in terms of the Financial Reporting Act 1993.

Financial statements for the Company and consolidated financial statements are separately presented. The consolidated financial statements of St John Balanced Property Fund Limited as at and for the year ended 31 March 2009 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in the property sector.

2. BASIS OF PREPARATION

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS").

The accounting policies below have been applied consistently to all periods presented in these financial statements.

Where necessary to comply with NZ IFRS requirements comparative numbers have been restated.

The financial statements of the Group have been prepared in accordance with the New Zealand Companies Act 1993 and the Financial Reporting Act 1993.

The financial statements comprise the following: income statement, statement of changes in equity, balance sheet, statement of cash flow, significant accounting policies as well as notes to the financial statements.

The financial statements were approved by the Board of Directors on 18 May 2009.

Basis of measurement

The financial statements are prepared on the historical cost basis except that the following are measured at fair value: investment properties at fair value through profit or loss.

The methods used to measure fair values are discussed further in note 4.

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars (NZD), which is the Group's functional currency.

Use of estimates and presentation

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The valuation of investment property is the most significant area of estimation uncertainty and critical judgement in applying the Group's accounting policies and has the most significant effect on the amount recognised in the financial statements. Refer to notes 4 and 10.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise equity and debt securities, intercompany advances, trade and other receivables, current tax receivable, cash and cash equivalents, term borrowings, mortgage bonds and trade and other payables.

Non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

(i) Non-derivative financial instruments (continued)

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all the risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group, commits itself to purchase or sell the asset. Financial Liabilities are derecognised if the Group's obligation specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses and measured at amortised cost using the effective interest rate method. Short term receivables are not discounted.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are stated at cost.

Mortgage bonds

Mortgage Bonds are measured at amortised cost using the effective interest rate method. Accrued interest with respect to mortgage bonds is recorded as accrued in other payables.

(ii) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(b) Investment properties

Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured initially at its cost, including related transaction costs. Where settlement is deferred, cost reflects the present value of the settlement amount. Interest is recognised as this present value is unwound.

After initial recognition, investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. If this information is not available, alternative valuation methods such as recent prices from less active markets or discounted cash flow projections are used.

Rental income from investment property is accounted for as described in the accounting policy (refer (d)(i)).

Any loss is recognised immediately in the profit or loss.

The Group does not hold any other items of property, plant and equipment.

(c) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

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

(d) Revenue and expense recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and that revenue can be reliably measured. Expenses are recognised in the income statement on an accrual basis.

(i) Rental income

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight-line basis over the term of the lease. Accordingly, fixed rental increases are adjusted to achieve straight line income recognition. Where lease incentives are provided to customers, the cost of incentives are recognised over the lease term, on a straight line basis, as a reduction of rental income.

(ii) Service charge income

The customer's share of operating costs directly attributable to a property which are recoverable are recognised on an accrual basis.

(iii) Property operating expenses

Property operating expenses are expensed as incurred. Directly attributable costs of leasing property under an operating lease are spread over the period of the lease.

All other expenses are recognised on an accrual basis.

(iv) Interest income and expense

Interest income and interest expense are recognised in the income statement as they accrue, using the effective interest method.

(v) Income tax expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(e) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(f) Goods and services tax

The financial statements have been prepared on a GST exclusive basis, except for receivables and payables which are stated inclusive of GST.

(g) Changes in accounting policies

There have been no changes in accounting policies during the year.

(h) Cash flows

Operating activities predominately comprise cash flows arising from the provision of leasing activities. Cash comprises bank balances and demand deposits used as part of the day-to-day cash management of the Group.

(i) New standards and interpretations not yet adopted

There are no new interpretations or standards issued but not yet effective that are relevant to the Group.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

(a) Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every six months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared based on recent prices from less active markets or by considering the aggregate of the discounted cash flow projections expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

(b) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date, except for short term receivables which are not discounted.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. GROSS RENTAL INCOME

	GROUP		COMPANY	
	2009	2008	2009	2008
Gross lease payments collected/accrued	5,029,648	4,923,266	1,951,652	2,095,006
	5,029,648	4,923,266	1,951,652	2,095,006

Non-cancellable operating lease receipts expected as an operating lessor

The gross value of future minimum operating lease receipts not recognised in the financial statements and receivable:

Within one year	4,107,946	3,606,782	1,153,788	1,369,457
One year or later but no later than five years	8,030,730	8,433,904	2,082,201	1,812,164
Later than five years	2,964,433	4,267,786	-	35,880
	15,103,109	16,308,472	3,235,989	3,217,501

6. FINANCE EXPENSES

	GROUP		COMPANY	
	2009	2008	2009	2008
Finance fees	3,616	-	3,600	-
Interest others	110	-	-	-
Interest on mortgage bonds	2,393,838	2,407,671	2,393,838	2,407,671
Interest on term loan	1,170,460	1,197,043	1,170,460	1,196,960
Total finance expenses	3,568,024	3,604,714	3,567,898	3,604,631

7. INCOME TAX EXPENSE

	GROUP 2009 \$	GROUP 2008 \$
(a) Current tax expense/(credit)		
Major components of the income tax expense are:		
Current tax expense	582	-
Deferred tax	(455,665)	(237,550)
Total	(455,083)	(237,550)

	COMPANY 2009 \$	COMPANY 2008 \$
Major components of the income tax expense are:		
Current tax expense	582	-
Deferred tax	(221,934)	(42,613)
Total	(221,352)	(42,613)

(b) Reconciliation of effective tax rate

GROUP

	2009 %	GROUP 2009 \$	2008 %	GROUP 2008 \$
(Loss)/profit for the period		(3,559,237)		2,749,098
Total income tax expense/(credit)		(455,083)		(237,550)
Profit excluding income tax		(4,014,320)		2,511,548
Income tax using the Group's domestic tax rate	30%	(1,204,296)	33%	828,811
Effect of change in tax rate	0%	-	(16%)	(411,106)
Non deductible expenses	(0%)	4,170	0%	-
Tax exempt (income)/loss	(16%)	627,150	(36%)	(900,426)
Benefit of tax losses not recognised	(3%)	117,311	10%	245,171
Prior period adjustment	(0%)	582	0%	-
	11%	(455,083)	(9%)	(237,550)

COMPANY

	2009 %	COMPANY 2009 \$	2008 %	COMPANY 2008 \$
(Loss)/profit for the period		(3,667,486)		(1,051,975)
Total income tax expense/(credit)		(221,352)		(42,613)
(Loss)/profit excluding income tax		(3,888,838)		(1,094,588)
Income tax using the Company's domestic tax rate	30%	(1,166,651)	33%	(361,214)
Effect of change in tax rate	0%	-	(1%)	8,396
Non deductible expenses	(0%)	4,170	0%	-
Tax exempt income	(5%)	207,150	46%	(504,425)
Losses not recognised	(3%)	117,310	(22%)	245,169
Losses transferred to subsidiaries	(16%)	616,087	(52%)	569,461
Prior period adjustment	0%	582	0%	-
	6%	(221,352)	4%	(42,613)

On 21 May 2007, the Taxation KiwiSaver and Company Tax Rate Amendments Act 2007 was given royal assent meaning that for the 2008/09 income tax year the New Zealand company tax rate has changed from 33% to 30%. The effect of the reduction in the tax rate on the measurement of deferred tax assets and liabilities has been shown in the table above.

7. INCOME TAX EXPENSE (CONTINUED)

(c) Current tax provision

	GROUP		COMPANY	
	2009	2008	2009	2008
Profit/(loss) before income tax	(4,014,320)	2,511,548	(3,888,838)	(1,094,588)
Adjustments for:				
Non deductible expenses	13,900	-	13,900	-
Fair value adjustment investment property - land	2,090,500	(2,728,562)	690,500	(1,528,562)
Fair value adjustment investment property - buildings	2,235,054	149,226	909,500	378,562
Fixed asset depreciation	(632,639)	(675,155)	(211,744)	(223,993)
Other	(83,532)	-	42,022	-
Tax losses brought forward	(973,274)	(230,331)	(973,274)	(230,331)
Losses transferred to group companies	-	-	2,053,623	1,725,638
Taxable (Loss)/income	(1,364,311)	(973,274)	(1,364,311)	(973,274)

At 31 March 2009 a deferred tax asset has not been recognised in respect of tax losses of \$1,364,311 (2008:\$973,274) with a tax effect of \$409,293 (2008: \$291,982) on the basis that it is not probable that the benefit of these losses will be realised in future periods. The unutilised losses can be offset against future taxable income subject to meeting the relevant requirements of the Income Tax Act 2007.

	GROUP		COMPANY	
	2009	2008	2009	2008
(d) Imputation credits				
Balance at beginning of the year	12,687	23,532	12,687	23,532
Resident with holding tax attached to interest and dividends	2,241	12,687	2,241	12,687
Income tax refunded	-	(23,532)	-	(23,532)
Balance at end of the year	14,928	12,687	14,928	12,687

The imputation credits are available to shareholders of the Company

8. DEFERRED TAX ASSETS AND LIABILITIES

Movement in recognised temporary differences during the year

Deferred tax assets and liabilities are attributable to the following:

GROUP

	BALANCE 1 APRIL 2007	RECOGNISED IN P & L	RECOGNISED IN EQUITY	BALANCE 31 MAR 2008	BALANCE 1 APRIL 2008	RECOGNISED IN P & L	RECOGNISED IN EQUITY	BALANCE 31 MAR 2009
Investment properties	4,348,601	(237,550)	-	4,111,051	4,111,051	(443,058)	-	3,667,993
Other	-	-	-	-	-	(12,607)	-	(12,607)
	4,348,601	(237,550)	-	4,111,051	4,111,051	(455,665)	-	3,655,386

COMPANY

	BALANCE 1 APRIL 2007	RECOGNISED IN P & L	RECOGNISED IN EQUITY	BALANCE 31 MAR 2008	BALANCE 1 APRIL 2008	RECOGNISED IN P & L	RECOGNISED IN EQUITY	BALANCE 31 MAR 2009
Investment properties	(41,343)	(42,613)	-	(83,956)	(83,956)	(209,327)	-	(293,283)
Other	-	-	-	-	-	(12,607)	-	(12,607)
	(41,343)	(42,613)	-	(83,956)	(83,956)	(221,934)	-	(305,890)

9. GROUP INVESTMENTS

	2009	COMPANY	2008
St John Whangarei Limited	11,300,000		11,300,000
St John Manukau Limited	8,600,000		8,600,000
	19,900,000		19,900,000

10. INVESTMENT PROPERTIES

(a) GROUP

	2009	2008
Reconciliation of movements during the year		
Balance at beginning of year	49,400,000	46,850,000
Net gain/(loss) from fair value adjustments	(4,325,554)	2,579,336
Additions to lease incentives	125,554	-
Other changes (over accrual for addition 2007 year)	-	(29,336)
Balance at end of year	45,200,000	49,400,000

INDIVIDUAL INVESTMENT PROPERTIES	NAME OF INDEPENDENT VALUER	2009	2008
Auckland Region			
Warehouse, Manukau Super Centre, Manukau	Colliers Jardine New Zealand Limited	15,400,000	17,000,000
170-174 Queen Street, Auckland	Gribble Churton Taylor Limited	16,800,000	18,400,000
Other Regions			
Albert, Walton and Railway Roads, Whangarei	Colliers Jardine New Zealand Limited	13,000,000	14,000,000
		45,200,000	49,400,000

The investment properties have all been independently valued as at 31 March 2009 and 31 March 2008 by registered valuers who are all members of the New Zealand Institute of Valuers.

(b) COMPANY

	2009	2008
Reconciliation of movements during the year		
Balance at beginning of year	18,400,000	17,250,000
Net (loss)/gain from fair value adjustments	(1,600,000)	1,150,000
Balance at end of year	16,800,000	18,400,000

INDIVIDUAL INVESTMENT PROPERTIES	NAME OF INDEPENDENT VALUER	2009	2008
Auckland Region			
170-174 Queen Street, Auckland	Gribble Churton Taylor Limited	16,800,000	18,400,000
		16,800,000	18,400,000

The investment property has been independently valued as at 31 March 2009 and 31 March 2008 by an independent registered valuer who is a member of the New Zealand Institute of Valuers.

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2009	2008	2009	2008
Debtors	80,872	22,767	64,085	10,311
Provision for doubtful debts	(47,275)	-	(47,275)	-
Sundry receivables & prepayments	25,270	26,857	16,420	20,117
	58,867	49,624	33,230	30,428

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2009	2008	2009	2008
Bank balances	1,004,526	781,961	356,688	212,900
	1,004,526	781,961	356,688	212,900

13. SHARE CAPITAL AND RESERVES

	GROUP		COMPANY	
	2009	2008	2009	2008
Share capital comprises:				
Authorised, issued and paid up ordinary shares:				
Balance at beginning of the year	4,800,001	4,800,001	4,800,001	4,800,001
Shares issued during the year	-	-	-	-
Balance at end of the year	4,800,001	4,800,001	4,800,001	4,800,001
NUMBER OF SHARES ON ISSUE				
	NO. OF SHARES	NO. OF SHARES	NO. OF SHARES	NO. OF SHARES
Authorised, issued and paid up ordinary shares:				
Balance at beginning of the year	4,800,001	4,800,001	4,800,001	4,800,001
Shares issued during the year	-	-	-	-
Balance at end of the year	4,800,001	4,800,001	4,800,001	4,800,001

Rights attaching to shares on issue

All ordinary shares have equal voting rights. Fully paid ordinary shareholders share equally in dividends and any surplus on winding up. All dividends on shares not fully paid up are paid in proportion to the amount paid to the Company in respect of the shares.

14. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share at 31 March 2009 was based on the profit/(loss) attributable to ordinary shareholders of (\$3,559,237), (2008: \$2,749,098) and a weighted average number of ordinary shares outstanding of 4,800,001 calculated as follows:

	GROUP	
	2009	2008
Profit/(loss) attributable to ordinary shareholders	(3,559,237)	2,749,098
	GROUP	
	2009	2008
	NO OF SHARES	NO OF SHARES
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	4,800,001	4,800,001
Weighted average number of ordinary shares at 31 March	4,800,001	4,800,001
Basic and diluted earning/(loss) per share	(0.74)	0.57

15. MORTGAGE BONDS

	GROUP		COMPANY	
	2009	2008	2009	2008
Mortgage bonds at beginning of the year	19,200,000	19,200,000	19,200,000	19,200,000
Mortgage bonds at end of the year	19,200,000	19,200,000	19,200,000	19,200,000
Less current portion	19,200,000	-	19,200,000	-
Non-current portion	-	19,200,000	-	19,200,000

The principal terms and conditions of the mortgage bonds:

No of bonds on issue	19,200,000	19,200,000	19,200,000	19,200,000
Face Value:	\$1	\$1	\$1	\$1
Distribution:	12.50%	12.50%	12.50%	12.50%

Redemption: At the expiration of 10 years from issue date, which was 9th July 1999, or prior to this if all properties are sold. (Refer to Note 23)

Repayment: Interest only with principal at end of term.

Security: Second ranking charge over all the assets in the Group, and a registered second mortgage over all properties within in the Group.

16. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2009	2008	2009	2008
Trade payables	143,085	112,656	58,188	46,617
Income received in advance	1,224	-	1,224	-
Accrued Interest on mortgage bonds	539,178	545,754	539,178	545,754
Accrued interest on term loan	59,275	62,772	59,275	62,772
Tenant bond held	21,124	-	21,124	-
Other payables	75,681	70,015	24,984	31,160
	839,567	791,197	703,973	686,303

17. INTERCOMPANY ADVANCES

	COMPANY	
	2009	2008
St John Whangarei Limited		
Opening balance	2,186,373	1,192,373
Advances during year	1,260,000	1,161,000
Intercompany recharges and repayments	-	(167,000)
	3,446,373	2,186,373
St John Manukau Limited		
Opening balance	824,000	1,067,000
Advances during year	1,160,000	870,000
Intercompany recharges and repayments	-	(1,113,000)
	1,984,000	824,000
Total intercompany advances	5,430,373	3,010,373

18. BORROWINGS

	GROUP		COMPANY	
	2009	2008	2009	2008
Term borrowings	14,160,000	14,160,000	14,160,000	14,160,000
Less current portion	14,160,000	-	14,160,000	-
Non-current portion	-	14,160,000	-	14,160,000

Key terms and conditions of the Group's loans are summarised below:

INTEREST RATE	MATURITY	2009	2008
7.55% (fixed until 9 July 2009) (2008: 7.55%)	31/07/2009	7,000,000	7,000,000
8.40% (fixed until 13 April 2009) (2008: 9.10%)	31/07/2009	3,600,000	3,600,000
8.40% (fixed until 13 April 2009) (2008: 10.00%)	31/07/2009	3,560,000	3,560,000
		14,160,000	14,160,000

Refinancing

The current term loan is due to expire on the 31 July 2009, the Company is currently in the process on arranging a new term loan facility.

Security

A deed of Guarantee and indemnity entered into by all companies in the Group (St John Balanced Property Fund Limited, St John Whangarei Limited and St John Manukau Limited). Registered first mortgage over properties in the Company being 170 -174 Queen Street, Auckland, Cnr Albert, Walton and Railway Roads, Whangarei and Unit A Manukau Supa Centre, Manukau. Registered first general security agreement over the assets, undertakings and uncalled capital.

19. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities

There is a deed of cross guarantee & indemnity between all companies in the group (2008: The same deed was in place).

(b) Capital commitments

The Group has no other capital commitments or contingent liabilities at year end (2008: \$Nil).

20. RECONCILIATION OF THE PROFIT/(LOSS) FOR THE YEAR WITH THE NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
	2009	2008	2009	2008
Profit/(loss) for the year (after tax)	(3,559,237)	2,749,098	(3,667,486)	(1,051,975)
Adjustments for non-cash items:				
Provision for doubtful debts	47,275	-	47,275	-
Lease Incentive	(125,556)	-	-	-
Unrealised loss/(gain) on investments	4,325,554	(2,579,336)	1,600,000	(1,150,000)
	4,247,273	(2,579,336)	1,647,275	(1,150,000)
Movement in working capital				
(Increase)/decrease in debtors	(58,104)	71,545	(53,774)	72,064
Decrease/(increase) in sundry receivables and prepayments	1,587	-	3,697	-
Increase/(decrease) in trade payables	30,429	(855,491)	11,571	(18,259)
(Decrease)/increase in accrued interest	(10,073)	5,629	(10,073)	5,629
Increase in rental received in advance	1,224	-	1,224	-
Increase in tenant bond held	21,124	-	21,124	-
(Decrease)/increase in deferred tax provision	(455,665)	(237,550)	(221,934)	(42,613)
Increase/(decrease) in current tax receivable	(1,659)	10,845	(1,659)	10,845
Increase/(decrease) in GST payable	5,666	(60,288)	(6,177)	1,669
	(465,471)	(1,065,310)	(256,001)	29,335
Items classified as investing activities				
Addition to investment property included in trade payables	-	800,000	-	-
Net cash flows from operating activities	222,565	(95,548)	(2,276,212)	(2,172,640)

21. RELATED PARTY TRANSACTIONS

(a) Basis of transactions

Transactions with related parties have been entered into in the ordinary course of business and undertaken on normal commercial terms. All transactions have been within the covenants of the Trust Deed and no related party debts have been written off or forgiven during the period.

The following disclosures are provided in respect of related parties external to the Group. These disclosures are provided in addition to information contained in note 17.

(b) Shareholders

As at 31 March 2009 St John Balance Property Fund Limited is owned 58.60% by St Laurence Property & Finance Limited (31 March 2008: 58.60%). During the current year St John Balanced Property Fund Limited paid Interest to St Laurence Property & Finance Limited on the mortgage bonds owned by them.

	GROUP		COMPANY	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Expenses				
Interest paid on mortgage bonds	1,406,500	1,376,521	1,406,500	1,376,521
	1,406,500	1,376,521	1,406,500	1,376,521

(c) Transactions with key management personnel

There were no transactions with key management personnel during the year.

(d) Material transactions and balances with related parties

(i) Other related parties - by common directors

Kevin Podmore was appointed as a director to St John Balanced Property Fund Limited on 14 August 2007. Mr Podmore is also a director of St Laurence Funds Management Limited.

St Laurence Funds Management Limited purchased the management contracts in relation to St John Balanced Property Fund Limited and its subsidiaries at the end of September 2007. Therefore the transactions between St John Balanced Property Fund Limited and St Laurence Funds Management Limited occurring after 14 August 2007 are related by a common director.

	GROUP		COMPANY	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Expenses				
Management fees	321,100	154,765	119,600	59,984
	321,100	154,765	119,600	59,984

The following persons resigned as directors of the St John Balanced Property Fund Limited and the subsidiary companies in November 2007:

G Ross Pendergrast and Dallas Pendergrast. G Ross Pendergrast and Dallas Pendergrast are also directors of the following companies:

Ladstone Holdings Limited
St John Management Services Limited

Until the sale of the management agreement from Ladstone Holdings Limited to St Laurence Funds Management Limited at the end of September 2007 transactions between the above companies and St John Balanced Property Fund Limited were related by common directorship.

Expenses				
Ladstone Holdings Limited - Consultancy fees	-	228,060	-	-
St John Management Services Limited - Management fee	-	183,461	-	52,383
	-	411,521	-	52,383

22. FINANCIAL INSTRUMENTS

Exposure to interest rate, credit, liquidity and other market risks arise in the normal course of the Group's business.

(a) Credit risk

Credit risk is the risk that the counterparty to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. Financial instruments which potentially subject the Group to credit risk principally consist of loans and advances, accounts receivable, call deposits and bank balances.

Cash is held in major banks in New Zealand.

At balance date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Balance Sheet.

(b) Interest rate risk

Interest rate risk is the risk that interest rates will change and adversely impact on the Group's results. The Group actively monitors the interest rate exposure on assets and liabilities on a regular basis.

The following tables identify the period until financial instruments that are interest rate risk sensitive reprice and provides the weighted average interest rate of each item. Unless separately disclosed, the maturity date of the financial instrument is the same as the repricing date.

22. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk (continued)

GROUP 2009

	CARRYING AMOUNT	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	> 5 YEARS	NON INTEREST BEARING	EFFECTIVE INTEREST RATE %
Assets								
Trade and other receivables	58,867	-	-	-	-	-	58,867	0.00%
Current tax receivable	14,928	14,928	-	-	-	-	-	4.23%
Cash and cash equivalents	1,004,526	1,004,526	-	-	-	-	-	0.11%
	1,078,321	1,019,454	-	-	-	-	58,867	
Liabilities								
Trade and other payables	(241,114)	-	-	-	-	-	(241,114)	0.00%
Interest accrual	(598,453)	-	-	-	-	-	(598,453)	0.00%
Term borrowings	(14,160,000)	(14,160,000)	-	-	-	-	-	7.98%
Mortgage bonds	(19,200,000)	(19,200,000)	-	-	-	-	-	12.50%
	(34,199,567)	(33,360,000)	-	-	-	-	(839,567)	
Total	(33,121,246)	(32,340,546)	-	-	-	-	(780,700)	

GROUP 2008

	CARRYING AMOUNT	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	> 5 YEARS	NON INTEREST BEARING	EFFECTIVE INTEREST RATE %
Assets								
Trade and other receivables	49,624	-	-	-	-	-	49,624	0.00%
Current tax receivable	13,268	13,268	-	-	-	-	-	6.66%
Cash and cash equivalents	781,961	781,961	-	-	-	-	-	0.76%
	844,853	795,229	-	-	-	-	49,624	
Liabilities								
Trade and other payables	(182,671)	-	-	-	-	-	(182,671)	0.00%
Interest accrual	(608,526)	-	-	-	-	-	(608,526)	0.00%
Term borrowings	(14,160,000)	-	(14,160,000)	-	-	-	-	8.56%
Mortgage bonds	(19,200,000)	-	(19,200,000)	-	-	-	-	12.50%
	(34,151,197)	-	(33,360,000)	-	-	-	(791,197)	
Total	(33,306,344)	795,229	(33,360,000)	-	-	-	(741,573)	

COMPANY 2009

	CARRYING AMOUNT	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	> 5 YEARS	NON INTEREST BEARING	EFFECTIVE INTEREST RATE %
Assets								
Trade and other receivables	33,230	-	-	-	-	-	33,230	0.00%
Current tax receivable	14,928	14,928	-	-	-	-	-	4.23%
Cash and cash equivalents	356,688	356,688	-	-	-	-	-	0.32%
	404,846	371,616	-	-	-	-	33,230	
Liabilities								
Intercompany advances	(5,430,373)	-	-	-	-	-	(5,430,373)	0.00%
Interest accrual	(598,453)	-	-	-	-	-	(598,453)	0.00%
Trade and other payables	(105,520)	-	-	-	-	-	(105,520)	0.00%
Term borrowings	(14,160,000)	(14,160,000)	-	-	-	-	-	7.98%
Mortgage bonds	(19,200,000)	(19,200,000)	-	-	-	-	-	12.50%
	(39,494,346)	(33,360,000)	-	-	-	-	(6,134,346)	
Total	(39,089,500)	(32,988,384)	-	-	-	-	(6,101,116)	

COMPANY 2008

	CARRYING AMOUNT	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	> 5 YEARS	NON INTEREST BEARING	EFFECTIVE INTEREST RATE %
Assets								
Trade and other receivables	30,428	-	-	-	-	-	30,428	0.00%
Current tax receivable	13,268	13,268	-	-	-	-	-	6.66%
Cash and cash equivalents	212,900	212,900	-	-	-	-	-	2.80%
	256,596	226,168	-	-	-	-	30,428	
Liabilities								
Intercompany advances	(3,013,373)	-	-	-	-	-	(3,013,373)	0.00%
Interest accrual	(608,526)	-	-	-	-	-	(608,526)	0.00%
Trade and other payables	(77,777)	-	-	-	-	-	(77,777)	0.00%
Term borrowings	(14,160,000)	-	-	(14,160,000)	-	-	-	8.56%
Mortgage bonds	(19,200,000)	-	-	(19,200,000)	-	-	-	12.50%
	(37,059,676)	-	-	(33,360,000)	-	-	(3,699,676)	
Total	(36,803,080)	226,168	-	(33,360,000)	-	-	(3,669,248)	

(c) Fair value risk

The tables below set out the Group's classification of each class of financial assets and liabilities, and their fair values.

Fair value is an estimate of the amount that the asset or liability would be exchanged for in an open market transaction as at balance date.

The fair value is considered to be materially the same as the carrying value for the financial instruments which have not been revalued.

The methods used for determining the fair values of the financial instruments are discussed in note 4. The particular assumptions applied in this note are as follows:

Term loans and mortgage bonds

The fair value of term loans and mortgage bonds is estimated as the present value of expected cash flows, discounted at the market rate of interest at the reporting period. Market interest rates have been determined by applying appropriate credit spreads to benchmark interest rates.

Other financial assets and liabilities

The fair value of other financial assets and liabilities are not materially different from their carrying values.

GROUP 2009

	LOANS AND RECEIVABLES	OTHER AMORTISED COSTS	TOTAL CARRYING AMOUNT	FAIR VALUE
Assets				
Trade and other receivables	58,867	-	58,867	58,867
Current tax receivable	14,928	-	14,928	14,928
Cash and cash equivalents	1,004,526	-	1,004,526	1,004,526
Total assets	1,078,321	-	1,078,321	1,078,321
Liabilities				
Term borrowings	-	(14,160,000)	(14,160,000)	(14,199,867)
Mortgage bonds	-	(19,200,000)	(19,200,000)	(19,026,441)
Interest accrual	-	(598,453)	(598,453)	(598,453)
Trade and other payables	-	(241,114)	(241,114)	(241,114)
Total liabilities	-	(34,199,567)	(34,199,567)	(34,065,875)

22. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value risk (continued)

Other financial assets and liabilities (continued)

GROUP 2008

	LOANS AND RECEIVABLES	OTHER AMORTISED COSTS	TOTAL CARRYING AMOUNT	FAIR VALUE
Assets				
Trade and other receivables	49,624	-	49,624	49,624
Current tax receivable	13,268	-	13,268	13,268
Cash and cash equivalents	781,961	-	781,961	781,961
Total assets	844,853	-	844,853	844,853
Liabilities				
Term borrowings	-	(14,160,000)	(14,160,000)	(13,892,968)
Mortgage bonds	-	(19,200,000)	(19,200,000)	(18,861,000)
Interest accrual	-	(608,526)	(608,526)	(608,526)
Trade and other payables	-	(182,671)	(182,671)	(182,671)
Total liabilities	-	(34,151,197)	(34,151,197)	(33,545,165)

COMPANY 2009

	LOANS AND RECEIVABLES	OTHER AMORTISED COSTS	TOTAL CARRYING AMOUNT	FAIR VALUE
Assets				
Trade and other receivables	33,230	-	33,230	33,230
Current tax receivable	14,928	-	14,928	14,928
Cash and cash equivalents	356,688	-	356,688	356,688
Total assets	404,846	-	404,846	404,846
Liabilities				
Term borrowings	-	(14,160,000)	(14,160,000)	(14,199,867)
Mortgage bonds	-	(19,200,000)	(19,200,000)	(19,026,441)
Advances from subsidiary companies	-	(5,430,373)	(5,430,373)	(5,430,373)
Interest accrual	-	(598,453)	(598,453)	(598,453)
Trade and other payables	-	(105,520)	(105,520)	(105,520)
Total liabilities	-	(39,494,346)	(39,494,346)	(39,360,654)

COMPANY 2008

	LOANS AND RECEIVABLES	OTHER AMORTISED COSTS	TOTAL CARRYING AMOUNT	FAIR VALUE
Assets				
Trade and other receivables	30,428	-	30,428	30,428
Current tax receivable	13,268	-	13,268	13,268
Cash and cash equivalents	212,900	-	212,900	212,900
Total assets	256,596	-	256,596	256,596
Liabilities				
Term borrowings	-	(14,160,000)	(14,160,000)	(13,892,968)
Mortgage bonds	-	(19,200,000)	(19,200,000)	(18,861,000)
Advances from subsidiary companies	-	(3,010,373)	(3,010,373)	(3,010,373)
Interest accrual	-	(608,526)	(608,526)	(608,526)
Trade and other payables	-	(77,777)	(77,777)	(77,777)
Total liabilities	-	(37,056,676)	(37,056,676)	(36,450,644)

(d) Currency risk

The Group has no exposure to currency risk.

(e) Liquidity risk

Liquidity risk is the risk that the Group will have insufficient funds on hand to meet its commitments. The Group actively monitors its liquidity position to ensure that sufficient funds are available to meet liabilities as they arise. Liquidity is monitored on a regular basis and reported to the Board monthly.

The following table sets out the contractual cash flows for all financial assets and liabilities that are settled on a gross cash flow basis.

GROUP 2009

	TOTAL CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	ON DEMAND	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Assets								
Trade and other receivables	58,867	58,867	-	58,867	-	-	-	-
Current tax receivable	14,928	14,928	-	-	14,928	-	-	-
Cash and cash equivalents	1,004,526	1,004,526	-	1,004,526	-	-	-	-
	1,078,321	1,078,321	-	1,063,393	14,928	-	-	-
Liabilities								
Term borrowings	(14,160,000)	(14,469,572)	-	(14,469,572)	-	-	-	-
Mortgage bonds (Note 23)	(19,200,000)	(19,857,534)	-	(19,857,534)	-	-	-	-
Interest payable accrual	(598,453)	(598,453)	-	(598,453)	-	-	-	-
Trade and other payables	(241,114)	(241,114)	-	(241,114)	-	-	-	-
	(34,199,567)	(35,166,673)	-	(35,166,673)	-	-	-	-
Total	(33,121,246)	(34,088,352)	-	(34,103,280)	14,928	-	-	-

GROUP 2008

	TOTAL CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	ON DEMAND	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Assets								
Trade and other receivables	49,624	49,624	49,624	-	-	-	-	-
Current tax receivable	13,268	13,268	-	13,268	-	-	-	-
Cash and cash equivalents	781,961	781,961	781,961	-	-	-	-	-
	844,853	844,853	831,585	13,268	-	-	-	-
Liabilities								
Term borrowings	(14,160,000)	(15,739,241)	-	-	-	(15,739,241)	-	-
Mortgage bonds	(19,200,000)	(22,257,534)	-	-	-	(22,257,534)	-	-
Interest payable accrual	(608,526)	(608,526)	-	(608,526)	-	-	-	-
Trade and other payables	(182,671)	(182,671)	(182,671)	-	-	-	-	-
	(34,151,197)	(38,787,972)	(182,671)	(608,526)	-	(37,996,775)	-	-
Total	(33,306,344)	(37,943,119)	648,914	(595,258)	-	(37,996,775)	-	-

COMPANY 2009

	BALANCE	CONTRACTUAL CASH FLOWS	ON DEMAND	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Assets								
Trade and other receivables	33,230	33,230	-	33,230	-	-	-	-
Current tax receivable	14,928	14,928	-	14,928	-	-	-	-
Cash and cash equivalents	356,688	356,688	-	356,688	-	-	-	-
	404,846	404,846	-	404,846	-	-	-	-
Liabilities								
Term borrowings	(14,160,000)	(14,469,572)	-	(14,469,572)	-	-	-	-
Mortgage bonds (Note 23)	(19,200,000)	(19,857,534)	-	(19,857,534)	-	-	-	-
Intercompany advance	(5,430,373)	(5,430,373)	(5,430,373)	-	-	-	-	-
Interest payable accrual	(598,453)	(598,453)	-	(598,453)	-	-	-	-
Trade and other payables	(105,520)	(105,520)	-	(105,520)	-	-	-	-
	(39,494,346)	(40,461,452)	(5,430,373)	(35,031,079)	-	-	-	-
Total	(39,089,500)	(40,056,606)	(5,430,373)	(34,626,233)	-	-	-	-

22. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity risk (continued)

COMPANY 2008

	BALANCE	CONTRACTUAL CASH FLOWS	ON DEMAND	MORE 6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	THAN 5 YEARS
Assets								
Trade and other receivables	30,428	30,428	30,428	-	-	-	-	-
Current tax receivable	13,268	13,268	-	13,268	-	-	-	-
Cash and cash equivalents	212,900	212,900	212,900	-	-	-	-	-
	256,596	256,596	243,328	13,268	-	-	-	-
Liabilities								
Term borrowings	(14,160,000)	(15,739,241)	-	-	-	(15,739,241)	-	-
Mortgage bonds	(19,200,000)	(22,257,534)	-	-	-	(22,257,534)	-	-
Intercompany advance	(3,010,373)	(3,010,373)	(3,010,373)	-	-	-	-	-
Interest payable accrual	(608,526)	(608,526)	-	(608,526)	-	-	-	-
Trade and other payables	(77,777)	(77,777)	(77,777)	-	-	-	-	-
	(37,056,676)	(41,693,451)	(3,088,150)	(608,526)	-	(37,996,775)	-	-
Total	(36,800,080)	(41,436,855)	(2,844,822)	(595,258)	-	(37,996,775)	-	-

(f) Capital management

The Group's capital includes share capital and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. (Refer to Note 23).

The Group is not subject to any externally imposed capital requirements. The Group policy in respect of capital management and allocation is reviewed regularly.

There have been no material changes in the Group's management of capital during the period. (Refer to Note 23).

23. SUBSEQUENT EVENTS

Subsequent to balance date (2 April 2009) the Company held a meeting of bond and shareholders to consider the repayment or otherwise of the mortgage bonds (due to mature on 9 July 2009), in accordance with the terms of the Trust Deed. This meeting resolved by extraordinary resolution to convert the mortgage bonds to share capital as allowed under the trust deed. The meeting also resolved to appoint Chris Minty as a Director.

STATUTORY INFORMATION

The following disclosures are made pursuant to the Companies Act 1993

PRINCIPAL ACTIVITIES

St John Balanced Property Fund Limited and its subsidiaries are together a property investment group.

INTERESTS REGISTER RECORD

Nil

DIRECTORS

The names of persons holding office as Directors of the Company and its subsidiaries as at 31 March 2009 and the names of any persons who ceased to hold office as Directors of the Company during this accounting period are as follows:

	DATE APPOINTED	DATE RESIGNED
K J Podmore	14 August 2007	-
P A Garty	30 November 2007	5 January 2009
C I Minty	2 April 2009	-

DIRECTOR REMUNERATION

The total remuneration and other benefits received by each director or former director during the year are as follows:

	DIRECTORS FEES	OTHER BENEFITS
K J Podmore	-	-
P A Garty	-	-
C I Minty	-	-

INDEMNITY AND INSURANCE

The Company and its subsidiaries have continued to indemnify the Directors for any costs referred to in section 162(3) of the Companies Act 1993 and any liability or costs referred to in section 162(4) of the Act.

The Directors and Officers Liability insurance has been entered into with respect to the Directors.

EMPLOYEE REMUNERATION

The Company and its subsidiaries do not have any employees. Accordingly, no remuneration was paid to any employees during the year ended 31 March 2009. Services (including those normally performed by employees) are provided to the Company and its subsidiaries by St Laurence Limited.

DONATIONS

The Company and its subsidiaries did not make any donations in the year to 31 March 2009 (2008: Nil).

AUDIT FEES

Amounts received from and due and receivable from auditors of the Company and its subsidiaries:

	2009	2008
Grant Thornton - Audit Fees	-	\$4,453
KPMG – Other Services	\$784	\$4,600
KPMG – Audit Fees	\$15,560	\$14,000

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ST JOHN BALANCED PROPERTY FUND LIMITED

We have audited the financial statements on pages 3 to 22. The financial statements provide information about the past financial performance of the Company and group and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 7 to 10.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Company and group as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Company's and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the Company and group.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Company and group as far as appears from our examination of those records;
- the financial statements on pages 3 to 22:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the Company and group as at 31 March 2009 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 18 May 2009 and our unqualified opinion is expressed as at that date.



Wellington

DIRECTORY

DIRECTOR OF THE ISSUER

Kevin John Podmore
Christopher Ian Minty

THE MANAGER

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