

# INTERIM REPORT

1H24

Cedar Woods Properties Limited  
ABN 47 009 259 081



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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Cedar Woods Properties Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 50 Colin Street, West Perth, WA 6005. Its shares are listed on the Australian Securities Exchange.

# DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Cedar Woods Properties Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

## a. Directors

The following persons were directors of Cedar Woods Properties Limited during the whole of the half-year and up to the date of this report:

William George Hames (Chairman)

Robert Stanley Brown (Deputy Chairman)

Valerie Anne Davies (Independent Non-executive Director)

Jane Mary Muirsmith (Independent Non-executive Director)

Paul Gilbert Say (Independent Non-executive Director)

Nathan John Blackburne (Managing Director)

## b. Review of operations

The principal continuing activities of the group in the course of the half-year ended 31 December 2023 were that of property developer and investor and no significant change in the nature of those activities has taken place during that period.

A summary of consolidated revenues and results for the half-year ended 31 December 2023 is set out below:

	2023 \$'000	2022 \$'000
Revenue	123,213	152,282
Profit before income tax expense	2,767	13,035
Income tax expense	(126)	(3,972)
<b>Net profit attributable to members of Cedar Woods Properties Limited</b>	<b>2,641</b>	<b>9,063</b>

During the half-year the group continued the sale of lots and units at its residential and commercial projects in Australia.

The group's earnings from period to period are dependent upon the timing of the settlements in each development. Management's focus is primarily on the achievement of full year results and the distribution of profits between half-years may from time to time be uneven due to the timing of settlements of significant projects.

## c. Dividends

Since 31 December 2023 the directors have recommended the payment of an interim fully franked ordinary dividend of \$6,593,000 (8.0 cents per share) to be paid on 26 April 2024 out of retained earnings at 31 December 2023.

## d. Matters subsequent to the end of the period

Refer to note 8 for dividends declared since the end of the reporting period.

Subsequent to the end of the reporting period, the group contracted the sale of the Williams Landing Shopping Centre disclosed as assets classified for sale in this report.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected the group's operations, results or state of affairs.

**e. Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

**f. Rounding of amounts**

The group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of directors.



**Nathan Blackburne**  
Managing Director

Perth, Western Australia  
21 February 2024



## Auditor's Independence Declaration

As lead auditor for the review of Cedar Woods Properties Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cedar Woods Properties Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ian Campbell'.

Ian Campbell  
Partner  
PricewaterhouseCoopers

Perth  
21 February 2024

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## For the half-year ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<b>Continuing operations</b>			
Revenue	2	123,213	152,282
Cost of sale of land and buildings		(90,205)	(113,178)
Cost of providing development services		(723)	(1,209)
<b>Gross profit</b>		<b>32,285</b>	<b>37,895</b>
Project operating costs		(11,501)	(10,530)
Administration expenses		(13,017)	(13,202)
Other expenses		(235)	-
Other income		474	393
<b>Operating profit</b>		<b>8,006</b>	<b>14,556</b>
Finance costs	3	(5,239)	(1,521)
<b>Profit before income tax</b>		<b>2,767</b>	<b>13,035</b>
Income tax expense	4	(126)	(3,972)
<b>Profit for the half-year</b>		<b>2,641</b>	<b>9,063</b>
<b>Total comprehensive income for the half-year</b>		<b>2,641</b>	<b>9,063</b>
<b>Total comprehensive income attributable to members of Cedar Woods Properties Limited</b>		<b>2,641</b>	<b>9,063</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share		3.2 cents	11.0 cents
Diluted earnings per share		3.2 cents	10.9 cents

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		31 December 2023	30 June 2023
	Note	\$'000	\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		6,672	6,802
Trade and other receivables		7,233	6,841
Contract assets		1,906	3,323
Inventories		323,151	195,018
Deferred development costs		1,836	3,892
Current tax assets		3,203	-
Other financial assets		-	17
		<b>344,001</b>	<b>215,893</b>
Assets classified as held for sale		32,953	32,953
<b>Total current assets</b>		<b>376,954</b>	<b>248,846</b>
<b>Non-current assets</b>			
Receivables		3,316	3,582
Inventories		445,464	519,481
Deferred development costs		1,703	-
Contract assets		227	455
Property, plant and equipment		7,406	7,405
Right-of-use assets		2,181	1,793
Other financial assets		1,131	1,836
<b>Total non-current assets</b>		<b>461,428</b>	<b>534,552</b>
<b>Total assets</b>		<b>838,382</b>	<b>783,398</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	5	29,185	-
Trade and other payables		26,121	33,690
Other financial liabilities	6	51,805	68,040
Current tax liabilities		-	2,481
Contract liabilities		7,746	7,551
Lease liabilities		565	617
Provisions		27,668	23,013
<b>Total current liabilities</b>		<b>143,090</b>	<b>135,392</b>
<b>Non-current liabilities</b>			
Borrowings	5	251,464	202,608
Other financial liabilities	6	8,781	5,491
Lease liabilities		1,995	1,574
Provisions		822	1,748
Deferred tax liabilities		3,661	5,483
<b>Total non-current liabilities</b>		<b>266,723</b>	<b>216,904</b>
<b>Total liabilities</b>		<b>409,813</b>	<b>352,296</b>
<b>Net assets</b>		<b>428,569</b>	<b>431,102</b>
<b>EQUITY</b>			
Contributed equity	7	138,625	137,795
Reserves		1,507	1,742
Retained profits		288,437	291,565
<b>Total equity</b>		<b>428,569</b>	<b>431,102</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Note	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>137,333</b>	<b>1,815</b>	<b>282,075</b>	<b>421,223</b>
Profit for the half-year		-	-	9,063	9,063
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>9,063</b>	<b>9,063</b>
<b>Transactions with owners in their capacity as owners:</b>					
Transfers from reserves to retained profits		-	(447)	447	-
Dividends provided for or paid	8	-	-	(11,920)	(11,920)
Employee share scheme		462	178	-	640
		462	(269)	(11,473)	(11,280)
<b>Balance at 31 December 2022</b>		<b>137,795</b>	<b>1,546</b>	<b>279,665</b>	<b>419,006</b>
<b>Balance at 1 July 2023</b>		<b>137,795</b>	<b>1,742</b>	<b>291,565</b>	<b>431,102</b>
Profit for the half-year		-	-	2,641	2,641
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>2,641</b>	<b>2,641</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	8	-	-	(5,769)	(5,769)
Employee share scheme		830	(235)	-	595
		830	(235)	(5,769)	(5,174)
<b>Balance at 31 December 2023</b>		<b>138,625</b>	<b>1,507</b>	<b>288,437</b>	<b>428,569</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## For the half-year ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (incl. GST)		142,361	173,733
Payments to suppliers and employees (incl. GST)		(45,874)	(43,558)
Payments for land		(28,685)	(25,219)
Payments for development		(130,725)	(109,027)
Interest received		265	106
Borrowing costs paid		(9,300)	(5,418)
Income taxes paid		(7,436)	(11,866)
<b>Net cash (outflows) from operating activities</b>		<b>(79,394)</b>	<b>(21,249)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property plant and equipment		-	82
Payments for investment properties		-	(256)
Payments for property, plant and equipment		(736)	(877)
<b>Net cash (outflows) inflows from investing activities</b>		<b>(736)</b>	<b>(1,051)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from borrowings		77,957	36,606
Principal elements of lease payments		(438)	(431)
Proceeds from project partners		8,250	-
Dividends paid	8	(5,769)	(11,920)
<b>Net cash inflows from financing activities</b>		<b>80,000</b>	<b>24,255</b>
Net (decrease) increase in cash and cash equivalents		(130)	1,955
Cash and cash equivalents at the beginning of the half-year		6,802	2,957
<b>Cash and cash equivalents at the end of the half-year</b>		<b>6,672</b>	<b>4,912</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

## 1. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. Where necessary, comparative information is reclassified and restated for consistency with current period disclosures.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

### a) New and amended standards adopted by the group

A number of new or amended standards became applicable in the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

### b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group.

These standards are not expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

## 2. Revenue

Disaggregation of revenue from contracts with customers

Half year ended 31 December	2023 \$'000	2022 \$'000
<b>Timing of revenue recognition</b>		
<i>At a point in time</i>		
Sale of land and buildings	118,786	147,768
Development services	936	1,446
<i>Over time</i>		
Rent from properties	3,491	3,068
	<b>123,213</b>	<b>152,282</b>

## 3. Expense items

Profit before income tax expense includes the following specific expenses:

Half year ended 31 December	2023 \$'000	2022 \$'000
<b>Finance costs</b>		
Interest and finance charges	9,170	6,141
Interest – leases	65	28
Interest – other financial liabilities	1,737	2,417
Unrealised financial instrument losses	1,040	223
Less: amount capitalised	(6,773)	(7,288)
<b>Finance costs expensed</b>	<b>5,239</b>	<b>1,521</b>

## 4. Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year, adjusted for current tax of prior periods. The estimated average annual tax rate used for the six months to 31 December 2023 is 30%, compared to 30% for the six months ended 31 December 2022. A prior year adjustment recognising the establishment of an Employee Share Trust for the administration of employee share plans has created a credit to income tax expense in the current period.

## 5. Borrowings

### Non-Current borrowings

Bank loans totalling \$360,000,000 (2022: \$300,000,000) are provided by three major banks and are secured by first registered mortgages over some of the consolidated entity's landholdings, and first registered charges, guarantees and indemnities provided by Cedar Woods and applicable subsidiary entities. The group increased and extended its corporate facility in December 2023 following its annual review. The changes included a temporary additional \$30,000,000 limit (increasing total limit to \$360,000,000 through to 31 May 2024 after which the limit reverts to \$330,000,000) and renewed facility tenure.

The amended facility now comprises:

- \$264,000,000 of the facility extending to January 2027 (80% of permanent facility limit);
- \$66,000,000 of the facility extending to January 2029 (20% of permanent facility limit); and
- \$30,000,000 temporary facility extending to May 2024.

The group also has an investment facility of \$30,000,000 in place for the Williams Landing Shopping Centre, expiring July 2024.

## 6. Other financial liabilities

	31 December 2023 \$'000	30 June 2023 \$'000
<b>Current</b>		
Due to vendors of properties under contracts of sale	45,913	68,040
Due to project partners	5,892	-
	<b>51,805</b>	<b>68,040</b>
<b>Non-Current</b>		
Due to project partners	8,435	5,435
Interest rate hedge contracts	318	-
Other payables	28	56
	<b>8,781</b>	<b>5,491</b>

## 7. Contributed equity

	31 December 2023 Shares	31 December 2022 Shares	31 December 2023 \$'000	31 December 2022 \$'000
<b>Movement in ordinary share capital</b>				
<b>Start of the period</b>	<b>82,209,937</b>	<b>82,127,852</b>	<b>137,795</b>	<b>137,333</b>
<b>Shares issued under employee share schemes:</b>				
Ordinary shares issued on 30 August 2023	182,072	-	730	-
Ordinary shares issued on 27 September 2023	26,409	-	105	-
Ordinary shares issued on 26 August 2022	-	82,085	-	464
Transaction costs arising on share issues	-	-	(5)	(2)
	<b>208,481</b>	<b>82,085</b>	<b>830</b>	<b>462</b>
<b>End of the period</b>	<b>82,418,418</b>	<b>82,209,937</b>	<b>138,625</b>	<b>137,795</b>

## 8. Dividends

Half year ended 31 December	2023 \$'000	2022 \$'000
<b>Ordinary shares</b>		
Dividends provided for or paid:		
Paid in cash	5,769	11,920
	<b>5,769</b>	<b>11,920</b>

### Dividends not recognised at the end of the half-year

Subsequent to balance date, the directors have recommended the payment of an interim dividend of 8.0 cents per fully paid ordinary share (2022 – 13.0 cents), fully franked based on tax paid at 30%. A final dividend is also expected to be paid following the completion of the financial year.

## 9. Contingent liabilities

At 31 December 2023 bank guarantees totalling \$56,415,000 (30 June 2023 - \$49,436,000) had been provided to various state and local authorities supporting development and maintenance commitments. Some of these development commitments are recognised in inventory in the financial statements where the costs have been expended or provided for in part.

## 10. Segment information

The board has determined the operating segment based on the reports reviewed by the Managing Director that are used to make strategic decisions.

The board has considered the business from both a product and a geographic perspective and has determined that the group operates a single business in a single geographic area and hence has one reportable segment.

The group engages in property development and investment which takes place in Australia. The group has no separate business units or divisions.

The internal reporting provided to the Managing Director includes key performance information at a whole of group level. The Managing Director uses the internal information to make strategic decisions, based primarily upon the expected future outcome of those decisions on the group as a whole. Material decisions to allocate resources are generally made at a whole of group level.

The group mainly sells products to the public and is not generally reliant upon any single customer for 10% or more of the group's revenue.

All of the group's assets are held within Australia.

The Managing Director assesses the performance of the operating segment based on the net profit after tax, earnings per share and net tangible assets per share.

## 11. Events occurring after reporting period

Refer to note 8 for dividends declared since the end of the reporting period.

Subsequent to the end of the reporting period, the group contracted the sale of the Williams Landing Shopping Centre disclosed as assets classified for sale in this report.

# DIRECTORS' DECLARATION

In the directors' opinion:

- a. the financial statements and notes set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- b. there are reasonable grounds to believe that Cedar Woods Properties Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Nathan Blackburne**  
Managing Director

Perth, Western Australia  
21 February 2024

## ***Independent auditor's review report to the members of Cedar Woods Properties Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Cedar Woods Properties Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2023, the Condensed consolidated statement of changes in equity, Condensed consolidated statement of cash flows and Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Cedar Woods Properties Limited does not comply with the *Corporations Act 2001* including:

1. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.





### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of PricewaterhouseCoopers in a cursive script.

PricewaterhouseCoopers

A stylized, handwritten signature of Ian Campbell in a cursive script.

Ian Campbell  
Partner

Perth  
21 February 2024

# CORPORATE DIRECTORY

A.B.N. 47 009 259 081

## DIRECTORS

### **William George Hames**

BArch (Hons) MCU (Harvard) LFRAIA,  
MPIA, FAPI (Econ) – Chairman

### **Robert Stanley Brown**

MAICD, AIFS – Deputy Chairman

### **Valerie Anne Davies**

FAICD

### **Jane Mary Muirsmith**

BCom (Hons), FCA, GAICD

### **Paul Gilbert Say**

FRICS, FAPI

### **Nathan John Blackburne**

BB, AMP, GAICD – Managing Director

## COMPANY SECRETARY

### **Paul Samuel Freedman**

BSc, CA, GAICD

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 4, 50 Colin Street  
WEST PERTH WA 6005

### **Postal Address**

P.O. Box 788 West Perth WA 6872

**Phone** (08) 9480 1500

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**Website** www.cedarwoods.com.au

## SHARE REGISTRY

### **Computershare Investor Services Pty Ltd**

Level 17, 221 St Georges Terrace  
PERTH WA 6000

## AUDITOR

### **PricewaterhouseCoopers**

125 St Georges Terrace  
PERTH WA 6000

## SECURITIES EXCHANGE LISTING

Cedar Woods Properties Limited shares  
are listed on the Australian Securities  
Exchange (ASX)

**ASX Code** CWP