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ANNUAL REPORT 2022

Cedar Woods Properties Limited
ABN 47 009 259 081

CEDAR WOODS
DEVELOPING TOMORROW TODAY

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ABOUT CEDAR WOODS

Cedar Woods Properties Limited ("Cedar Woods") is a national developer of residential communities and commercial properties.

Established in 1987, Cedar Woods has grown to become one of the country's leading developers.

The Company has established a reputation for delivering long-term shareholder value underpinned by its disciplined approach to acquisitions, the rigour and thoughtfulness of its designs, and the creation of dynamic communities which meet the evolving needs of its customers.

Cedar Woods' diversified product mix ranges from land subdivisions in emerging residential communities, to medium and high-density apartments and townhouses in vibrant inner-city neighbourhoods and supporting retail and commercial developments. Cedar Woods' developments epitomise the company's long-standing commitment to quality.

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LETTER FROM THE CHAIRMAN

Financial Year 2022 has been another busy and exciting year for Cedar Woods as we continued building on the reputation of delivering innovative solutions to the property market and the communities which we work with. Our Company is proud to continue the track record of strong financial performance and long-term value creation, returning a full year dividend of 27.5 cents to our shareholders.

Over FY2022, Cedar Woods continued to build our national pipeline of more than 10,300 dwellings, lots and offices, across 34 projects, enabling the Company to offer a range of options to home buyers. Across four markets – Western Australia, South Australia, Queensland and Victoria – the Company's diverse range of product types, from housing lots in masterplanned communities, to urban infill communities with townhouses and apartments, cater to the needs of different buyer groups.

A key event during the past year was the return of interstate and international travel. The return of international migrants has led to greater enquiry across the country, and as international migration gains pace over FY2023 this is expected to continue.

Immigration has been prioritised by Government to sustain economic growth, which gives your Board confidence this driver of demand is likely to continue. Immigration is likely to continue to put pressure on the country's housing stock with very low rental vacancy in all capital cities.

This rising demand equation is countered by ongoing challenging construction conditions which will likely result in fewer projects across the industry, particularly apartments, being delivered over the next 12 months, compounding supply shortages.

The construction conditions during FY2022 were dictated by the tight labour and materials environment driving cost growth, various disruptions from COVID-19 quarantining, and significant weather events impacting some projects on the east coast. During these challenging times, we have been supported by our contractors who have prioritised our projects.

During the year, these challenges highlighted the importance of staying connected with our staff and providing a positive, high spirited workplace culture. The Board is proud of the successful staff development and retention achieved during the period, illustrated by the 85% staff satisfaction score in our annual staff survey. Additionally, our continued commitment to invest in our people was recognised with a staff member winning the National UDIA Young Development Professional Award. Our staff have also demonstrated their exceptional sense of community minded contribution with good participation in a range of volunteering opportunities, most notably, supporting Cedar Woods' partnership with the Smith Family Children's Charity.

Looking to the future, Cedar Woods has continued to invest in and refine the systems we use. The rapid pace of development in technology will require continued assessment of opportunities to identify and drive efficiencies.

Likewise, Cedar Woods has been an early adopter and responsible steward of environmental initiatives. The Company has a long track record of delivering sustainable developments and during the past year we have worked hard to develop minimum standards of sustainability features in our built form developments. The commencement of carbon footprint mapping will help us identify future areas of focus for coming years.

> "THE COMPANY HAS A LONG TRACK RECORD OF DELIVERING SUSTAINABLE DEVELOPMENTS."

Once again, it has been a privilege to Chair the Cedar Woods Board and on behalf of my fellow directors, I would like to thank Nathan and the whole Cedar Woods team for their contributions to the Company. With a strong strategy and positive outlook, the Board is confident Cedar Woods will continue to generate good returns for our valued shareholders.

We look forward to further building on the strength and diversity of our portfolio of projects and our land bank across the country in the year ahead.

Sincerely,

William Hames
Chairman

▲ William Hames, Chairman

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LETTER FROM THE MANAGING DIRECTOR

Cedar Woods achieved strong growth in earnings in Financial Year 2022, with revenue of $333 million (up 11 per cent), net profit of $37 million (up 14 per cent) and 12 per cent growth in earnings per share. The outlook for further growth in FY2023 is bright, with presales of over $500 million and many projects for FY2023 delivery mid-way through construction.

Sales conditions were broadly supportive throughout the year until they softened in May and June as prospective buyers took pause following interest rate rises that were larger, and implemented quicker, than previously anticipated.

As a result of this rapidly changing outlook for interest rates, soft sales conditions are expected to persist over H1 FY2023. Market expectations are for the RBA to reach the "normal target band" towards the end of the calendar year, which should stabilise expectations and improve sales conditions in H2 FY2023 as prospective buyers become more confident in their borrowing capacity and forward outlook.

The challenging construction conditions we have seen in some jurisdictions meant the Company had to make the tough decision to defer construction at certain project stages where it was no longer possible to commence in the current environment. I would like to thank our committed team who managed the process and sought to minimise the impact on our valued customers. While sales and construction conditions are mixed currently, we expect the sector to perform well in the medium term as our diversified portfolio will continue to appeal to a broad range of customers, across the country.

These construction challenges have been felt across the industry and indeed the broader economy. This has been reflected in equity markets which were broadly down over FY2022, and the property sector was one of the most impacted. Cedar Woods was not immune to this decline, however we expect the share price to respond over time as we continue to bring quality product to the market.

Within our projects, it is clear that Cedar Woods' infill strategy continues to prove successful and the prudent acquisitions we made during the year are positioning the business to capitalise in the future. In FY2022, we invested approximately $150 million in land acquisitions to grow the portfolio, including an 86-hectare site in Eglinton, a suburb ideally located in Perth's burgeoning north-west growth corridor. The contracted new acquisitions will add more than 2,000 lots/units to the Company's project pipeline, positioning Cedar Woods well into the future.

Our product mix ensures we target a wide range of buyers in four states across a spectrum of price points. An unwavering factor across our developments is a commitment to quality. We have earned a reputation for the quality of our products which we will continue to deliver on.

The Company remains confident that our strategy will deliver value to shareholders over the cycle and our team looks forward to delivering for our customers in the year ahead.

As COVID-19 continues to impact both our business and our personal lives, I wish to reiterate my thanks to our hardworking team, who have continued to deliver outstanding results in challenging conditions.

I also take this opportunity to thank our loyal and longstanding shareholders for their continued support, we look forward to sharing our success with you in FY2023.

Sincerely,

Nathan Blackburne
Managing Director

"WE HAVE EARNED A REPUTATION FOR THE QUALITY OF OUR PRODUCTS THAT WE WILL CONTINUE TO DELIVER ON."

▲ Nathan Blackburne, Managing Director

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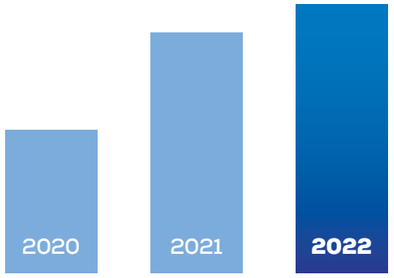
FINANCIAL PERFORMANCE HIGHLIGHTS

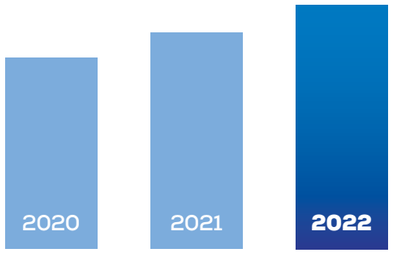
NET PROFIT AFTER TAX

$37.4m



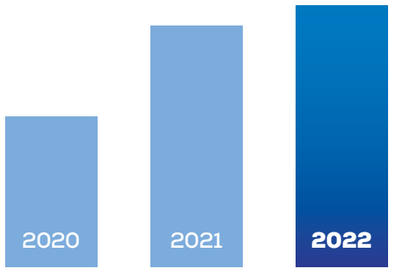
TOTAL REVENUE

$333.0m



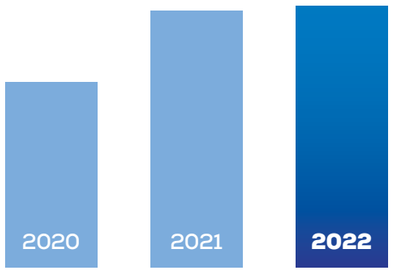
EARNINGS PER SHARE

45.7c



DIVIDENDS PER SHARE

27.5c



NET SALES

1108 lots

Lots / homes / offices sold

PRESALE CONTRACTS

$500m

Up $22m on pcp

SETTLEMENTS

955 lots

Lots / homes / offices settled

GEARING

25.6%

Net bank debt / total tangible assets – cash

Solaris Estate, Forrestdale WA

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OUR BUSINESS

OUR HISTORY

Cedar Woods was established in 1987 and listed on the ASX (Code: CWP) in 1994. Starting out as a developer of master planned communities in Western Australia, the Company progressively branched out into new product areas and geographies. The Company expanded into Melbourne in 1997, then Brisbane in 2014 and Adelaide in 2016 and now has a significant portfolio of quality developments delivering residential lots, townhouses, apartments and commercial projects.

The Company is known for taking on complex, large-scale projects, adding value through planning design and delivery and generating strong returns from multi-year projects. As a result, Cedar Woods has built a reputation as an innovative and diversified property company with a track record of strong financial performance, sustained since inception.

OUR PURPOSE, VISION & VALUES

Our Purpose, Vision and Values inform every decision we make, guide our conduct internally and our relationships with partners, customers and investors.

We are proud to be a leading national property developer, and with an ongoing commitment to our strategy and our values, we look forward to fulfilling our vision of becoming the best Australian property company, renowned for performance and quality.

OUR STRATEGY

Our strategy is to grow our national project portfolio, diversified by geography, product type and price point, so that it continues to hold broad customer appeal and performs well in a range of market conditions.

Geography

Good geographic spread of well-located projects in our states

Product Type

Range of housing lots, apartments, townhouses and commercial properties

Price Point

Wide range of price points offered in Queensland, South Australia, Victoria and Western Australia

VALUE CREATION MODEL

We deliver on our strategy via our value creation model.

Property Acquisitions

Disciplined approach to acquisitions:

- Tactical and research based decisions to identify projects
- Rigorous assessment and conservative assumptions
- Structure contracts to minimise risks and optimise returns

Development

Research, design, planning and delivery:

- Sustainable designs that optimise quality, functionality, environmental outcomes and returns
- Collaborative approach with community and authorities
- Negotiate timely value-adding approvals
- Structure contracts to minimise risks
- Manage construction closely

Marketing & Sales

Integrated approach to optimise results:

- Positioning projects to maximise demand
- Pre-sell to underwrite projects
- Quality brands and marketing material
- Lead generation and sales conversion
- Customer nurturing and referrals

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STRATEGIC PRIORITIES

We optimise business performance through a focus on four strategic priorities.

High Performance Culture

Creating a progressive, high-spirited work environment with strong staff alignment to values and objectives, where top talent work collaboratively and high performance is rewarded.

Financial Strength

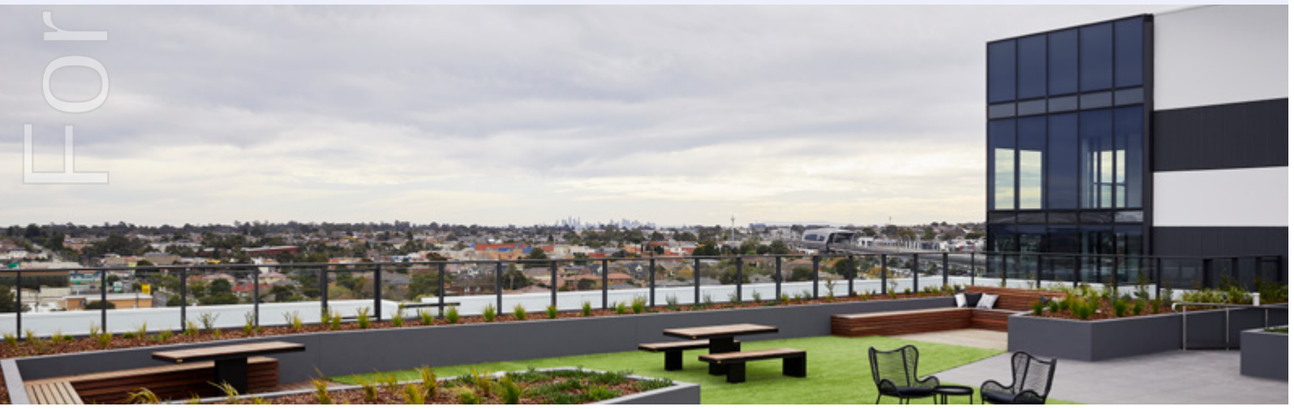
Optimising performance through disciplined capital management, a commercial focus, cost minimisation and maintaining a strong balance sheet.

Operational Excellence

Being operationally strong and safe through renewed and integrated systems and technologies, having a strong corporate brand with quality projects and delivering sustainable projects.

Earnings Growth

Pursuit of earnings growth is the key metric to achieve our primary objective of creating long-term value for our shareholders. This may be achieved organically, by mergers and acquisitions or through new business areas.



▲ Huntington Apartments at Jackson Green, Clayton South VIC

FINANCIAL AND OPERATING REVIEW

On behalf of the Board we present the financial and operating review of Cedar Woods to shareholders.

The following summarises the results of operations during the year and the financial position of the consolidated entity at 30 June 2022.

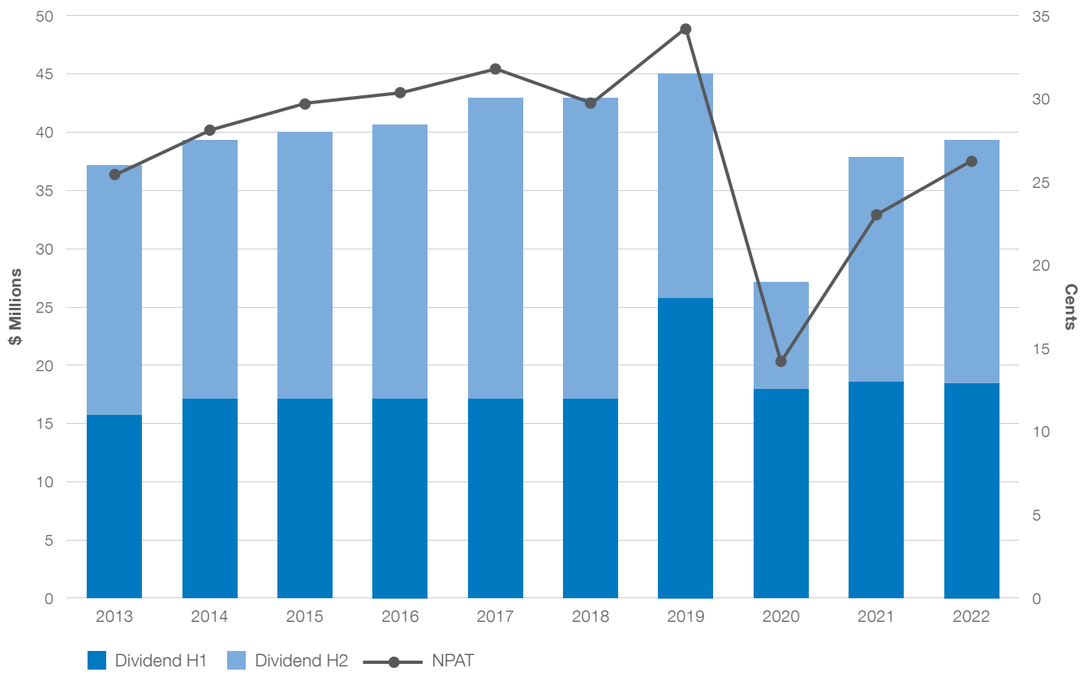
2022 FINANCIALS AT A GLANCE

- Revenue of $333,036,000, up 11.1 per cent on the prior year
- Net profit after tax of $37,388,000, up 13.9 per cent on the prior year
- Total dividends of 27.5 cents per share, up 3.8 per cent, generating a fully franked yield of 7.5 per cent at year end
- Earnings per share of 45.7 cents, up 12.3 per cent on the prior year

NET PROFIT AFTER TAX (NPAT) AND DIVIDENDS

In financial year 2022 (FY2022), the Company delivered a profit of $37.4 million. This was up 13.9 per cent on the prior year. This continues the trajectory of profit growth since the first COVID-19 impacted year of FY2020 and continues the long-term trend of profit growth in eight out of the last ten years. Dividends declared for FY2022 were 27.5 cents per share, also up on the 26.5 cents per share in the prior year.

NPAT AND DIVIDENDS DECLARED OVER THE LAST 10 YEARS



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2022 FINANCIAL RESULTS SUMMARY

Year ended 30 June	2022 $'000	2021 $'000	% Change
Revenue	333,036	299,751	11.1
Net profit after tax (NPAT)	37,388	32,834	13.9
Total assets	779,833	651,800	19.6
Net bank debt	198,688	113,328	75.3
Shareholders' equity	421,223	400,361	5.2

Key performance indicators

Year ended 30 June		2022	2021	% Change
Basic earnings per share	¢	45.7	40.7	12.3
Diluted earnings per share	¢	45.2	40.3	12.2
Dividends per share – fully franked	¢	27.5	26.5	3.8
Return on equity	%	8.9	8.2	11.0
Return on capital	%	9.4	9.8	(4.1)
Total shareholder return (1 year)	%	(42.4)	31.9	(74.3)
Net bank debt to equity – 30 June	%	47.2	28.3	66.8
Net bank debt to total tangible assets (less cash)	%	25.6	17.6	45.5
Interest cover	x	9.1	12.1	(27.2)
Net tangible asset backing per share – historical cost	$	5.13	4.92	4.3
Shares on issue – end of year	'000	82,128	81,345	1.0
Stock market capitalisation at 30 June	$'000	302,230	545,824	(44.6)
Share price at 30 June	$	3.68	6.71	(45.2)

FINANCIAL YEAR OVERVIEW

Cedar Woods started the financial year in a strong position with $478 million in presales in hand and an outlook for continued growth in earnings for FY2022. While availability of the significant federal and state government stimulus for purchasers of new housing had concluded for new buyers in the prior year, strong sales momentum continued into FY2022. This enabled the Company to report record presales of $560 million with its half year result in February 2022 after recording $174 million in revenue in H1 FY2022. This record total of contracts on hand was subsequently exceeded, when the Company reported $600 million in presales with its third quarter operational update, giving the Board confidence to confirm guidance for FY2022 for full year net profit after tax of approximately $35 million.

A significant delivery program was completed in the final quarter of the year with a number of land stages completed across Western Australia and Victoria as well as construction of multiple stages of townhouses at Glenside in South Australia and the first waterfront townhouses at Fletcher's Slip, also in South Australia. With conversion of significant presale contracts into settlements of land and homes with our customers, the Company recorded another $159 million in revenue in the second half to take full year revenue to $333 million, up 11 per cent on the prior year.

The Board was pleased to report full year net profit after tax of $37.4 million, ahead of guidance of $35 million, delivering earnings per share of 45.7 cents, which was up 12 per cent on the prior year. This result delivered return on equity of 8.9 per cent up on the 8.2 per cent achieved in the prior year. FY2022 return on capital of 9.4 per cent, while exceeding the current year benchmark, was slightly down on 9.8 per cent recorded in the prior year, as greater debt capital was employed in the current year to develop the portfolio and make new land acquisitions for development in future years.

Consistent with the broader equity markets, the Company's share price fell over the financial year, although the impact for property sector stocks, and Cedar Woods in particular, was larger with the sector falling out of favor with investors and the Company exiting Standard and Poor's (S&P) ASX 300 index during the year. This weighed on total shareholder return, which was -42.4 per cent for the year, underperforming the (S&P) Small Industrials Index which reported a -24.0 per cent return. The Board however remains confident that the delivery of the Company's strategy will continue to unlock value in its property portfolio resulting in earnings and dividends performance that will be rewarded over time and be reflected in the share price.

CAPITAL MANAGEMENT

The Company's history of disciplined capital management and continued focus on its strategic priority of Financial Strength continues to position it well to deal with an unpredictable economic environment that has arisen following the COVID-19 pandemic and has been compounded during the year by conflict in Europe.

At 30 June 2022, net bank debt stood at $198.7 million, retaining approximately $87.8 million in undrawn headroom in the Company's long-term debt facilities to fund the development of the Company's existing property portfolio as well as contracted land acquisitions that will generate future growth.

Net bank debt-to-equity at 30 June 2022 was 47 per cent, in the middle of the Company's target debt to equity range of 20 to 75 per cent. Net debt to total tangible assets less cash was 25.6 per cent at year end and corporate facility interest cover was approximately 9 times, well in excess of minimum facility covenant of 2 times. The Company is operating within all of its facility covenants.

The Company generated strong cash flow from operations of $87.7 million before payments for new land acquisitions and projects to continue to deliver strong operating cashflows (before acquisitions) over FY2023.

The dividend reinvestment and bonus share plans were in operation for the FY2021 final dividend paid in October 2021, raising $4 million in equity during the year. The dividend reinvestment and bonus share plans were subsequently suspended for the FY2022 interim dividend in response to share market volatility and remain suspended for the FY2022 final dividend to be paid in October 2022.

PORTFOLIO PERFORMANCE

Cedar Woods' strategy to grow a national project portfolio diversified by geography, product type and price point continues to prove successful.

During FY2022 Cedar Woods' land estates in Queensland and Victoria were able to capitalise on very strong demand from home buyers in those States. With significant earthworks and civil construction now underway at these estates, they are expected to provide large contributions to FY2023 settlements.

Townhouses and apartments in South Australia continued to perform well with the sell out of a number of stages that will deliver settlements in future financial years.

Sales were however softer in Western Australia following very strong results achieved in the prior two years at the peak of government stimulus for housing construction. The Western Australian property market continues to present compelling value, with the Perth median house price one of the most affordable in the country and strong employment opportunities and economic conditions driven by the mining sector expected to translate to outperformance for Western Australian property over time.

Cedar Woods' diversified portfolio helps ensure it is positioned to perform well through different property cycles across state markets.

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PROJECT PIPELINE CHART AS AT 30 JUNE 2022

Project Name	Corridor/Location	Project Type	Lot/ Units Project	Lot/Units Remain	FY23	FY24	FY25	FY26	FY27	FY28
WESTERN AUSTRALIA - PERTH										
Ariella, Brabham	North East	Residential Land	1,183	504						
The Brook at Byford	South East	Residential Land	428	70						
Rivergums, Baldivis	South	Residential Land	1,432	266						
Byford on the Scarp	South East	Residential Land	277	57						
Solaris, Forrestdale	South East	Residential Land	307	154						
Bushmead	East	Residential Land	915	410						
Millars Landing, North Baldivis	South	Residential Land	1,553	1,397						
Eglinton	North	Residential Land	1,200	1,200		*				
Pinjarra	South	Residential Land	1,080	1,080						
Incontro, Subiaco	Inner East	Townhouses and Apartments	131	131	*					
The Acreage at Dalyellup	South	Residential Land	41	41		*				
Rockingham	South	Residential Land and Townhouses	100	100		*				
WESTERN AUSTRALIA - "JV" PROJECTS										
Harrisdale Green	South East	Residential Land and Townhouses	431	103						
				5,513						
VICTORIA - MELBOURNE										
St A, St Albans	North West	Townhouses	254	70						
Jackson Green, Clayton South	South East	Townhouses and Aster Apartments	414	129						
Huntington Apartments, Jackson Green	South East	Apartments	166	2						
88 Leveson, North Melbourne	North West of CBD	Townhouses	15	15		*				
Mason Quarter, Wollert	North	Residential Land	854	854	*					
Clara Place, Fraser Rise	North West	Residential Land	287	287		*				
South Bank	South of CBD	Apartments and Commercial	183	183						*
Williams Landing	West	Residential Land, Townhouses, Apartments	2,348	102						
Williams Landing	West	Lincoln Apartments	69	69	*					
Williams Landing	West	101 Overton Road Strata Offices	74	1						
Williams Landing	West	Boston Commons Strata Offices	82	82			*			
Williams Landing	West	Future Apartments / Offices / Townhouses	203	203						
Williams Landing	West	Commercial (17 hectares)								
				1,997						
QUEENSLAND - BRISBANE										
Greville, Wooloowin	Inner North	Townhouses and Apartments	281	281	*					
Ellendale, Upper Kedron	North West	Residential Land	889	431						
South Maclean	South	Residential Land	516	516		*				
Sage, Burpengary	North	Residential Land	329	329	*					
				1,557						
SOUTH AUSTRALIA - ADELAIDE										
Glenside	Inner South East	Townhouses and Apartments	939	741						
Grace Apartments, Glenside	Inner South East	Apartments	44	1						
Monarch Apartments, Glenside	Inner South East	Apartments	49	49	*					
Fletcher's Slip, Port Adelaide	North West	Townhouses and Apartments	461	408						
Sirocco Apartments, Fletcher's Slip	North West	Apartments	41	41		*				
				1,240						
TOTAL GROUP				**10,307**						

The project pipeline excludes conditional acquisitions and Lots/units Remain relates to unsettled lots/units

Planning, Design & Rezoning | Development & Sales | * First Settlements | Leasing, Development & Sales

CORPORATE OBJECTIVES AND PROGRESS ON STRATEGY

Cedar Woods' primary purpose is to create value for shareholders through the development of vibrant communities and deliver consistent growth in net profit and earnings per share. This year, the Company reported a full year net profit after tax of $37.4 million and total fully franked dividends of 27.5 cents.

The overarching strategy, as illustrated on page 11, is to grow and develop our national project portfolio, diversified by geography, product type and price point, so that it continues to hold broad customer appeal and performs well in a range of market conditions. The Company's strategy is delivered through the operation of our value creation model, as illustrated on page 11.

The experience of dealing with the COVID-19 pandemic in recent years has reinforced the Board and Management's view that the Company's strategy is appropriate for current and future economic conditions. Diversity of product type ensures the Company has sufficient product offering available to purchasers at different price points. Further, with differing conditions in each state, the benefit of geographical diversity is realised.

Cedar Woods' Corporate Plan guides management's activities and provides a five-year outlook for the Company, projecting earnings and other key performance indicators. The Corporate Plan sets out a number of key action items under each strategic priority focused on achieving the primary purpose and addressing key risk factors. These key actions are implemented as performance targets by senior executives, sales managers and other employees

DELIVERING ON STRATEGIC PRIORITIES

The Company continues to deliver on its four strategic priorities of a High Performance Culture, Operational Excellence, Financial Strength and Earnings Growth.

High Performance Culture

A focus on maintaining a high performing and high-spirited work environment continued in FY2022, evidenced by ongoing strength in employee engagement satisfaction results. Acting on the results of a staff survey, staff training and career development programs were broadened, helping to build staff skills and provide more flexible working conditions.

During FY2022 more than 10 per cent of existing staff members were promoted to more senior roles, continuing the Company's culture of people development and internal promotions.

Operational Excellence

Over the past 12 months, the Company has achieved a number of milestones in the continued execution of its Digital and Technology Strategy. Improvements to the customer relationship management system were rolled out along with a structured sales training program to modernise and improve customer communication. The continued investment in digital marketing initiatives to better understand and improve the customer journey, is expected to deliver better lead-to-sale conversion. The Company also implemented an integrated Human Resources and Payroll system which is already delivering an enhanced user experience for staff.

Sustainability and quality remain central to the Company's values. The Company continued to implement its Environment Social and Governance (ESG) strategy during the year and for the first time, implemented a carbon footprint mapping of Greenhouse Gas emissions. Details of this and other environmental initiatives can be found in the ESG report, commencing on page 21 of this Annual Report.

Cedar Woods continued its national partnership with The Smith Family – Australia's leading children's education charity. The partnership is providing support for young Australians from disadvantaged backgrounds through primary and secondary education. Cedar Woods employees were engaged in various activities including The Smith Family Toy and Book Appeal, programs such as 'Straight Talk' career information sharing for Year 6 students, and the 'Dream Run' and the 'Bridge to Brisbane Fun Run' fundraising and fitness activities.

The Company also continues to support community groups nationally as part of its Community Grants Program, now running for the 16th year. The program provides funds for small community groups such as sporting clubs, special interest groups and emergency services around the country, funding and supporting activities that play important roles in creating and maintaining community spirit.

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Financial Strength

During the year the Company completed the annual review of its corporate finance facility. As part of the review, the total facility limit was increased to $300 million from $205 million and the terms extended to 30 January 2025 for the three-year facility ($240 million) and to 30 January 2027 for the five-year facility ($60 million). The facility is provided by three of the 'Big-4' banks and provides long tenure and security of funding with ongoing compliance of facility covenants.

Earnings Growth

The Company maintained its focus on earnings growth through margin improvements on some existing projects and new acquisitions to augment future earnings.

During FY2022, Cedar Woods unconditionally acquired more than 2,000 lots through acquisitions in Fraser Rise and Southbank in Victoria and Eglinton, Henley Brook and Rockingham in Western Australia. The Company also holds conditional contracts with a combined value of $60 million to acquire additional land holdings in South-East Queensland and Victoria, with the potential to add up to another 800 lots to the portfolio if contract conditions can be satisfied.

A disciplined filtering and assessment of acquisition opportunities is applied to ensure successful acquisitions are aligned with the Company's regularly reviewed acquisition criteria, market conditions and capital management objectives.

MARKET OUTLOOK

The fundamentals that most impact the new housing sector are economic conditions, interest rates, consumer sentiment, unemployment and population growth. Economic conditions, record low unemployment and population growth will all significantly support the sector but with rising interest rates, inflationary pressures and poor consumer sentiment currently counteracting those fundamentals.

Sales volumes were strong through most of FY2022, however the last quarter saw sales rates slow as a result of interest rate increases and low stock levels for that quarter. Slower sales could persist for some states over FY2023 however it is expected the more affordable markets of Western Australia, South Australia and Queensland will outperform.

Significant price growth was experienced at most company projects in Queensland, Victoria and South Australia in FY2022 which in most cases served to counteract cost increases experienced. Recent price falls need to be viewed in the context of the dramatic price increases which nationally were 24% in CY2021 alone (source ABS).

Rental vacancies decreased markedly over FY2022, resulting in strong rental growth and growing yields with demand from investors expected to remain relatively strong as a result.

Strong population growth is expected as the Federal government responds to nationwide skills shortages, and migrant numbers are expected to be increased and brought forward.

Noting low rental vacancy rates, the expected increase in inbound migration and project deferrals industry wide, new dwelling supply across most housing types and jurisdictions is expected to be insufficient to meet demand, which will extend and intensify the current housing shortage across the nation. Cedar Woods is well placed to capitalise on any uptick in demand in an undersupplied market.

Construction cost increases were experienced during FY2022 but are moderating as stimulus related construction activity is progressively completed and builder capacity improves. Enquiry from builders for work commencing in CY2023 increased in Q4 FY2022 serving as an indicator of improved capacity and the expected moderation of costs.

COMPANY OUTLOOK

Cedar Woods starts FY2023 in a strong position with $500 million in presales expected to settle over FY2023, FY2024 and FY2025. The Company is targeting growth in earnings in FY2023 and is well placed for the medium term with a pipeline of more than 10,300 undeveloped dwellings/ lots/ offices across four states.

The Company's outlook is subject to property market and construction sector conditions, with workforce and supply chain constraints affecting delivery timeframes at some locations. The Company's expectation for FY2023 full year earnings takes into account known delays, although there remains some residual risk that a limited number of forecast Q4 FY2023 stage completions, and hence revenue, may move into early FY2024.

A number of new projects are expected to contribute to earnings from FY2023, including Mason Quarter, Fraser Rise and Lincoln and Aster apartments in Victoria, Monarch and Sirocco apartments in South Australia, Incontro townhouses, Eglington and Rockingham in Western Australia, and Sage and South Maclean in Queensland. Further acquisitions are anticipated to supplement the Company's portfolio in future years.

RISKS

The Audit and Risk Management Committee assists the Board in the effective discharge of its responsibility for risk oversight and ensuring that internal control systems are in place to identify, assess, monitor and manage risk. A Risk Management Framework is in place to support the integration of risk management within the business and to promote a culture committed to building long-term sustainable value for stakeholders.

The general risks to the Company's performance include those relevant to the economy and property market, including government policy in relation to immigration and support for the housing industry generally, the environmental policy framework, monetary policy set by the Reserve Bank of Australia, the stance of other regulatory bodies such as the Australian Prudential Regulation Authority (APRA), the strength of the labour market and consumer confidence.

The Company is also exposed to the property cycles in the metropolitan markets in which it operates, i.e. Western Australia, Victoria, Queensland and South Australia. Demand fluctuations in these markets represent a risk to achieving the Company's financial objectives. The Company aims to mitigate this risk by operating in diverse geographical markets and offering a wide range of products and price points to various consumer segments.

While house and land prices fluctuate, underlying demand will be driven by population growth and changing demographics. In the past, the Company has typically achieved its profit objectives by managing both prices and volumes through the property cycle.

The COVID-19 pandemic and conflict in Europe have caused major disruption to the economy and business globally and within Australia, including the business conducted by the Company. The volatile environment remains a material risk to the Company insofar as it impacts upon economic activity, employment and migration to Australia and hence population growth, which are major drivers of consumer confidence and housing demand, as well through impacts to the supply chain by causing delays to completion of projects and settlements as well as impacting the availability and cost of materials.

Individual projects are exposed to a number of risks including those related to obtaining the necessary approvals for development, construction risks and delays, pricing risks and competition. The Company aims to balance its portfolio at any time in favour of mature projects where the project risks are generally diminished.

The risk management framework also seeks to address a range of other risks that impact the business, such as economic and political risks, climate change risks, competition for staff and project opportunities, and cyber risks.

While the Company has no material exposures to ESG risks, the ESG report starting on page 21 provides further details on how the Company is managing ESG risks.

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BOARD MATTERS

The Board is conscious of its duty to ensure the Company meets its performance objectives. During the year, the Board and its committees reviewed their respective charters and performance to ensure they were properly discharging their responsibilities. The charters were updated during the year as required and are published on the Company's website.

At the Annual General Meeting in November 2021, shareholders resolved the Board's earlier appointment of Mr Paul Say as an independent Non-Executive Director. With over 40 years of experience in the commercial and residential property sectors, and deep networks across property and finance, Mr Say has integrated quickly and is providing valuable contribution to the Cedar Woods Board.

Further details of the Board members are contained in this annual financial report and the Corporate Governance Statement which is available on the Company's website.

William Hames
Chairman

Nathan Blackburne
Managing Director

ESG REPORT

INTRODUCTION

Our vision is to be the best Australian property company renowned for performance and quality. We aim to play a positive role in society over the long-term, through our products and services, which are fundamental to human wellbeing in homes and businesses, and through behaving responsibly in our markets and in our communities.

Cedar Woods does more than create vibrant communities. We are proud of our reputation for being environmentally and socially responsible. We continually look for ways to:

- Reduce our ecological footprint
- Promote affordable housing
- Respect indigenous and cultural heritage
- Stimulate economic investment and jobs
- Foster cooperative stakeholder relationships
- Activate the communities we create
- Foster diversity, equal opportunity and career development in the workplace
- Provide a safe work environment for all who work on Cedar Woods projects
- Instill our values and promote an ethical business culture through strong governance

This section communicates our progress and achievements on sustainability, community outcomes and governance, benefiting those affected by our actions.

INTEGRATED APPROACH

The link between our values and ESG objectives

At Cedar Woods, we realise that achieving our vision, purpose and strategic priorities is a journey, they provide a road map. This year we spent time thinking about our journey so far, looking back at our history. While last year, we published our inaugural ESG report, our track record shows that the same ESG values have consistently been an inherent part of our corporate DNA, as we have always strived to achieve the best possible sustainable environmental, economic and social outcomes for our stakeholders.

In thinking about tomorrow, we acknowledge the role of our past achievements in building a strong foundation on which we can grow into the future. The following timeline shares some of these achievements over the 28 years, since ASX listing.

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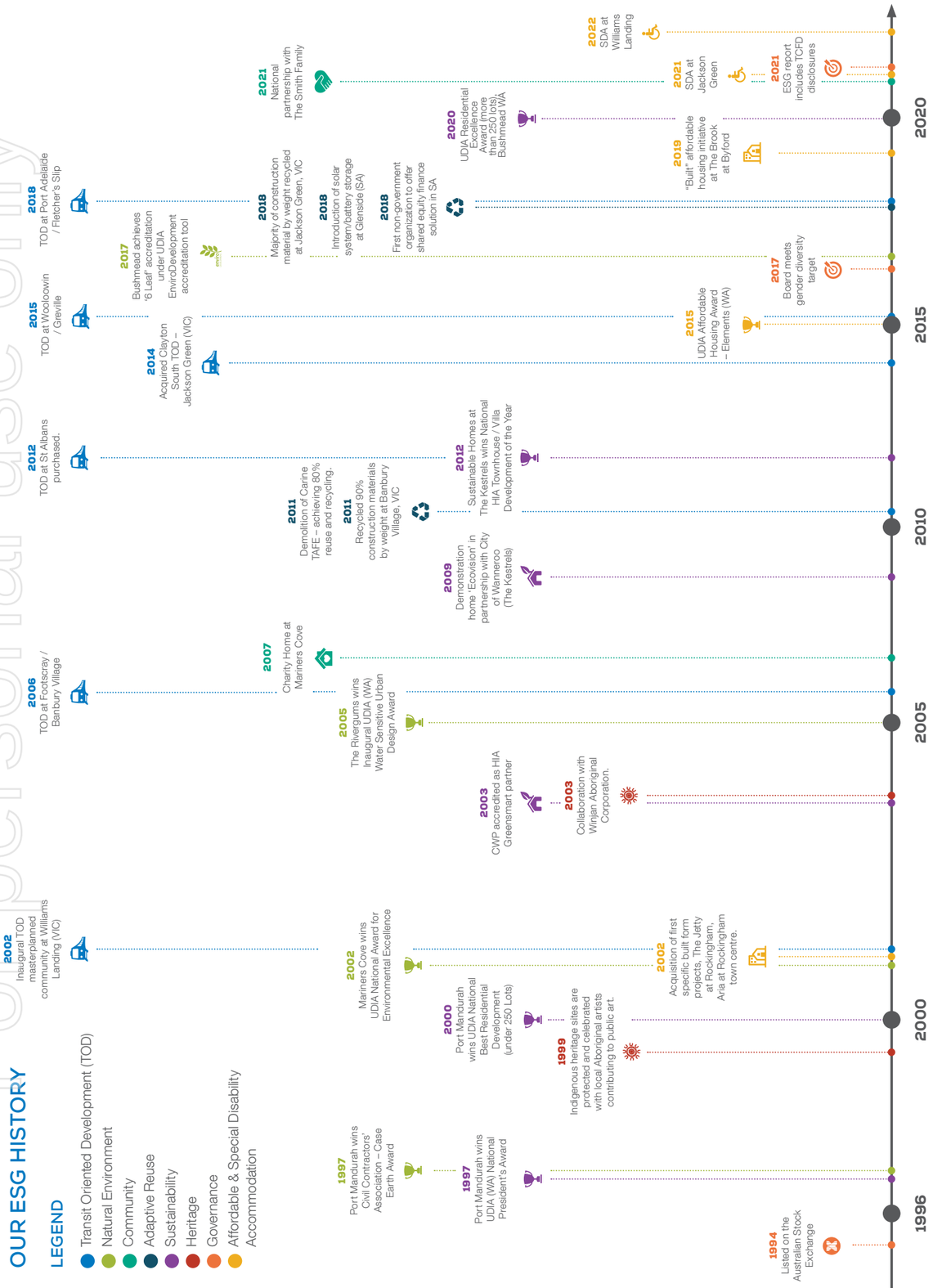
OUR ESG HISTORY

LEGEND

- Transit Oriented Development (TOD)
- Natural Environment
- Community
- Adaptive Reuse
- Sustainability
- Heritage
- Governance
- Affordable & Special Disability Accommodation



KEY ESG CATEGORIES & OBJECTIVES TABLE

Our fit-for-purpose ESG strategy focuses on the ESG matters that are most relevant to our operations, industry and stakeholders and takes into account ESG reporting trends, standards and practices relating to our industry and ESG reporting and disclosure guidance. Further details are provided on the following pages.

ESG Categories	Response
Governance	
Leadership and Management	■ Board and Committees ■ Executive Management ■ Risk Management including Cyber Security
Spotlight on Ethics	■ Code of Conduct ■ Ethics and Responsible Business Practices ■ Modern Slavery
Social	
Shareholders and Investors	■ Value Creation ■ Transparency
Our People	■ High Performance Culture ■ Health and Wellbeing Program ■ Opportunity, Diversity and Inclusion ■ COVID-19 Response ■ Work, Health and Safety ■ Retention and Career Progression
Customers	■ Customer Engagement ■ Digital Transformation ■ Product Value
Communities	■ Community Connection ■ Our Broader Community - The Smith Family Partnership ■ Design Quality and Liveability ■ Diversity and Inclusiveness ■ Activation and Sponsorship ■ Respecting Culture and Heritage
Suppliers	■ Fair and Ethical Procurement ■ Preventing Modern Slavery ■ Performance ■ Work, Health and Safety
Government and Regulators	■ Land and Built Form Delivery ■ Economic Impact ■ Community Engagement ■ Collaborative Partnerships
Environment	
Climate-related Risk (Policy, Legal, Technology, Market and Reputation)	■ Financial Impact Assessment ■ Risk Assessment ■ Adaption and Mitigation
Climate-related Opportunity	
Resource Efficiency	■ Corporate Carbon Footprint ■ Energy Efficiency ■ Water Efficiency
Energy Source	■ Renewable Energy
Products, Services and Market	■ Customer Focus
Resilience	■ Credentials and Capability ■ Considering Interdependencies

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GOVERNANCE - FY2022 HIGHLIGHTS

Taskforce on Climate-related Financial Disclosures (TCFD)
first reported in FY21 annual report.

ESG Strategy
implementation under way.

On-going digital transformation
achieves milestones in human resource management systems.

Staff training
on ethical conduct and modern slavery

MSCI ESG RATINGS — A
CCC | B | BB | BBB | A | AA | AAA

MSCI gives Cedar Woods 'A' ESG rating.
*Disclaimer

Strong results achieved in cyber security review.

Updated Corporate Plan to guide growth

Our governance framework is the foundation upon which the Company operates and defines the processes by which authority is exercised and controlled.

Leadership and Management

Board and Committees

The Company's Directors exemplify our commitment to good corporate governance and the long-term interest of shareholders. They are a diverse group who bring a strong combination of experience and skills aligned with our vision, values, strategy and strategic priorities. The Board is committed to the highest standards of corporate governance, of which further comprehensive details may be found in the annual Corporate Governance Statement at https://www.cedarwoods.com.au/Our-Company/Governance.

The Board has established committees to oversee a range of matters pertaining to ESG priorities:

- The Audit and Risk Management Committee is responsible for financial reporting, risk management (including 'ESG risks') and external audit; and
- The Remuneration and Nominations Committee is responsible for matters relating to Board composition, human resources, remuneration, succession, inclusion and diversity.

Executive Team

The Company's management structure is intended to encourage effective leadership that is consistent with corporate standards and promotes a strong corporate culture. The Executive Team is the Company's most senior management body and is responsible for preparing and implementing the Corporate Plan and managing operations.

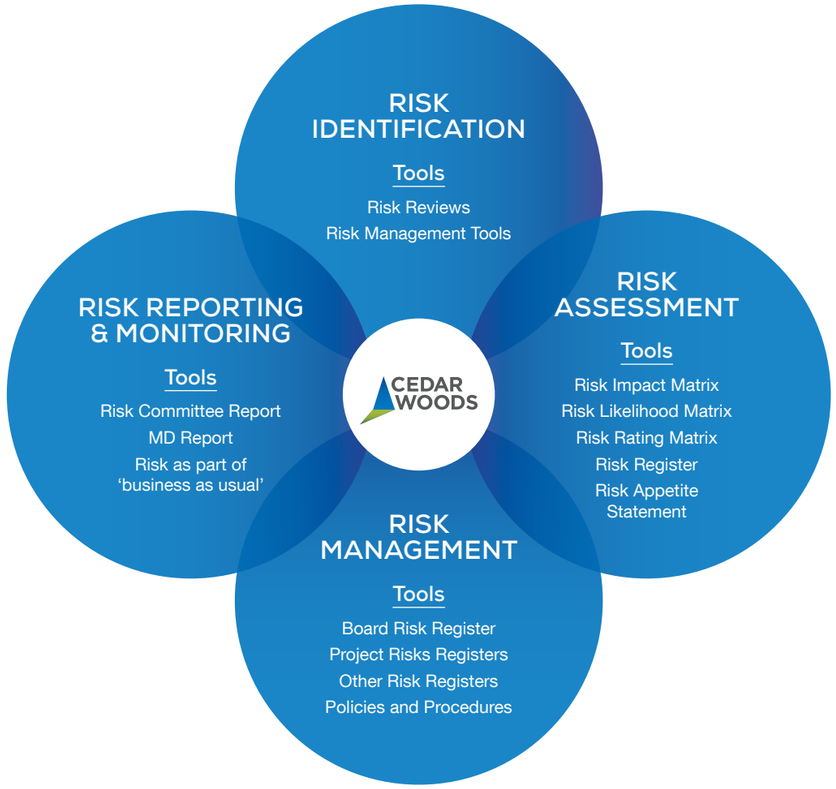
Leadership and Management

Risk Management

Among its many responsibilities, the Board / Audit and Risk Management Committee oversees risk management, with a focus on more significant risks, including ESG risks. It has adopted a Risk Management Policy Framework which incorporates a range of tools to assist in the identification, management, and monitoring of risks in the business.

All major decisions are guided by a comprehensive risk assessment, using the framework, together with risk mitigation strategies, where necessary. The Board conducts a biennial review of the risk management framework structure, with the last in 2021.

Risk Management Framework



Strategic Response	
Corporate Governance Framework	Corporate Plan
Audit and Risk Management Committee	Risk Management Framework
Remuneration and Nomination Committee	Risk Register

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Cyber

Cyber Security

To ensure that investors, employees, and customers continue to trust Cedar Woods with their private and confidential data, we undertake annual checks and reviews of our cyber-security systems and controls. In FY2022, the Company has conducted supply chain reviews, external penetration testing and a comprehensive internal review with strong positive results. The 2022 internal review resulted in a 60% reduction of cyber security risks, reflecting the success of the FY2022 cyber-security strategy.

Strategic Response	
Cyber Security Strategy	IT Security Policy

FY2022 Highlights

The appointment of Mr Paul Say as an independent, Non-Executive Director was overwhelmingly approved by shareholders at the 2021 AGM in November. The Remuneration and Nominations Committee and the Board considered the composition of the two Board committees and with Mr Say joining the two Board committees, Robert Brown stepped down from each of the committees, with each committee now comprised wholly of independent directors.

The senior management team was strengthened by the appointment of a new State Manager in Queensland. Management refreshed the corporate plan and meetings were held with the Board to address the corporate strategy.

The Audit & Risk Management Committee reviewed the Company's Risk Framework and performed deep dives into cyber-related and corporate taxation risks. The Company refreshed a number of corporate policies including the Environmental Management Climate Change Policy.

In recognition of the Company's progress in ESG it received an 'A' rating from MSCI, a global provider of indices, ESG and climate products.

An independent review of the Company's cyber security posture was conducted with strong results.

Spotlight on Ethics

Code of Conduct

A comprehensive set of standards of conduct expected of all employees, including Directors, is provided in the Code of Conduct. The Company has zero tolerance for corrupt practices and has a proactive approach to ethics and accountability throughout its policies and practices.

Ethics and Responsible Business Practices

Conducting business with the utmost honesty, integrity and respect is integral the Company's ESG priorities. The Company's values are stated on page 10 of this report and are supported by a number of policies.

Modern Slavery

Our Modern Slavery Policy addresses our approach to identifying modern slavery risk and outline steps for mitigating modern slavery and human trafficking in our operations.

Strategic Response	
Code of Conduct	Conflicts of Interest Policy
Whistle Blower Policy	Anti-Bribery and Corruption Policy
Continuous Disclosure Policy	Insider Trading Policy
Modern Slavery Policy	Privacy policy

FY2022 Highlights

The Company assessed its operations and supply chain for modern slavery risk and provided its second Modern Slavery report. Results of the Company's procedures did not detect any incidences of modern slavery.

Training is provided for all staff throughout the business on important ethical issues. During the year training was provided on the securities trading policy and modern slavery policy.

SOCIETY – FY2022 HIGHLIGHTS

Smith Family Partnership

Cedar Woods and The Smith Family making a difference in the lives of disadvantaged children

100%

Participation in staff survey

Executive appointment boosts gender diversity.

Affordable Housing

delivered across projects, nationally

Over 1,000 jobs

created in the economy

Awards

Staff member wins UDIA WA Young Development Professional Award and UDIA National Young Leaders Award

National Landscape Architecture Award for Land Management at Ellendale

Enhanced Flexible Working policy and new COVID vaccination policies

to protect staff and other stakeholders

13 internal promotions

We do what we say we'll do.

Maintaining strong stakeholder relationships is fundamental to Cedar Woods' long-term sustainable success.

We have identified the following major stakeholder groups for our business and the related strategic initiatives:

Shareholders and Investors Strategy

Value creation

We create long-term value for our shareholders.

Transparency

We interact and engage with shareholders through various forums, including half-year and annual reporting, annual meeting of shareholders, investor presentations, web forums and ASX disclosures and announcements.

Strategic Response	
Shareholder returns	Continuous disclosure policy
Shareholder and Investor relations	Investor Communications policy

FY2022 Highlights

Returns to shareholders are detailed in the 'Financial Performance Highlights' on page 8 of the annual report.

In November 2021 we provided a 'hybrid' form of AGM in which shareholders could participate in person or join the meeting online. At the AGM, all resolutions were supported by shareholders.

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Our People

High Performance Culture

Our strategic priority is to create a progressive, high-spirited work environment with strong staff alignment to values and objectives, where top talent works collaboratively, and high performance is rewarded.

We undertake an annual survey to gauge staff satisfaction and engagement. These measures represent the level of enthusiasm and connection staff have with the Company. It's a measure of how motivated and committed people are within the business.

There are several staff communication platforms, including the quarterly Operational Updates and 'Woodsy', our intranet platform which enable staff to keep up to date with news and access company policies and resources.

A 'Culture Club' operates in each state to organise team building and social events.

Health and Wellbeing Program

The Company promotes a strong health and safety culture with access to psychology and mental health support services as part of its wellbeing program as well as providing staff with health-focused webinars and free weekly physical exercise sessions and other activities such as yoga.

Opportunity, Diversity, and Inclusion

We are committed to a positive, diverse and inclusive workplace which encourages strong and productive relationships and provides access to equal opportunity at work. During the year we established a Diversity & Inclusion (D&I) Committee to support our efforts in achieving a more diverse workforce (which includes gender as well as other areas such as ethnicity, religion, and sexual orientation). The committee is chaired and comprised of staff members and has established a charter and series of priorities and objectives to advance the diversity and inclusion agenda and monitor and measure progress on D&I activities and engagement outcomes.

COVID-19 Response

The challenge of COVID-19 has demanded an ongoing extra level of agility and resilience. Policies with respect to managing COVID-19 have been implemented and technology solutions provided to enable remote working and additional leave requirements. Policies have been updated as the nature of the pandemic evolves.

Work, Health and Safety (WHS)

We prioritise the health and safety of our employees and contractors. Our health and safety policies and practices also take into consideration the protection of the surrounding community. Senior management is accountable for the health and safety performance across the Company's portfolio of projects. Cedar Woods' Board also receives regular reporting on the Company's WHS risks and performance. Audits are performed annually of the WHS compliance at state operations.

Retention and Career Progression

Consistent with our corporate value 'We are people developers', we value our people and their long-term success and, therefore, we seek opportunities to keep them engaged and develop professionally. To this purpose, we focus on internal career development and promotion, enabling staff to develop new skills, broaden their exposure and build relationships across the Company. Internal career progress is preferred, where appropriate.

Strategic Response	
Company Vision, Values and Priorities	COVID-19 Response Initiatives
Equal Employment Opportunity Policy	Health and Wellness Programs
Diversity and Inclusion Policy and Committee	Remuneration benchmarking and reviews
Employee Engagement Survey	Staff training strategy
SuperCedar employee recognition awards	Performance management
Occupational WHS System, Reporting and Audit	Cedar Woods Advance (Career Progression)

FY2022 Highlights

The proportion of women employees currently sits at 49 per cent. The number of women in senior management is currently at 36 per cent. The number of women on the Board is two out of six, or 33 per cent.

We were pleased that in our most recent survey 100 per cent of our people completed the employee survey. Staff satisfaction is currently 85 per cent. Survey results saw a high level of interest in additional training on people management, mental health and wellness and specific systems training, which are being incorporated into the training program.

Cedar Woods recognises that many of its staff require working arrangements that are outside of a traditional work structure. Over 60 per cent of the workforce is working under the flexible working arrangements policy allowing people to benefit from flexible working hours and working from home. At the end of the financial year the Company introduced a 'Purchase Leave' policy whereby employees can purchase up to two weeks additional personal leave a year by way of salary sacrifice, spreading the cost over the remaining pay periods in the year.

Our good health and safety record continued through the effective operation of our work, health and safety systems resulting in no serious staff injuries or fatalities as a result of any failure of the Company's WHS system.

Cedar Woods Advance, our career progression program, was introduced during 2021, providing staff with the opportunity to constructively manage their career advancement with the support of the Company. There were 13 internal promotions during the financial year.

'SuperCedar' Awards encourage and reward employees who are living our corporate values. During the year 13 staff received a SuperCedar Award after being nominated by their peers and judged by the executive team.

Another important achievement during the year was the proud moment a Cedar Woods staff member won the UDIA WA and National Young Development Professional Award 2021.

An initiative completed during the year was the implementation of a new integrated human resource, remuneration and performance management system as part of the digital and technology transformation. The system offers a leading edge and seamless solution for staff onboarding, objective setting and performance reviews, remuneration setting and payroll, including a staff portal for easy access to data for employees.

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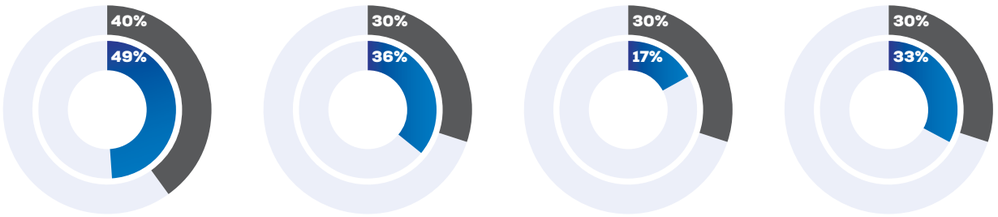
Metrics and Targets

Gender Diversity



Proportion of women employed in the whole organisation

Proportion of women in senior management positions

Proportion of women in executive positions

Proportion of women on the Board

Long term objective %

FY2022 Actuals

Staff Satisfaction

Staff Working Flexibly

WE FOCUS ON INTERNAL CAREER DEVELOPMENT AND PROMOTION, ENABLING STAFF TO DEVELOP NEW SKILLS, BROADEN THEIR EXPOSURE AND BUILD RELATIONSHIPS ACROSS THE COMPANY.

Our Customers

Customer Engagement

Customer Engagement is driven through various physical and digital platforms as well as our Customer Service function that provide customers with product guidance, assistance and issues resolution. It also helps the Company better understand customer needs and trends and drives improvements in customer satisfaction.

Digital Transformation

The launch to market of new project websites provides a refined and consistent user experience for all our customers, providing real time stock availability, an enhanced customer journey and strategies to nurture our prospective customers.

Product Value

Customers are at the centre of everything we do. Product Value is created for our customers through the delivery of a quality land or built form product that is designed around ecologically sustainable principles, which contribute to liveability and long term investment value. In some instances, our communities include or are integrated into local employment, retail and sport/recreational centres which foster relationships with businesses and local organisations and enhance the lifestyle of our residents.

Strategic Response
Community Development Programs
Customer Inclusion Initiatives (affordability, disability, community diversity, transition to retirement)
Net Promoter Score surveys along the customer journey

FY2022 Commentary

The challenging construction conditions seen in some jurisdictions meant the Company had to make the tough decision to defer construction at certain project stages where it was no longer possible to commence in the current environment. The Company sought to minimise the impact on our valued customers by contacting each customer and providing opportunities for further discussion while prioritising the return of their deposit.

While sales and construction market conditions are mixed currently, the sector is expected to perform well in the medium term as our diversified portfolio will continue to appeal to a broad range of customers, across the country.

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WE BRING PEOPLE TOGETHER, FOSTERING CONNECTIONS WHICH ENRICH THE LIVES OF PEOPLE THROUGH THE PLACES WE CREATE.

Our Communities

Community Connection

One of our Values, 'Creating Community Connection', recognises that our projects bring people together, fostering connections that enrich the lives of people through the places we create.

Our Broader Community – The Smith Family Partnership

In 2021 the Company formed a national community partnership with The Smith Family – Australia's leading children's education charity. Our partnership aims to assist disadvantaged Australian Children get the most out of their education and provides our staff the opportunity to be involved in activities supporting this worthwhile cause.

Design Quality and Liveability

We seek to create communities that are safe, healthy and enjoyable places to visit, work and live. This is premised on best-practice urban planning and environmental design to meet lifestyle expectations. Many of our projects include community amenities, such as educational facilities, retail centres, employment centres and sport and recreational facilities that improve the lifestyle of those who live in our communities.

Diversity and Inclusiveness

Our projects offer a range of products that not only cater for various budgets but also include specific product types suitable for affordable housing initiatives, specialist disability housing, aged care and retirement.

Activation and Sponsorship

We create value for our communities through our direct provision of amenities, infrastructure public spaces and jobs. We implement resident onboarding initiatives and community grants for local community groups.

Heritage

Often we inherit a legacy from older communities, in the form or land or buildings with indigenous or cultural heritage significance. Heritage is a focus for the Company as we maintain a strong track record of respecting culture and heritage through restoration, recognition, project themes and branding.

Strategic Response	
Respecting culture and heritage	Affordable and Diverse Housing
Smith Family Partnership	Community Sponsorship

FY2022 Highlights

We have committed to directly supporting 100 students through The Smith Family's Learning for Life program, which is delivered across 91 communities around Australia. The Learning for Life program provides school students and their families with financial assistance for education essentials such as uniforms, school supplies and excursions; tailored personal support from a Smith Family team member; and access to extra out-of-school learning and mentoring programs.

During the year staff have engaged in The Smith Family programs such as 'Straight Talk' career information sharing for year 6 students, and the 'Dream Run' and the 'Bridge to Brisbane Fun Run' fundraising and fitness activities.

The South Australian team hosted Cedar Woods' first Work Inspiration event, which saw 15 students visit Cedar Woods' Glenside project. Staff involved in the project outlined key project information to the students and explained the types of jobs that were involved in the Glenside community development, from early-stage planning to end of delivery. Students had the opportunity to ask Cedar Woods staff about their career pathways and how they got started in the industry. Similar events are planned at Bushmead in WA and Williams Landing in Victoria later this year.

We work hard to ensure that the planning, urban design and architectural responses of our projects lead to a high quality liveable built environment that is responsive to the environment and community needs. A measure of our success is how our projects rate in industry awards, measured against our peers. This year the Company won another prestigious award, the 2021 National Landscape Architecture Award for Land Management at Ellendale.

In FY2022 we have continued to deliver affordable housing and specialist disability accommodation and recognise the role such housing has in creating diverse and inclusive communities.

Since its inception, the Company's Community Grants Program has donated more than $600,000 dollars to support a range of community projects, organisations and clubs that operate in the localities of our projects. This year, $70,000 was donated.

$70,000
donated to local community groups in FY2022

Proud partnership with The Smith Family

The Smith Family
everyone's family

▲ Smith Family Tour, Glenside SA

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Boston Commons Strata Office, Williams Landing VIC

Our Suppliers

Fair and Ethical Procurement

The Company is committed to ethical, accountable and transparent procurement that maintains probity and fairness. To achieve balanced environmental, social and economic outcomes, we rely on our network of diverse and multidisciplinary suppliers. When delivering our projects, our suppliers contribute to our forums on innovation and cost efficiency, while maintaining quality outcomes. We also support the payment of our suppliers on fair payment terms.

Performance

The Company continues to periodically undertake comprehensive contractor reviews. Evaluation criteria include overall quality, timeliness, cost efficiency, etc. Material suppliers are assessed for financial health and modern slavery risk as part of the on-boarding process and prior to the issue of significant new contracts.

Work, Health and Safety

We prioritise the health and safety of our employees and contractors. Our WH&S policies and practices also consider the protection of other stakeholders. Senior management is accountable for the health and safety performance across the Company's portfolio of projects. Cedar Woods' Board also receives regular reporting on the Company's health and safety performance. In addition, an independent audit is conducted annually on the compliance with the Company's WHS system.

Strategic Response	
Supplier onboarding process	Contractor Quality and Financial Reviews
Stakeholder and industry events	Occupational Work, Health and Safety Policy, Procedures & Audit

FY2022 Highlights

We frequently assess our suppliers on a range of metrics that define the quality of their services. Our most recent review of our suppliers' performance resulted in over 97 per cent passing or exceeding the required benchmark. In our most recent payment times review, over 93% of our supplier invoices were paid within 60 days, a 3% improvement on the prior year.

COVID-19 has had a significant impact on the national economy and on the supply chains that operate. The Company has experienced some delays during construction and increases in cost. There is continuing risk of supply shortages and cost increases for materials.

The Company had a strong safety record during FY2022, with no incidents of fatal or serious injuries occurring on any of our project sites.

Government and Regulators

Land and Built Form Delivery

The Company plays a key role in the supply of land, housing and infrastructure, nationally. Our projects contribute to land supply, increase the number of homes and businesses near public transport and facilitate urban renewal. They also contribute to the provision of essential civil and community infrastructure for broader public benefit. These deliverables are in accordance with government urban growth strategies in each state.

Economic Impact

Importantly, we create value for government and regulators by generating private sector investment and jobs. We create further value through payment of fees and taxes.

Community Engagement

Our projects often require engagement with existing local communities. The Company seeks to engage in a meaningfully way, providing opportunity for consultation to positively influence project outcomes.

Collaborative Partnerships

The Company seeks opportunities for collaborative partnerships in land development and urban renewal projects. We have a number of collaborative projects with government agencies which align with government strategic priorities and objectives, including diverse and affordable housing. We seek to ensure that such collaborations are mutually beneficial and are built on respect and common understanding.

Strategic Response
Joint Venture Projects
Regular State and Local Government liaison meetings
Participation in regulatory and policy review through industry forums
Membership with industry advocacy groups (HIA, UDIA, Property Council)

FY2022 Highlights

The 2022 Financial Year saw the Company spend over $178 million in development projects, nationally.

We work on the formula that for every $1 million spent on civil or built form construction, seven Full Time Equivalent (FTE) jobs are generated. This is comprised of two direct FTE construction jobs, three indirect FTE jobs, in supporting industries such as engineering, machinery and materials, and two induced FTE jobs, in sectors that provide goods and services to meet the consumption needs of the direct and indirect jobs created. On this basis, Company development spend contributed to the creation of approximately 1,246 jobs nationally.

Byford on the Scarp, Byford WA

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ENVIRONMENT – FY2022 HIGHLIGHTS

First Carbon Footprint Mapping
completed in FY2022 for Greenhouse Gas Emissions.

Transit-Oriented Projects
100% of built-form residential located in high-frequency transit precincts.

Car sharing, electric vehicle hire and charging stations
installed at 4 new apartment buildings.

Embedded Energy Networks,
incorporating solar, across our apartment portfolio.

Cloud strategy & e-contracts
implementation reduces carbon footprint.

All Residential lots
sold with energy and water efficiency guidelines.

Award winning Ellendale and Bushmead projects
continue to protect, restore and regenerate a combined 277ha of conservation land.

CLIMATE RELATED FINANCIAL DISCLOSURES

Cedar Woods' relationship with the environment has always been core to our business model but addressing climate change risk and realising emerging opportunities through mitigation and adaptation is becoming increasingly important.

Last year the Company prepared its inaugural ESG Strategy consistent with the Financial Stability Board's Taskforce on Climate-Related Financial Disclosure (TCFD) for addressing climate change-related risks and opportunities. The Strategy is currently under review, having regard to proposed changes to the disclosure and reporting standards.

Climate-Related Risk Assessment and Opportunities

Using the TCFD approach, the following provides an assessment of climate-related risk, in the context of Cedar Woods' core business and value creation model. The following observations and assumptions are noted:

- The Company notes the recent introduction to Federal Parliament of the Climate Change Bill 2022 and the Government's commitments to emission reductions by increasing the take-up of renewable energy. We expect the property development sector will play an increasing role in this carbon reduction strategy.
- The property development sector is strongly regulated, with various mitigation and adaption measures already being implemented at State levels, including:
  a. Sea Level Rise and Coastal Erosion: state government coastal planning policies make provision for the latest data on sea level rise and storm surge; mapping of low-lying areas; and establishing the need for coastal process assessments to determine the need for coastal protection and defence initiatives.
  b. Changes in temperature and extreme heat events: minimum requirements for the design, construction and performance of residential buildings are set by the Australian Building Codes Board. Buildings are classified on a star-based scale under the National House Energy Rating Scheme (NatHERS). For commercial buildings, the Building Energy Disclosure Act requires commercial buildings above a certain floorspace to meet energy efficient requirements through the National Australian Built Environment Rating System (NABERS) certification scheme. Other relevant elements of building design, considering climate change, are energy efficiency and water sensitive design.
  c. Bushfire: State governments update bushfire risk mapping and have various land use planning requirements relating to fire mitigation (exclusion zones) and adaption (use of fire-retardant materials in building construction).
  d. Storms, cyclones and flooding: Federal and state governments update rainfall and runoff guidelines (looking at rainfall intensity) flood mapping and identification of cyclone zones where appropriate construction standards are required.
- Our analysis is combined to address both climate change scenarios (>1.5°C or >2°C) under the TCFD model.
- Cedar Woods' climate-related risk assessment is focused on project outcomes and more significantly relate to a combination of direct delivery impacts (loss of native bushland) and the on-going impacts of urban development (associated travel and household emissions over the 40-year lifecycle of buildings).
- The highest levels of perceived risk in the analysis below are in the areas of: Policy risk – bushfire (transitional risk); Water scarcity (transitional risk) and Construction costs (including cost of delays) due to severe weather (acute risk).

Board and management oversight of climate related risks

The Board has overall responsibility for the risk management framework and is responsible for decisions in relation to strategies and key risks. In turn, this authority has been delegated in part to the Audit Risk and Management Committee (ARC), which assists the Board to meet its risk management and compliance obligations. The ARC considers reports addressing Cedar Woods' risk culture, its risk appetite framework, its strategic risk profile, the risk registers and emerging or notable risks, including those related to climate change.

Major business proposals brought to the Board are accompanied by comprehensive due diligence incorporating risk analysis, including climate-related risks. Climate-related issues are also considered when reviewing the Corporate Plan, annual budgets and business plans.

Each member of the Executive Team has specific responsibilities related to sustainability, including initiatives related to climate related risks and opportunities.

How Cedar Woods identifies, assesses and manages climate-related risk

The Executive Team is responsible for developing and facilitating the risk management framework, advising and training the business on risk management, and consolidating risk reporting to the ARC and the Board.

At each stage in the project lifecycle, significant risks (including climate-related risks) are identified by project team leaders as part of risk assessment procedures. The Executive Team continuously liaises with all levels of the organisation, across projects to ensure risks are appropriately identified, assessed, treated and monitored.

Existing and emerging regulatory requirements related to climate change are incorporated into overall risk management, risk registers and risk reporting.

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Risk Assessment

	Climate Related Risk	Financial Impact	Risk	Adaptation & Mitigation
Transitional	**Policy Risk: Sea Level Rise and Coastal Erosion.** Time horizon: Medium to long-term	Increase in coastal setbacks, development levels, coastal protection measures, reduced dwelling yield.	Low	Measures addressed in State policies relating to coastal protection and land use planning. Cedar Woods has limited exposure to coastal and estuary locations.
	Policy Risk: Changes in temperature and extreme heat events. Time horizon: Medium to long-term	High construction costs associated with more stringent performance requirements associated with NatHERS (residential) or NABERS (commercial) construction requirements. Increased landscaping / reduced development footprint. More costly built form responses.	Low	All buildings within Cedar Woods projects comply with national design, construction and performance rating requirements. In land estates, energy efficiency and water sensitive design is encouraged through design guidelines. Measures addressed in State policies relating to medium density, such as: reducing 'urban heat island' effect; focus on natural cooling / breezeways; reduction in hard surfaces; use of lighter-coloured materials; and mature landscaping / tree canopy.
	Policy Risk: Bushfire. Time horizon: Short to long-term	Increased project approval uncertainty, loss of developable area (exclusion zones) and increased cost of construction (fire mitigation / retardant materials), reduced land value.	Medium	More rigorous policy measures under continuous review. Bushfire management is becoming determinative, overriding normal land use and planning controls. Cedar Woods monitors the implications on existing and new projects and considers exposure to native bushland at the acquisition phase.
	Policy Risk: Rainfall, Storms, Cyclones and Flooding. Time horizon: Medium to long-term	Accommodating worst-case rainfall and flooding scenarios will increase cost of stormwater and drainage infrastructure and increase loss of developable land – for retention /detention.	Low	All Cedar Woods projects comply with water management strategies and plans and install appropriate water management infrastructure based on current rainfall and runoff data.
	Policy: Water Scarcity. Time horizon: Short to long-term	Increasing cost of water and cost associated with securing non-potable water sources	High	Evidence suggests non-potable groundwater for irrigation is becoming scarce. Cedar Woods has responded by using scheme water (as an interim measure) and increasing reliance on low water nature-scape or no water use xeriscape landscaping techniques. In land estates, water wise landscaping is promoted. In some cases, rebates provide incentive for installation of rainwater tanks, to reduce reliance on potable water supplies. Third-pipe reticulation is used to distribute recycled water in most land estates in Victoria.
	Policy: Enhanced climate change reporting and disclosures Time horizon: Short to long-term	Increased resources to respond to requirements for increased climate change disclosures and reporting. Increased investor scrutiny and activism, and potential for limits to access to capital for failure to respond to business community.	Medium	Evidence indicates an increase in ethical investing, shareholder activism and proxy firms linking ESG performance to recommendations on AGM resolutions. Cedar Woods is responding by implementing an enhanced ESG strategy and increasing disclosures.

	Climate Related Risk	Financial Impact	Risk	Adaptation & Mitigation
Transitional	**Legal / Liability Risk** Time horizon: Medium to long-term	Evidence suggests that existing homes directly exposed to climate-related risk, (particularly when threatened by coastal processes and bushfire) are adversely impacted by higher insurance premiums (or inability to insure certain risks), lower property valuation and reluctance by financial institutions to provide finance.	Low	New property development is subject to the latest climate change data reflected in coastal protection, bushfire and drainage and flooding management plans / requirements. Risk relates more to older established dwellings in vulnerable locations.
	Technological Risk Time horizon: Medium to long-term	Out of date technology and lack of innovation. Cost of retrofitting to achieve compliance.	Low	Urban and built-form design response and incorporation of climate-related impact mitigation and adaption can be constantly updated and applied throughout the life of a Cedar Woods project.
	Market: Change in Consumer Preferences Time horizon: Short to long-term	Reduced market share, sales and return on investment.	Low	Setting aside considerations relating to location and price, new housing in estates that are compliant with climate-related policy settings (energy efficient design, bushfire mitigation, drainage and flood management etc.) respond better to shifting consumer preference than housing stock with inferior design qualities and in more vulnerable locations.
	Reputational Risk. Time horizon: Short to long-term	Loss of company reputation, credentials and branding. Loss of engagement with staff.	Low	Performance is enhanced through adherence to ESG strategy and transparent reporting.
Acute	**Physical Risk: Sea Level Rise and Coastal Erosion.** Time horizon: Medium to long term	Cost of protective measures, upgrade and repair.	Low	Cedar Woods has limited exposure to vulnerable coastal locations.
	Physical Risk: Bushfire. Time horizon: Short to long-term	Loss and cost of rehabilitation, replacement, upgrade and repair. Compliance with firebreak requirements.	Medium	Cedar Woods adheres to regulatory fire management requirements at its land holdings.
	Physical Risk: Increase in construction time and costs due to increase in severe weather Time horizon: Short to long-term	Extra cost and time to construct physical assets.	Medium	Cedar Woods provides additional time to construction budgets, feasibilities and timetables to allow for severe weather.
	Physical Risk: Rainfall, Storms, Cyclones and Flooding. Direct loss or damage to property assets. Time horizon: Short to long-term	Loss and cost of rehabilitation, replacement, upgrade and repair.	Low	All Cedar Woods' projects comply with stormwater drainage and flooding infrastructure and flooding requirements.

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CLIMATE-RELATED OPPORTUNITIES

Efforts to mitigate and adapt to climate change also create opportunities. The TCFD identifies the following areas of opportunity:

- Resource efficiency: achieving direct cost savings
- Energy source: growing global investment in renewable energy technologies
- Products and services: innovation in new low-energy products and services may improve competitiveness and capitalise on shifting consumer preferences
- Markets: opportunities for new markets and asset types may lead to diversification and better positioning to a lower-carbon economy, and
- Resilience: where companies improve their adaptive capacity to respond to climate change.

The TCFD recommends the formulation of specific metrics and quantifiable targets to assess and manage relevant climate-related risks and opportunities. These are being further developed as part of the current ESG Strategy review.

Resource Efficiency

Corporate Carbon Footprint

Increasing attention is being applied to minimising the carbon footprint of corporate operations. Cedar Woods has commenced carbon footprint mapping to better understand the business impact on emissions. Cedar Woods considers climate-related risks across the lifecycle of its projects. Emissions largely relate to the operational cost of urban development and the 40-year lifecycle of buildings. Cedar Woods' focus on transit-oriented development makes a significant contribution to promoting public transport use and lower emissions from private vehicle use.

Resource Efficiency

Residential dwellings, when occupied, consume significant amounts of energy and water. Cedar Woods is working to improve the resource efficiency of the homes it builds through updated sustainable design practices. Such measures work to reduce consumption and decrease living costs. In land estates, we facilitate climate responsive subdivision lot layout.

FY2022 Highlights

In FY2022 we conducted our first carbon footprint mapping on Greenhouse Gas emissions resulting from our corporate operations, including our four state offices, project sales offices and the Williams Landing Shopping Centre. Results are shown in the table below. The Company has already implemented a carbon reduction strategy and is confident that it will, over time, significantly reduce carbon emissions. Initiatives include 100% cloud technology strategy, 100% carbon offset paper and flights and 100% green power use at all state offices.

The year saw the delivery of a number of the Company's ESG Strategy objectives related to improving resource efficiency in new dwellings, including:

- Improved information sharing across projects
- A review of our national approach to ecologically sustainable design (ESD) considerations for new apartment projects, with the view of adopting a more consistent national approach.

A greater focus on resource efficiency measures, metrics and targets, for new projects is expected as part of the ESG Strategy review.

In South Australia, the 7.7-Star NatHERS rated Monarch apartments at Glenside commenced construction. Individual apartment ratings ranged from 6.4 Stars up to 9.4 Stars, averaging 7.7 Stars overall. The broad range of ESD initiatives formed a case study as part of the Company's national review of apartment standards.

FY2022 Greenhouse Gas Emissions (t-CO_2-e)

Corporate operations	Scope 1 & 2*	Scope 3#	Total
State offices	67	608	675
Sales offices	69	265	334
Shopping centre	447	243	690
	583	**1,116**	**1,699**

** Direct emissions from refrigerants and from the generation of purchased electricity*
 # Other emissions outside scope 1&2 such as water use, waste generation, purchased goods and air travel.
Emissions calculated by independent consultants from company data.

Energy Source

The federal government recently announced its 2030 and 2050 emission reduction targets that will be largely driven by a substantial shift to renewable energy sources.

Innovative renewable power solutions, such as integrated microgrids and embedded energy networks are emerging in the market and the Company has begun to explore the viability of large scale application to increase the take-up of renewable energy across projects.

Products / Services / Market

Demand for Cedar Woods' products is primarily driven by location and price. While there is growing customer preference for water and energy efficient initiatives and other sustainability benefits as part of a housing package, most are not prepared to incur additional cost. This is particularly the case for first-home buyers, where up-front cost is critical to affordability and finance approval. The Company is currently reviewing its apartment sustainability initiatives, with a particular focus on high-value initiatives and maximum benefit-to-cost ratio initiatives that deliver the most immediate and impactful benefit.

Sustainable design at Ellendale, QLD

A leading-edge environment-first design focusing on retaining and enhancing the topography, vegetation and native waterways of Cedar Woods' Ellendale community in Brisbane is seeing biodiversity flourish as its population increases.

In partnership with award-winning landscape architects Place Design Group, Cedar Woods has regenerated wildlife corridors at Ellendale within years, rather than decades.

An extensive five-year planting program has involved more than 189,000 trees, shrubs and ground covers, with more than 40 per cent of the masterplan preserved as green space.

Ongoing fauna management and rehabilitation includes the establishment of 64 squirrel glider poles, 320 nesting boxes and 120 metres of fauna underpasses, supporting locally and nationally significant species including koalas, squirrel gliders, possums and owls.

The achievement has been recognised at a state and national level, with Ellendale and Place Design Group awarded the prestigious 2021 Australian Institute of Landscape Architects (AILA) National Landscape Architecture Award for Land Management.

To date, Cedar Woods has delivered more than 440 homesites at Ellendale, supporting a population of more than 1400 people, while dedicating almost 60 hectares of natural bushland and green space to Brisbane City Council.

As construction continues on the next stages of the community, work will continue on retaining, rehabilitating and enhancing new corridors of the highest ecological value, with a further 31 hectares of open space to come.

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Resilience

Credentials and Capability

Achieving various targets relating to water and energy efficiency, and other innovative sustainability outcomes is a pre-requisite to eligibility for government joint venture projects in some states and add to the Company's capabilities and credentials.

Considering Interdependencies

When assessing climate-related risk, it is important to consider the unique interdependencies with other important land development considerations, specifically transport, natural environment and adaptive reuse, recycling and waste minimisation, which are identified in Cedar Woods' Environmental Management and Climate Change Policy.

- **Transport.** Transition to a low-emissions economy does not just look at the performance of buildings. The location of Cedar Woods' projects are often middle-inner suburban locations integrated with high-frequency public transport, encouraging people to use more public transport and replace car trips with 'active transport' options, such as walking and cycling (e.g. Glenside, Williams Landing / Town Centre, Jackson Green, St A, Fletcher's Slip and Glenside), providing low emission transport choices to the occupant.
- **Natural Environment.** The Company has a strong track record as being the 'Environmentally Responsible Developer', with a high number of accreditations and awards for environmental excellence. While land development has environmental impacts, it is not without significant investment in conservation, rehabilitation, decontamination and on-going environmental management.
- **Adaptive Reuse,** Recycle and Waste Minimisation. Adaptive reuse, recycling and reducing waste relates to more efficient use of resources as well as reduced emissions associated with production processes and transport. Cedar Woods has a strong track record in the adaptive reuse of heritage buildings, the clean-up of contaminated infill sites and the use of recycled materials in civil works. Reduced waste relates to more efficient use of resources as well as reduced emissions associated with production processes and transport. The Company has a strong track record in the clean-up of contaminated sites and buildings.

FY2022 Highlights

The year saw a continued focus on Cedar Woods' delivery of infill housing, in locations connected to high-frequency public transport, including train stations and bus transit. Over 40% of settled housing product was delivered at:

- Williams Landing / Town Centre (VIC) – oriented around a transit hub consisting of a freeway overpass, a train station, a bus interchange, and commuter parking
- Glenside (SA) – inner city Adelaide, with high-frequency bus transit
- Fletcher's Slip (SA) – adjacent to the train corridor and Glanville station
- Jackson Green - Clayton Apartments – just 20km from Melbourne and adjacent to rail.

The Company also acquired a new site in Eglington (WA) which will deliver a 1,200 lot masterplanned community, located within 500m of the proposed new Eglington train station.

The past 12 months saw the Company continue to invest significantly in the protection, restoration and regeneration of the natural environment. Bushmead (WA), was 'Highly Commended' by the Society for Ecological Restoration. The Society is an international non-governmental organisation to advance the science, practice and policy of ecological restoration. Significant restoration work continued at Ellendale (QLD), which features as a case study above.

Disability Housing, Huntington Apartments, Jackson Green, Vic

Cedar Woods has partnered with not-for-profit Summer Housing to deliver quality homes for young people living with disabilities in its Jackson Green development.

As part of this partnership, Cedar Woods has delivered eleven properties within the 165-unit Huntington Apartments to Summer Housing. Ten of these specialist disability accommodation apartments will be utilised by people with disabilities and complex care needs while the remaining unit will provide accommodation for on-site carers.

All apartments have been carefully modified to achieve Platinum level certification under the Liveable Housing Design Guidelines and meet high physical support design requirements under the National Disability Insurance Scheme (NDIS).

The modifications undertaken include making the apartments wheelchair-friendly with revisions in kitchen design, doorway widths and thresholds and structural provisions put in place for ceiling hoists. The homes also feature assistive technology which will support the residents in their daily lives and provide access to the 24/7 on-site concierge provider.

Located within the Jackson Green community, residents of the low-maintenance apartments will have easy access to nearby amenities, public transport and services, allowing occupants to live as independently as possible.

Today there are over 4,000 young Australians with complex care needs currently residing in aged care facilities as there is no alternative housing for them. Summer Housing focuses on increasing the range and scale of diverse and accessible housing options to reduce this number. Cedar Woods is expecting to complete more disability accommodation including nine units for Guardian Living at Williams Landing.

▲ Grace Apartments, Glenside SA

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Cedar Woods Properties Limited ('the Company' or 'Cedar Woods') and the entities it controlled (together 'the consolidated entity' or 'group') at the end of, or during, the year ended 30 June 2022.

a. Directors

The following persons were directors of Cedar Woods during the whole of the financial year and up to the date of this report, except where stated:

William George Hames (Chairman)

Robert Stanley Brown (Deputy Chairman)

Valerie Anne Davies (Independent Director)

Jane Mary Muirsmith (Independent Director)

Paul Gilbert Say (Independent Director)

Nathan John Blackburne (Managing Director)

The qualifications, experience and other details of the directors in office at the date of this report appear on pages 45 to 47 of this report.

b. Principal activities

The principal continuing activities of the consolidated entity over the course of the year ended 30 June 2022 were that of property developer and investor and no significant change in the nature of those activities took place during the year.

c. Dividends

Dividends paid to members during the financial year were as follows:

	2022 $'000	2021 $'000
Final fully franked ordinary dividend for the year ended 30 June 2021 of 13.5 cents (2020 – 6.5 cents) per fully paid share, paid on 29 October 2021 (2020 – 30 October 2020)	10,756	5,175
Interim fully franked ordinary dividend for the year ended 30 June 2022 of 13.0 cents (2021 – 13.0 cents) per fully paid share, paid on 29 April 2022 (2021 – 30 April 2021)	10,676	10,322
	21,432	**15,497**

Since the end of the financial year the directors have recommended the payment of a final fully franked ordinary dividend of 14.5 cents (2021 - 13.5 cents per share) to be paid on 28 October 2022 out of retained profits at 30 June 2022.

d. Financial and operating review

Information on the operations and financial position of the group and its business strategies and prospects is set out in the financial and operating review, commencing on page 13 of this annual financial report.

e. Business strategies and prospects for future financial years

The consolidated entity will continue property development operations in Western Australia, Victoria, Queensland and South Australia.

Cedar Woods is well positioned moving into FY2023 with strong pre-sales, modest debt, substantial funding capacity and a diverse portfolio of well-located developments.

f. Significant changes in the state of affairs

While the consolidated entity continues to be impacted by the social and political response to the COVID-19 pandemic, the consolidated entity's revenue and profit was significantly improved compared to the previous year. Further details can be found in the financial and operating review, commencing on page 13 of this annual report. There were no other significant changes in the state of affairs of the consolidated entity during the year.

g. Matters subsequent to the end of the financial year

Refer to item (c) of this Directors' Report for details of the dividend recommended by directors since the end of the financial year.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years; or
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

h. Likely developments and expected results of operations

Beyond the comments at items (d) and (e), further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

i. Environmental regulation

To the best of the directors' knowledge, the group complies with the requirements of environmental legislation in respect of its developments and obtains the planning approvals required prior to clearing or development of land under the laws of the relevant states. There have been no instances of non-compliance during the year and up to the date of this report.

j. Information on directors

Mr William G Hames, B Arch (Hons) MCU (Harvard) LFRAIA, MPIA, FAPI (Econ)

- Chairman of the Board of directors, non-executive director

Mr Hames was appointed to the Board on 23 March 1990. He is a co-founder of Cedar Woods, an architect and town planner by profession, and received a Masters Degree in City Planning and Urban Design from the Harvard Graduate School of Design, at Harvard University in Boston. He worked in the US property development market before returning to Australia in 1975 and establishing Hames Sharley Australia, an architectural and town planning consulting company. Mr Hames brings substantial property experience to the Board upon which he has served as a director for more than thirty years.

Other current listed company directorships and former listed company directorships in the last three years:
None.

Mr Robert S Brown, MAICD, AIFS

- Deputy Chairman of the Board of directors, non-executive director

Mr Brown was appointed to the Board on 18 August 1988. He is Executive Chairman of Westland Group Holdings Pty Ltd, with responsibilities in mining, agribusiness, biotechnology and venture capital. He is a past president of the Federation of Building Societies of WA and has participated in and chaired various Western Australian government advisory committees related to the housing industry. Mr Brown brings to the Board his diversified experience as a director of these companies and other listed entities and has served as a director of Cedar Woods for over thirty years.

Other current listed company directorships and former listed company directorships in the last three years:
None.

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Ms Valerie A Davies, FAICD

- Non-executive director
- Chair of the Remuneration and Nominations Committee
- Member of the Audit and Risk Management Committee

Ms Davies was appointed to the Board on 21 September 2015. She is a professional company director with broad experience across the spectrum of public and private companies, government boards and community organisations. Apart from Cedar Woods Properties Limited, she is also currently a non-executive director of ASX-listed Event Hospitality and Entertainment Limited.

Ms Davies previous Board positions include HBF, Iluka Resources, ASG Group, and Integrated Group (now Programmed), Tourism Western Australia, Tourism Australia, Gold Corporation and the TAB (WA), as well as Screenwest and Fremantle Hospital & Health Service. Ms Davies has substantial experience serving on risk management and remuneration committees in listed companies.

Apart from the boardroom Ms Davies' career spans more than 30 years across a range of industries including media, marketing and television production. A specialist provider of communications and strategic issues management services, she has worked at the highest level with numerous tier 1 national and international business organisations addressing the complexities of issues management, communications, coaching and mentoring.

Ms Davies is a member of Chief Executive Women (CEW), a former Telstra Business Woman of the Year (WA) and a past Vice-President of the Australian Institute of Company Directors (WA).

Ms Davies is a non-executive, independent Director.

Other current listed company directorships and former listed company directorships in the last three years:
Event Hospitality & Entertainment Limited.

Mrs Jane M Muirsmith, B Com (Hons), FCA, GAICD

- Non-executive director
- Chair of the Audit and Risk Management Committee
- Member of the Remuneration and Nominations Committee

Mrs Muirsmith was appointed to the Board on 2 October 2017. She is an accomplished digital and marketing strategist, having held several executive positions in Sydney, Melbourne, Singapore and New York.

She is Managing Director of Lenox Hill, a digital strategy and advisory firm and is a non-executive director of Australian Finance Group Limited (AFG), the Telethon Kids Institute, Gold Corporation and Chair of Healthdirect Australia. Mrs Muirsmith has substantial experience serving on risk management committees in the above companies, including as chair of certain committees.

Mrs Muirsmith is a Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants in Australia and New Zealand, with an audit and accounting background together with deep expertise in digital transformation. Mrs Muirsmith is a member of the Ambassadorial Council UWA Business School and is a former President of the Women's Advisory Council to the WA Government.

Mrs Muirsmith is a non-executive, independent Director.

Other current listed company directorships and former listed company directorships in the last three years:
Australian Finance Group Limited.

Mr Paul G Say FRICS, FAPI

- Non-executive director
- Member of the Audit and Risk Management Committee
- Member of the Remuneration and Nominations Committee

Mr Say was appointed to the Board on 3 May 2021. With over 40 years of experience in the commercial and residential property sector, Mr Say brings strong corporate finance, capital allocation and investment management capability to the Cedar Woods' Board. Mr Say was previously Chief Investment Officer at Dexus Property Group and prior to that he was Head of Corporate Finance with Lendlease Corporation. Mr Say has substantial experience serving on risk management committees in the above companies, including as chair of one committee.

Mr Say has a Graduate Diploma in Finance and Investment and a Graduate Diploma in Financial Planning. He is a Fellow of the Royal Institute of Chartered Surveyors, Fellow of the Australian Property Institute and a Licensed Real Estate Agent (NSW, VIC and QLD).

Located in NSW, Mr Say holds strong networks across the property and finance sectors and has been a Non-Executive Director of ASX-listed ALE Property Group, SGX-listed Frasers Logistics & Industrial Fund and the Cameron Brae Group. His is also a Board Member of Women's Community Shelters and a Panel Member of the NSW Urban Growth Advisory Board.

Mr Say is a non-executive, independent Director.

Other current listed company directorships and former listed company directorships in the last three years:
ALE Property Group and Frasers Logistics & Industrial Fund.

Mr Nathan J Blackburne, BB (Curtin), AMP (Harvard), GAICD

- Managing Director, executive director

Mr Blackburne was appointed to the Board on 18 September 2017. He has worked since 1993 in various sectors of the property industry including valuations, asset management, commercial leasing and property development.

He commenced his career with Cedar Woods in 2002 with the mandate to establish and grow the company in Melbourne. Starting off as State Manager for Victoria, he later led the expansion of the company into Brisbane and Adelaide to become State Manager for Victoria, Queensland and South Australia.

In 2016, Mr Blackburne was appointed as Chief Operating Officer for the company and in September 2017 was appointed to the position of Managing Director.

Mr Blackburne has a Bachelor of Business degree majoring in Valuations and Land Economics and is a Graduate of the Australian Institute of Company Directors. He is also a Graduate of Harvard Business School in Boston having completed their Advanced Management Program.

Other current listed company directorships and former listed company directorships in the last three years:
None.

Company Secretary

The Company Secretary is Mr Paul S Freedman, BSc, CA, GAICD. Mr Freedman was appointed to the position on 24 June 1998. He is a member of the Institute of Chartered Accountants in Australia and New Zealand and is a member of the Australian Institute of Company Directors. He brings to the company a background of over twenty-five years in financial management in the property industry, preceded by employment in senior roles with major accountancy firms.

k. Shares under option

(i) Unissued ordinary shares

Unissued ordinary shares of Cedar Woods under option at the date of this report are as follows:

Date options granted	Number under option	Exercise price	Expiry date
3 November 2021	32,182	zero	30 June 2024

The options were issued to the Managing Director under the deferred short term incentive plan. No option holder has any right under the options to participate in any other share issue of the Company or any other entity. No options were granted to the directors or any KMP of the company since the end of the financial year.

(ii) Shares issued on the exercise of options

The following ordinary shares of Cedar Woods were issued to the Managing Director during the year ended 30 June 2022 on the exercise of options granted under the deferred short term incentive plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue Price of Shares	Number of shares issued
4 November 2020	$6.68	16,232

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l. Directors' interests in shares

Directors' relevant interests in shares of Cedar Woods at the date of this report, as defined by sections 608 and 609 of the *Corporations Act 2001*, are as follows:

Director	Interest in ordinary shares
William G Hames	10,861,980
Robert S Brown	7,618,633
Valerie A Davies	26,000
Jane M Muirsmith	21,914
Paul G Say	34,832
Nathan J Blackburne	135,703

Nathan J Blackburne also has an interest in zero-price options under the deferred short term incentive plan and performance rights under the executive long term incentive plan, details of which are set out in the remuneration report within this report.

m. Committees of the Board

As at the date of this report Cedar Woods had the following committees of the Board:

Audit and Risk Management Committee	Remuneration and Nominations Committee
J M Muirsmith (Chair)	V A Davies (Chair)
P G Say	P G Say
V A Davies	J M Muirsmith

n. Meetings of directors

The following table sets out the numbers of meetings of the company's directors (including meetings of committees of directors) held during the year ended 30 June 2022, and the numbers of meetings attended by each director:

	Board meetings	Meetings of Committees	
		Audit and Risk Management	Remuneration and Nominations
Number of meetings held:	**12**	**6**	**6**
W G Hames	11	2*	4*
R S Brown	12	1**	2**
V A Davies	12	6	6
J M Muirsmith	11	6	6
P G Say	12	6	5
N J Blackburne	12	6*	5*

**Not a member of this committee*

***Not a member of this committee after 11 August 2021*

DIRECTORS' REPORT: LETTER TO SHAREHOLDERS FROM THE CHAIR OF THE REMUNERATION & NOMINATIONS COMMITTEE (THE COMMITTEE)

Dear Shareholders,

Remuneration across the company has been carefully considered in the context of being fair, competitive and aligned with the long-term interests of shareholders and the company. A legacy of the Covid 19 pandemic has seen an escalation in the competition for talent and with retention of human capital a major priority, we continue to seek to motivate and retain our people with appropriate reward. In the Financial and Operating Review section we detail how Cedar Woods' operations have fared in this environment and these influences are reflected in the executive remuneration 'at-risk' pay outcomes in section r) of this report.

In seeking to align shareholders expectations with regard to incentives, pay and performance we continue to engage with the shareholder community, adopting best practice with all of our stakeholders.

Please find below the main remuneration outcomes for the year and further details are provided in the Remuneration Report.

Review of the executive remuneration framework	In FY2022, assisted by external independent consultants, the Committee benchmarked executive remuneration levels and structures against the market thereby ensuring that remuneration levels and structures are competitive in an environment where the competition for talent continues to be very high around the country.
Fixed remuneration	For FY2022 the Managing Director's (MD's) fixed remuneration was maintained at the same level as the previous year, with moderate increases for the other executives, the Committee taking the view that this was appropriate given the circumstances prevailing under the pandemic.
Short-term incentives ("STIs")	The FY2022 STI target for the Managing Director was also maintained at the same level as in the prior year with moderate increases for the other executives. The company had updated and simplified its balanced scorecard of measures for determining the STI awards in FY2020 and the scorecard underwent minimal changes in FY2022. Scorecard sections are grouped into financial and non-financial categories, within the relevant strategic priority areas. Part of the Managing Director's STI is deferred into equity as detailed later in this report.
Long-term incentives ("LTIs")	The LTI plan continues to operate for the executives and has three vesting conditions: a) a three year service condition and b) two performance conditions measured over a three year period: 50 per cent of the LTI grant will be tested against a relative total shareholder return ("TSR") hurdle (measured against the S&P / ASX Small Industrials Index) and 50 per cent against earnings per share ("EPS") growth targets, set in the context of the corporate strategy. The relative TSR performance condition was chosen, as it offers a means of measuring changes in shareholder value, by comparing the company's return to shareholders against the returns of companies of a similar size and industry profile. The EPS performance condition was chosen, as it is a primary determinant of shareholder value, in a listed company context.
Non-Executive Director ("NED") fees	The potential maximum aggregate NED remuneration for FY2022 was $750,000, as approved by shareholders at the FY2014 AGM. Chair and NED fees were maintained at the same level as in FY21. Total NED fees paid for FY2022 were $623,000.

It was pleasing to note that shareholders voted in favour of the FY2021 Remuneration Report at the 2021 Annual General Meeting, with 99.1 per cent of votes cast in favour.

I look forward to answering any questions you may have at our 2022 Annual General Meeting on 2 November.

Yours faithfully,

Valerie A Davies

Chair - Remuneration and Nominations Committee

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DIRECTORS' REPORT - REMUNERATION REPORT

The directors present Cedar Woods' FY2022 Remuneration Report which sets out remuneration information for the directors and other key management personnel ("KMP") for the year ended 30 June 2022.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

o. Introduction

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly.

The table below outlines the KMP of the company during the financial year ended 30 June 2022. Unless otherwise indicated, the individuals were KMP for the entire financial year. For the purposes of this report, the term "executive" includes the managing director and senior executives of the company.

KMP	Position	Term as KMP
Non-Executive Directors ("NEDs")		
W G Hames	Non-Executive Chair	Full year
R S Brown	Non-Executive Deputy Chair	Full year
V A Davies	Independent Non-Executive Director	Full year
J M Muirsmith	Independent Non-Executive Director	Full year
P G Say	Independent Non-Executive Director	Full year
Executive Director		
N J Blackburne	Managing Director ("MD")	Full year
Senior Executives		
P Archer	Chief Operating Officer ("COO")	Full year
L M Hanrahan	Chief Financial Officer ("CFO")	Full year
P S Freedman	Company Secretary	Full year

Changes since last year

There were no changes during the reporting period.

Changes since the end of the reporting period

There were no changes to KMP after the reporting date and before the date the annual report was authorised for issue.

p. Remuneration governance

Role of the Remuneration and Nominations Committee

The Remuneration and Nominations Committee (The Committee) is a committee of the Board. In relation to remuneration matters, it is responsible for making recommendations to the Board on:

- the over-arching executive remuneration framework;
- remuneration levels of the MD and other executives;
- operation of incentive plans and key performance hurdles for the executive team; and NED fees.

The Committee's objective is to ensure remuneration policies and structures are fair and competitive and aligned with the long-term interests of the company. The Committee periodically obtains independent remuneration information to ensure executive remuneration packages and NED fees are appropriate and in line with the market.

The Corporate Governance Statement provides further information on the role of the Committee and may be found on the company's website under the Our Company/Governance link.

Use of remuneration advisors

In 2022, the remuneration committee engaged remuneration advisors to provide benchmarking data on executive remuneration and remuneration design. No remuneration recommendations were made.

Clawback of remuneration

Vested and unvested STI's & LTI's are subject to potential clawback based on the Board's judgment:

STI (cash)	at the end of the financial year when assessing performance against scorecard objectives to determine the STI payments, when determining if there are any matters impacting the initial performance assessment.
STI (deferred)	at any time prior to, or at, the final vesting date of the award and will take account of factors such as any material misstatements of financial results or instances of non-compliance with Cedar Woods' policies.
LTI	at any time prior to, or at, the final vesting date of the award and will take account of factors such as any material misstatements of financial results or instances of non-compliance with Cedar Woods' policies.

The clawback policy also provides that the Board can recover an STI or LTI award previously paid to an employee.

Remuneration Report approval at FY2021 Annual General Meeting ("AGM")

At the 2021 AGM, 99.1 per cent of eligible votes cast were in favour of the FY2021 Remuneration Report.

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q. Executive remuneration policy and framework

The information contained within this section outlines the details pertaining to the executive remuneration policy and framework for FY2022.

(i) Principles and strategy

Company purpose

To create long-term value for shareholders through the development of vibrant communities

Remuneration strategy linkages to company purpose

The Board ensures its approach to executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Alignment of executive remuneration to company performance
- Transparency of the link between performance and reward

To attract, motivate and retain high performing individuals:

- The remuneration offering rewards capability and experience
- Reflects competitive reward for contribution to growth in shareholder wealth

The framework is aligned to shareholders' interests by having:

- STIs (cash & deferred) linked to current year performance and subject to clawback
- LTIs linked to both long term external (relative total shareholder return ("TSR")) and internal (earnings per share ("EPS") growth) performance. LTIs are also subject to clawback.

	Component	Vehicle	Purpose	Link to performance
Total remuneration	Fixed remuneration	Comprises base salary, superannuation and non-monetary benefits	To provide competitive fixed remuneration set with reference to role, market and skills and experience of individuals	Group and individual performance are considered during the annual remuneration review process No guaranteed fixed remuneration increases are included in executives' contracts Fixed remuneration may be phased to market benchmark for new appointments, conditional on performance
	STIs	Paid in cash, net of tax	Rewards executives for their contribution to achievement of company outcomes	Linked to the Corporate Plan and achievement of personal objectives established at the start of the year
		Equity based STI grants awarded in Zero-price options	Rewards executives for their contribution to the creation of shareholder value over the medium term	Vesting of Zero-price options is dependent on a further one year of service after the initial performance period
	LTIs	Equity based LTI grants awarded in Performance Rights	Rewards executives for their contribution to the creation of shareholder value over the longer term	Vesting of grants is dependent on TSR performance relative to S&P / ASX Small Industrials Index and annual compound growth rate in EPS, both over a three-year period

Performance related outcomes are determined each year following the audit of the annual results. Outcomes may be adjusted up or down in line with over and under achievement against the target performance levels, at the discretion of the Board (based on a recommendation from The Committee). The Committee has adopted a guidance framework for considering exercise of discretion in relation to at-risk remuneration.

(ii) Approach to setting remuneration

The company aims to reward executives with a level and mix of remuneration appropriate to their position, responsibilities and performance within the company and aligned with market practice.

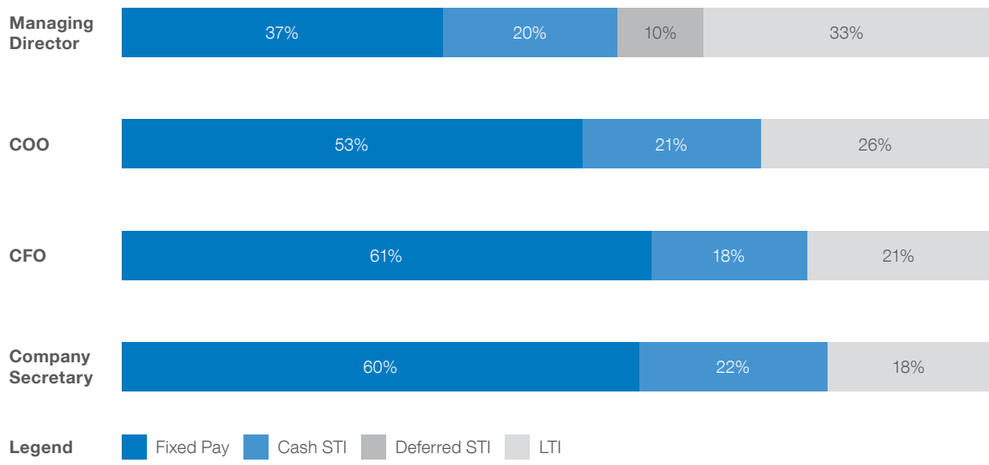
The approach is generally to position total remuneration competitively, between the median and upper quartile of its direct industry peers, both listed and unlisted, and other Australian listed companies of a similar size and complexity.

Remuneration levels and structures are reviewed annually through a process that considers market data, insights into remuneration trends, employment market conditions, the performance of the company and the individual, and the broader economic environment.

The "at risk" components (STIs and LTIs) ensure a proportion of remuneration varies with performance of both the individual and the company.

The Committee will continue to review the level of fixed and 'at risk' pay in FY2023 with the objective of ensuring that executive remuneration continues to meet the expectations of shareholders and candidates in a market that is highly competitive for talent.

The graphs below illustrate the remuneration mix based on maximum opportunities for FY2022.



STI in the above graphs are based on 100% of the maximum opportunity. LTI's may be awarded up to the target opportunity.

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(iii) Details of incentive plans

Short-term incentives (STI)

Key features of the current STI plan are set out below.

Managing Director

How is the STI delivered?	In FY2022 65% (FY21 – 45%) of the STI was deliverable in cash and 35% (FY21 – 55%) of the STI is deferred by way of a grant of zero-price options under the Deferred Short Term Incentive (DSTI) Plan. The Committee sets the proportion of STI deliverable by way of DSTI annually having regard to the equity ownership of the MD, the equity that has previously vested and the equity opportunities under existing DSTI and LTI plans.
What STI's are available and what are the performance conditions?	The STI awarded is based on the Committee's assessment of the company's overall performance using the Balanced Scorecard system referred to in section r) Executive remuneration outcomes for FY2022 below. Subject to board discretion, in order for any STI to be payable, the following hurdles (triggers) must be achieved: ■ NPAT trigger: NPAT to equal or exceed 90% of the budget ■ Safety trigger: No reportable incident resulting in serious injury under the relevant Occupational Health & Safety Act in CWP premises or sites as a result of failure of the company's Work, Health & Safety system. A performance rating of up to 150% of the STI opportunity is available to reward personal performance when it exceeds expectations, at the Board's discretion.
How is performance assessed?	Annually, after consideration of performance against set balanced scorecard objectives, the Chairman of the Board and Chair of the Committee recommends to the Board the amount of STI to be paid to the MD.
What happens in the event of change of control	If a Change of Control Event occurs prior to the vesting of an award, unless the Board determines otherwise, a pro-rata number of the MD's unvested awards will vest immediately based on the proportion of the period that has passed at the time of the relevant change of control event, and the extent to which any applicable performance conditions have been satisfied (or are estimated to have been satisfied) at that time, unless the change of control event occurs after the end of the performance period (the first year), in which case full vesting of unvested awards will occur, to the extent to which any applicable performance conditions have been satisfied (or are estimated to have been satisfied) at that time.

Other executives

How is the STI delivered?	Cash
What STI's are available and what are the performance conditions?	Each executive has a target STI opportunity depending on the accountabilities of the role and impact on organisational performance. The STI plan provides as follows: a. Up to 50% of the bonus based on personal performance, with the actual percentage awarded based on the executive's overall rating measured against personal objectives as determined in the annual performance review. Meeting expectations generally provides for a performance rating between 80% and 100%. Performance ratings of up to 150% of the personal component are available to encourage and reward personal performance when it exceeds expectations. b. Up to 50% of the cash incentive awarded based on the Committee's assessment of the company's overall performance using the Balanced Scorecard system referred to in section r) Executive remuneration outcomes for FY2022 below. In order for any STI to be payable under the company component, the same hurdles (triggers) that apply for the MD (see above) must be achieved.
How is performance assessed?	On an annual basis, for senior executives, the Committee will seek recommendations from the MD before making its determination. Performance is assessed against targets set at the start of the financial year.
What happens if an Executive leaves Cedar Woods?	Executives who resign prior to the end of the financial year generally forego their STI entitlement. The Board has discretion in this regard.

Long-term incentives (LTI)

Key features of the LTI plan are as follows:

Why have a LTI plan?	The LTI plan builds a sense of business ownership and alignment which benefits all shareholder interests. It encourages a greater focus on sustainable long-term growth and seeks to attract and retain key executives.
Who participates?	The Company's policy is for the MD and other Executives to participate in the LTI. NEDs are not eligible to participate in the LTI plan.
What LTI's are available?	Each participant has a maximum LTI opportunity depending on the accountabilities of the role and impact on company performance.
How is the LTI delivered?	Awards under the LTI plan are made in the form of performance rights, which provide, when vested, one share for each performance right at nil cost. At the discretion of the Board the LTI awards may be satisfied in cash rather than shares.
How are the number of rights determined for each LTI grant?	The number of performance rights allocated for each participant is calculated by reference to the target LTI opportunity outlined in the prior section. For the LTI, the target opportunity is the maximum opportunity. Allocations are made based on a face value approach using the Volume Weighted Average Price of Cedar Woods' shares over the first five trading days of the financial year. This fixes the maximum number of shares and the actual number will vest in accordance with the performance conditions set out below.
When does the LTI vest?	The Board will determine the outcomes at the end of the three-year performance period, with vesting, if any, occurring once results are released and within a trading window. Once vested, participants may trade shares, subject to the company's Securities Trading Policy.
What happens if an Executive leaves Cedar Woods?	If cessation of employment occurs, the following treatment will apply in respect of unvested rights: ■ If the participant ceases employment with Cedar Woods on termination for cause, unvested rights will normally be forfeited. ■ If the participant ceases employment in other circumstances (for example, due to resignation, illness, total or permanent disablement, retirement, redundancy or other circumstances determined by the Board), unvested rights will stay 'on foot' and may vest at the end of the original performance period to the extent performance conditions are met. The Board may determine that the number of rights available to vest will be reduced pro-rata for time at the date employment ceases. The Board will retain discretion to allow for accelerated vesting (pro-rated for performance and/or time) in special circumstances (as opposed to allowing unvested rights to remain 'on foot' on cessation of employment).
What happens in the event of change of control	Unless the Board determines otherwise, a pro-rata number of the participant's unvested rights will vest based on the proportion of the performance period that has passed at the time of the change of control. Vesting will also be subject to the achievement of pro-rata performance conditions at the time of the change of control.
Do participants receive dividends on LTI grants?	No dividends are paid on unvested LTI awards.
Can a participant deal with or trade their performance rights before vesting?	No.
Does the LTI have retesting?	No.
Does the Board retain discretion over vesting outcomes?	The Board has overarching discretion to ensure vesting outcomes are appropriately aligned to performance.

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How is performance assessed and rewarded against these hurdles?	The awards are subject to two equally weighted performance conditions which operate independently, so that awards can be made under either or both categories.

Relative TSR hurdle (50%): The relative TSR hurdle provides a comparison of external performance. The ASX Small Industrials Index is comprised of the companies included in the S&P/ASX 300 (excluding companies in the S&P/ASX 100) who have a Global Industry Classification Standard (GICS) classification other than Energy or Metals & Mining. TSR (Total Shareholder Return) measures changes to share price and dividends paid to show the total return and is widely used in the investment community and is an appropriate hurdle as it aligns the experience of shareholders and executives.

This index was chosen, rather than a peer group, as there are a limited number of companies with similar operations and in recent years the number of these has reduced even further through takeovers and changes to business models and operations.

Participants will only derive value from this component of the LTI if the company's TSR performance is equal to or greater than the Index. Maximum vesting of the TSR hurdle at or above 15% of the Index recognises significant out-performance of the company over 3 years.

The vesting schedule for the FY21 and FY22 plans was as follows:

Relative TSR performance outcome	Percentage of TSR-tested rights vesting
< Index	Nil
At the Index	50%
> Index and up to 15% above the Index	Pro-rata between 50% and 100%
> = 15% above the Index	100%

EPS compound annual growth rate hurdle (50%): EPS is a method of calculating the performance of an organisation, capturing information regarding an organisation's earnings in proportion to the total number of shares issued by the organisation. The EPS calculation is:

$$\text{EPS} = \frac{\text{Statutory net profit after tax}}{\text{Weighted number of shares on issue}}$$

Where:

Statutory net profit after tax:	as reported by a company at the most recent financial-year end preceding the calculation date.
Weighted number of shares on issue:	the weighted number of shares on issue for the financial year.

The relevant inputs when setting the EPS target range are generally:

- The earnings and EPS targets contained in the company's Corporate Plan, particularly with reference to the most recent internal five-year forecasts;
- The level of stretch associated with those Corporate Plan targets;
- Any earnings guidance that has been provided to the market;
- Shareholder and analyst (individual and consensus) expectations.
- The rate of growth in the Australian economy and the performance of the property sector.

The vesting schedule for this component of the LTI in the FY21 Plan was as follows:

EPS compound annual growth rate	Percentage of EPS-tested rights vesting
<10%	Nil
10%	50%
Between 10% - 20%	Pro-rata between 50% and 100%
> = 20%	100%

The vesting schedule for this component of the LTI in the FY22 Plan was as follows:

EPS compound annual growth rate	Percentage of EPS-tested rights vesting
<10%	Nil
10%	50%
Between 10% - 15%	Pro-rata between 50% and 100%
> = 15%	100%

At commencement of each three-year plan, the Committee will consider the appropriate EPS target range and the level of payout if targets are met. This includes setting any maximum payout under the LTI plan and minimum levels of performance to trigger payment of LTI. The EPS target range, once set, remains in place for the three-year performance period. The EPS target range was modified for the FY22 plan in view of the negative impact of COVID-19 on the result in FY20 and subsequent rebound in FY21, the objective to improve profits moving forward and the challenging economic outlook.

r. Executive remuneration outcomes for FY2021 (including link to performance)

Performance against STI balanced scorecard objectives

The table below provides a summary of the FY2022 balanced scorecard objectives and weightings for each component. This performance measurement framework provides a close alignment to the company's overriding objective of providing long term value to shareholders and links to our value creation model as described on page 11.

Strategic Priority & Measure	Total	Metric
Financial Strength Annual performance and balance sheet strength	50%	Net Profit After Tax (NPAT)
		Number of settlements
		Revenue
		Return on Equity
		Return on Capital
		Debt to equity
		Cost reductions
Earnings Growth Measures of future financial health of the Company	20%	Value of presales
		New projects acquired
		Project cost overruns
Operational Excellence Measures of customer and investor satisfaction and risk management	20%	Customer net promoter scores
		Investor perception
		ESG Performance (link to sustainability)
		Compliance with the work, health and safety system
High Performance Culture Manage leadership pool and strive for strong staff engagement and team improvements	10%	Employee engagement
		Retention of executives and senior management
		Gender and diversity

The Remuneration and Nominations Committee determines the STI to be paid based on an assessment of the extent to which the key metrics are met, and in arriving at the amount of STI to be paid to each executive, also considers an array of factors including the economic environment, stakeholder experience, quality of the results and how the company has been set up for longer term success. The following table outlines the proportion of maximum STI earned and forfeited by executives in relation to FY2022 and the maximum STI that was available.

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	Proportion of STI earned and forfeited in FY2022			
	MD	COO	CFO	Company Secretary
Total earned $	505,560	145,125	95,625	46,250
Total earned of target %	120%	108%	113%	93%
Total forfeited of target %	-	-	-	7%
Total forfeited of target $	-	-	-	3,750
Target STI opportunity $	421,300	135,000	85,000	50,000
Total earned of maximum %	80%	86%	90%	74%
Total forfeited of maximum %	20%	14%	10%	26%
Total forfeited of maximum $	126,390	23,625	10,625	16,250
Maximum STI opportunity $	631,950	168,750	106,250	62,500

For the Managing Director, 65% of the STI earned is payable in cash ($328,614) and 35% of the STI earned ($176,946) was deferred into zero price options under the DSTI plan. For the other executives the STI is payable in cash.

Where the Board considered it appropriate to award STIs above 100% in view of personal and corporate performance, it exercised discretion provided for under the STI plan to award STIs above the target for the Managing Director and certain executives, taking into account the broad parameters (factors) noted in the section above and the following:

- In FY2022 the Company achieved strong growth in reported NPAT and earnings per share, outperforming the prior year and FY2022 budget.
- Exceeded acquisitions targets, setting the business up over the medium to long term.
- Strong personal performance of the executives during the year, and in managing and limiting the impact of the pandemic and related supply chain and labour issues on the company.
- The strong performance of the company on the majority of metrics under the balanced scorecard.
- The company remains in a strong financial position with significant headroom under its finance facilities and significant presales at 30 June 2022 ($500m) compared to the same time last year ($478m).
- The need to retain executives in a market and industry (property) where quality talent with sufficient and relevant experience continues to be in short supply.
- Comprehensive benchmarking of at-risk pay outcomes at peer companies by an independent consultant.

Terms and conditions of the share-based payment arrangements - DSTI

The terms and conditions of each grant of zero price options under the Deferred STI affecting remuneration in the current or a future reporting period are as follows:

Incentive Plan	Grant date	Number of options	Performance period	Service period	Vesting date	Performance hurdle	Value per option at grant date	% Vested
FY2022 – Managing Director	TBA	TBA	1/7/21 to 30/6/22	1/7/21 to 30/6/23	31/8/2023	Balanced scorecard score	$TBA	N/A
FY2020 – Managing Director	3/11/2021	32,182	1/7/21 to 30/6/22	1/7/21 to 30/6/23	31/8/2023	Balanced scorecard score	$5.69	100

The FY2022 grant of options to the Managing Director under the DSTI is subject to shareholder approval at the 2022 AGM.

During the year 16,232 ordinary shares of Cedar Woods Properties Limited were issued to the Managing Director on the exercise of zero price options which were granted under the Deferred STI on 4 November 2020. No further shares have been issued since that date.

Performance against LTI objectives

The following table shows the maximum LTI opportunities that were granted to KMP during FY2022.

	LTI awards in FY2022			
	MD	COO	CFO	Co Sec
Value granted (max LTI opportunity) $	**689,400**	**212,100**	**120,000**	**50,000**

The LTI awards earned will vest on 31 August 2024 subject to the vesting conditions.

Terms and conditions of the share-based payment arrangements - LTI

The terms and conditions of each grant of rights under the LTI affecting remuneration in the current or a future reporting period are as follows:

Incentive Plan	Grant date	Performance period	Vesting date	Value at start of performance period	Performance hurdle	Value per share right at grant date	Performance achieved	% Vested
FY2019 - Executives	14/09/2018	1/7/18 to 30/6/21	31/08/2021	$6.08	EPS Growth	$5.21	No	31.7%
					Relative TSR	$3.01	Partial	
FY2019 - MD	13/11/2018	1/7/18 to 30/6/21	31/08/2021	$6.08	EPS Growth	$4.62	No	31.7%
					Relative TSR	$2.59	Partial	
FY2020 - Executives	24/09/2019	1/7/19 to 30/6/22	31/08/2022	$5.71	EPS Growth	$6.17	No	Nil
					Relative TSR	$4.45	No	
FY2020 - MD	6/11/2019	1/7/19 to 30/6/22	31/08/2022	$5.71	EPS Growth	$6.18	No	Nil
					Relative TSR	$4.51	No	
FY2021 - Executives	27/08/2020	1/7/20 to 30/6/23	31/08/2023	$5.40	EPS Growth	$4.59	to be determined	n/a
					Relative TSR	$2.37		
FY2021 - MD	4/11/2020	1/7/20 to 30/6/23	31/08/2023	$5.40	EPS Growth	$5.07	to be determined	n/a
					Relative TSR	$2.92		
FY2022 - Executives	27/08/2021	1/7/21 to 30/6/24	31/08/2024	$6.70	EPS Growth	$5.83	to be determined	n/a
					Relative TSR	$3.18		
FY2022 - MD	3/11/2021	1/7/21 to 30/6/24	31/08/2024	$6.70	EPS Growth	$5.20	to be determined	n/a
					Relative TSR	$2.36		

The number of share rights granted to key management personnel under the LTI scheme during FY2022 is shown in the table below. The number of rights granted has been determined by dividing the FY2022 LTI grant opportunity by the market value of shares at the beginning of the performance period, which is the volume weighted average price of the company's shares over the first five trading days in FY2022 ($6.70). The market value of the shares is not discounted.

The fair value of the rights has been determined using the amount of the grant date fair value.

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Reconciliation of LTI share rights held by KMP

The following table shows how many share rights were granted, vested and forfeited during the year for KMP.

Name & grant dates	Balance at start of year Number	Granted during year Number	Vested Number	Vested %	Forfeited Number	Forfeited %	Balance at end of year (unvested) Number	Max. value yet to vest *
Executive director								
N J Blackburne								
3 Nov 2021**	-	102,895	-	-	-	-	102,895	$121,416
4 Nov 2020**	127,666	-	-	-	-	-	127,666	$510,026
6 Nov 2019**	120,735	-	-	-	-	-	120,735	$272,257
13 Nov 2018**	46,875	-	14,845	31.7	32,030	68.3	-	-
Senior executives								
P Archer								
27 Aug 2021	-	31,656	-	-	-	-	31,656	$50,333
27 Aug 2020	39,277	-	-	-	-	-	39,277	$136,684
24 Sep 2019	37,145	-	-	-	-	-	37,145	$82,648
14 Sep 2018	17,270	-	5,469	31.7	11,801	68.3	-	-
L M Hanrahan								
27 Aug 2021	-	17,910	-	-	-	-	17,910	$28,477
27 Aug 2020	22,222	-	-	-	-	-	22,222	$77,333
24 Sep 2019	21,015	-	-	-	-	-	21,015	$46,758
14 Sep 2018	8,224	-	2,604	31.7	5,620	68.3	-	-
P S Freedman								
27 Aug 2021	-	7,462	-	-	-	-	7,462	$11,865
27 Aug 2020	7,407	-	-	-	-	-	7,407	$25,776

** The LTI awards granted in FY2022 vest on 31 August 2024 subject to the vesting conditions. The maximum value of the deferred shares yet to vest has been determined based on the grant date fair value of the rights, adjusted to the anticipated vesting outcomes.*

*** Approval for the issue of share rights to NJ Blackburne was obtained from shareholders under Australian Securities Exchange Listing Rule 10.14.*

Performance of shareholder return metrics

In FY2022, the company delivered a profit of $37.4 million, an increase of 14 per cent over the prior year.

The returns to shareholders of Cedar Woods over the last 1, 3 and 5 years are detailed in the table below:

Returns to shareholders over 1, 3 and 5 years (%, annualised)	1 year	3 years	5 years
EPS growth	12.2	(9.2)	(4.5)
Share price growth	(45.2)	(13.5)	(6.7)
Dividend growth (declared dividend)	3.8	(4.4)	(1.7)
Dividend growth (paid dividend)	35.9	(9.7)	(1.4)
CWP TSR (change in share price and dividends)	(42.4)	(9.5)	(1.9)
S&P Small Industrials Index (XSIAI) TSR	(24.0)	(2.2)	3.3

The total shareholder return in FY2022 was -42.4 per cent which underperformed the S&P Small Industrials Index total return of -24.0 per cent over the same period. The returns over 3 and 5 years also underperformed the S&P Small Industrials Index and, to a lesser extent, the majority of listed peers in the property sector. While the Company's profits and dividends have been increasing since FY2020, recent negative sentiment towards the property sector and the company's exit from the S&P ASX 300 index in 2022 weighed on the share price.

The company's share price is subject to market factors that are beyond the company's control. The measures of the company's financial performance over the last five years as required by the *Corporations Act 2001* are shown in the table below. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration awarded to KMP, the basis for which is outlined above. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020	2019	2018
Profit for the year ($'000)	37,388	32,834	20,387	48,644	42,603
Basic earnings per share (cents)	45.7	40.7	25.4	60.9	53.9
Dividends per share (cents)	27.5	26.5	19.0	31.5	30.0
Increase (decrease) in share price (%)	(45.2)	28.1	(8.1)	(1.0)	10.6

Executive remuneration for the years ended 30 June 2022 and 30 June 2021

When determining the remuneration mix for executives, the Remuneration and Nominations committee used the target STI and LTI opportunities contained in the tables on pages 58 and 59, which differ from the amounts calculated in the table below. In the below table, the actual cash bonuses are shown, and the share based payment is calculated in accordance with AASB 2 *Share Based Payments*.

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Remuneration expenses for executive KMP

Details of the remuneration expense recognised for each executive KMP of Cedar Woods, in accordance with accounting standards, is set out below.

Name	Financial year	Short-term benefits			Post employment	Long term benefits			Performance related
		Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Share based payment # $	Long Service Leave $	Total $	%
Executive Director									
N J Blackburne	**2022**	**733,280**	**328,614**	**11,516**	**27,386**	**405,104**	**12,682**	**1,518,582**	**48%**
	2021	736,273	142,189	12,961	23,698	436,908	9,790	1,361,819	43%
Other KMP									
P Archer	**2022**	**406,432**	**145,125**	**5,381**	**23,568**	**91,190**	**8,289**	**679,985**	**35%**
	2021	403,306	104,000	5,099	21,694	82,861	7,067	624,027	30%
L M Hanrahan	**2022**	**322,500**	**95,625**	**7,000**	**27,500**	**51,459**	**13,433**	**517,517**	**28%**
	2021	285,000	52,250	7,406	25,000	45,656	5,154	420,466	23%
P S Freedman	**2022**	**160,454**	**46,250**	**550**	**25,892**	**12,533**	**4,658**	**250,337**	**23%**
	2021	154,081	33,000	550	23,611	9,152	2,793	223,187	19%
Total	**2022**	**1,622,666**	**615,614**	**24,447**	**104,346**	**560,286**	**39,062**	**2,966,421**	
	2021	1,578,660	331,439	26,016	94,003	574,577	24,804	2,629,499	

 # Equity-settled share-based payments relate to the component of the fair value of awards from the 2019, 2020, 2021 and 2022 LTI plans and 2021 and 2022 DSTI plans attributable to the year measured in accordance with AASB 2 Share Based Payments. Comparatives have been restated to ensure consistency with the disclosure requirements of AASB2.

Cash salary and fees include annual leave accrual.

Remuneration received by executive KMP

The remuneration illustrated in the table below has been provided as additional non-statutory information to assist in understanding the total value of remuneration (take home remuneration) received by executive KMP in the current and prior financial years. The value of equity in this section is calculated in a different way to the statutory disclosure in the previous table.

Name	Financial year	Short-term benefits			Post employment	Long term benefits			Performance related
		Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Share based payment vested # $	Long Service Leave $	Total $	%
Executive Director									
N J Blackburne	**2022**	**733,280**	**328,614**	**11,516**	**27,386**	**207,594**	**12,682**	**1,321,072**	**41%**
	2021	736,273	142,189	12,961	23,698	57,902	9,790	982,813	20%
Other KMP									
P Archer	**2022**	**406,432**	**145,125**	**5,381**	**23,568**	**36,533**	**8,289**	**625,328**	**29%**
	2021	403,306	104,000	5,099	21,694	26,179	7,067	567,345	23%
L M Hanrahan	**2022**	**322,500**	**95,625**	**7,000**	**27,500**	**17,395**	**13,433**	**483,453**	**23%**
	2021	285,000	52,250	7,406	25,000	5,539	5,154	380,349	15%
P S Freedman	**2022**	**160,454**	**46,250**	**550**	**25,892**	**-**	**4,658**	**237,804**	**19%**
	2021	154,081	31,393	550	25,218	12,319	2,793	226,354	20%
Total	**2022**	**1,622,666**	**615,614**	**24,447**	**104,346**	**261,522**	**39,062**	**2,667,657**	
	2021	**1,578,660**	**329,832**	**26,016**	**95,610**	**101,939**	**24,804**	**2,156,861**	

**The short-term benefits represent the cash bonuses that are awarded to each KMP in relation to FY2022 and which are paid in the following financial year.*

 # LTI vested is based on the market value of securities at the date of vesting. In FY2022, shares vested under the FY2019-FY2021 LTI plan and FY2020-FY2021 DSTI plan.

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s. Executive contracts

Remuneration and other terms of employment for executives are formalised in employment agreements.

Details of executive service contract for the Managing Director and other executives

The Managing Director, Mr N J Blackburne is employed under an ongoing contract.

Mr Blackburne's total remuneration package for FY2022 was as follows:

- Fixed remuneration of $766,000 per annum
- Target STI opportunity of $421,300, Maximum STI opportunity of $631,950 (65% in cash, 35% in DSTI)
- Target & Maximum LTI opportunity $689,400.

The target STI and LTI opportunity represent 22% and 37% respectively of the total target remuneration. The maximum STI opportunity represents 30% of the maximum remuneration.

If the Managing Director resigns following a takeover or substantial change of control of the company due to a material variation or diminution in his position duties, reporting structure or status, he will be entitled to be paid the maximum amount permitted under s 200G of the *Corporations Act 2001.*

The agreements for the executives are reviewed annually by the Committee for each KMP and details are as follows:

	Contract term	Notice required to terminate contract	Termination benefit *
Executive director N J Blackburne	No fixed term	6 months	Either party may terminate with 6 months' notice
Other senior executives	No fixed term	Up to 3 months	Up to 3 months base salary

** For treatment of STI and LTI awards upon cessation of employment please refer to q) iii. Details of incentive plans.*

t. NED fee arrangements

Determination of fees and maximum aggregate NED fee pool

On appointment to the Board, all NEDs enter into a service agreement with the company in the form of a letter of appointment. The letter details the terms, including fees, relevant to the office of the NED. Fees and payments to NEDs reflect the demands which are made on, and the responsibilities of the NEDs.

NEDs' receive an additional fee for chairing committees (no additional fees are paid for committee membership or for memberships of directors on subsidiary Boards). NEDs do not receive performance-based remuneration.

Remuneration of NEDs is determined by the Board, after receiving recommendations from the Committee, within the maximum aggregate amount approved by the shareholders from time to time (currently set at $750,000 as approved at the 10 November 2014 annual general meeting). The total of NED fees paid in FY2022 was $623,000.

Fee policy

NEDs' annual fees were last reviewed from FY2020 (effective date: 1 July 2019). The annual fees (inclusive of superannuation) for FY2022 and FY2021 are set out in the table below:

	2022 $	2021 $
Chair	174,000	174,000
Deputy Chair	137,000	137,000
Other NEDs	94,000	94,000
Committee Chair	15,000	15,000
Committee member	Nil	Nil

NED remuneration for the years ended 30 June 2022 and 30 June 2021

The table below outlines fees paid to NEDs for FY2022 and FY2021 in accordance with statutory rules and applicable accounting standards.

		Short-term benefits	Post-employment	
Name	Financial year	Board and committee fees $	Superannuation $	Total $
W G Hames	**2022**	**158,182**	**15,818**	**174,000**
	2021	158,904	15,096	174,000
R S Brown	**2022**	**124,545**	**12,455**	**137,000**
	2021	113,699	10,801	124,500
R Packer	**2022**	**-**	**-**	**-**
	2021	29,605	2,813	32,418
V A Davies	**2022**	**99,091**	**9,909**	**109,000**
	2021	99,543	9,457	109,000
J M Muirsmith	**2022**	**99,091**	**9,909**	**109,000**
	2021	99,543	9,457	109,000
P G Say	**2022**	**85,455**	**8,545**	**94,000**
	2021	14,308	1,359	15,667
Total	**2022**	**566,364**	**56,636**	**623,000**
	2021	515,602	48,983	564,585

u. Additional statutory disclosures

Equity instrument disclosures relating to KMP

The numbers of ordinary shares in the company held during the financial year by each director and other KMP of Cedar Woods, including their personally-related parties, are set out below.

2022	Number of shares at the start of the year	Received on vesting of rights (LTI)	Other changes during the year	Number of shares at the end of the year
NEDs				
W G Hames *	10,595,860	-	413,652	11,009,512
R S Brown	7,821,633	-	(200,000)	7,621,633
V A Davies	16,278	-	9,722	26,000
J M Muirsmith	18,001	-	3,913	21,914
P G Say	14,500	-	20,332	34,832
Executive director				
N J Blackburne	83,951	31,077	20,675	135,703
Senior executives				
P Archer	36,180	5,469	5,091	46,740
L M Hanrahan	13,834	2,604	2,000	18,438
P S Freedman	76,256	-	4,255	80,511

** *Includes 2,014,439 (2021 – 2,014,439) shares over which W G Hames has voting rights and a first right of refusal to purchase.*

The interests shown above comply with AASB124 Related Party Disclosures and differ to those shown at item l) of the directors' report which comply with the requirements of sections 608 and 609 of the *Corporations Act 2001.* The table above includes the shares held by related parties of the KMP.

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Other transactions with key management personnel

Aggregate amounts of other transactions with key management personnel of Cedar Woods or their related entities:

	2022 $	2021 $
Amounts recognised as expense		
Settlement fees	305,176	364,085
	305,176	**364,085**
Amounts recognised as inventory/ investment property		
Architectural fees	788,690	289,651
	788,690	**289,651**
Total amounts recognised in year	**1,093,866**	**653,736**
Aggregate amounts of assets at balance date relating to the above types of other transactions with directors of Cedar Woods or their related entities:		
Inventory	788,690	289,651
	788,690	**289,651**

Where entities related to directors are able to fulfil the requisite criteria to provide the services at competitive rates, they may be engaged by the company to perform the services, subject to the Board considering the services under the Conflict of Interest policy, available on the Company website. Should entities connected with the directors be engaged, the directors declare their interests in those dealings and take no part in decisions relating to them.

The consolidated entity uses a number of firms for architectural, urban design and planning services and settlement services. Accordingly, the company has a high level of knowledge regarding commercial rates for these services. In addition, tenders and market reviews are regularly conducted to ensure that services are provided on competitive terms and conditions.

During the year, planning, architectural and consulting services were provided by Hames Sharley Architects of which Mr W G Hames is a principal. The transactions were performed on normal commercial terms and conditions and fees paid were consistent with market rates. The value of services provided was higher than in the previous year as a result of the timing of architectural and design work performed on the Williams Landing Town Centre in Melbourne and the Glenside project in Adelaide. The Glenside project was introduced to the company by Hames Sharley.

Property settlement charges were paid to Westland Settlement Services Pty Ltd (Westland), a company associated with the family of Mr R S Brown. The charges were based on normal commercial terms and conditions. At the estates where Westland was engaged, the number of lots that settled in FY2022 was lower than that of the previous year and as a result the value of transactions with Westland decreased. Settlement fees include out of pocket expenses incurred by Westland that are paid to Landgate and PEXA.

There are no aggregate amounts payable to directors of Cedar Woods at balance date. Amounts of $16,500 and $1,575 were payable to related entities (Hames Sharley (SA) Pty Ltd and Westland Settlement Services Pty Ltd respectively) at balance date. There are no other amounts payable to related entities at balance date relating to the above types of other transactions.

v. Independent audit of remuneration report

The remuneration report has been audited by PricewaterhouseCoopers (PwC). See page 121 of this annual financial report for PwC's report on the remuneration report.

w. Retirement, election and continuation in office of directors

WG Hames and RS Brown retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

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x. Insurance of officers

During the financial year, Cedar Woods paid a premium in respect of directors' and officers' liabilities that indemnifies certain officers of the company and its controlled entities. The officers of the company covered by the insurance policy include the directors and the Company Secretary. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company and its controlled entities. The directors have not included more specific details of the nature of the liabilities covered or the amount of the premium paid in respect of the policy, as such disclosure is prohibited under the terms of the contract.

y. Non-audit services

The group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out in note 32 in the other information section of this report.

The Board of directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

All non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor.

None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants.*

z. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* forms part of this directors' report and is set out on page 69.

aa. Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The directors report including the remuneration report is signed in accordance with a resolution of the directors of Cedar Woods.

N J Blackburne
Managing Director
24 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Cedar Woods Properties Limited for the year ended 30 June 2022, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
24 August 2022

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FINANCIAL STATEMENTS

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These financial statements are consolidated financial statements for the group consisting of Cedar Woods Properties Limited and its subsidiaries. A list of major subsidiaries is included in note 24.

The financial statements are presented in the Australian currency.

Cedar Woods Properties Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Ground Floor,
50 Colin Street
WEST PERTH WA 6005.

The financial statements were authorised for issue by the directors on 24 August 2022. The directors have the power to amend and reissue the financial statements.

CEDAR WOODS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	1(i)	333,036	299,751
Cost of sale of land and buildings		(230,319)	(196,887)
Cost of providing development services		(6,317)	(10,786)
Gross profit		**96,400**	**92,078**
Project operating costs		(19,564)	(22,358)
Administration expenses		(24,257)	(21,491)
Other expenses		-	(504)
Other income		1,481	2,851
Operating profit		**54,060**	**50,576**
Finance costs	2	(444)	(3,049)
Share of net loss of joint ventures accounted for using the equity method		-	(24)
Profit before income tax		**53,616**	**47,503**
Income tax expense	3	(16,228)	(14,669)
Profit for the year	17	**37,388**	**32,834**
Total comprehensive income for the year		**37,388**	**32,834**
Total comprehensive income attributable to members of Cedar Woods Properties Limited		**37,388**	**32,834**
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	4	45.7 cents	40.7 cents
Diluted earnings per share	4	45.2 cents	40.3 cents

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

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CONSOLIDATED BALANCE SHEET
As at 30 June 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	2,957	5,386
Trade and other receivables	6	9,310	6,355
Contract assets	1(ii)	3,755	4,801
Inventories	7	211,909	194,083
Deferred development costs	8	3,972	5,460
Other financial assets	9	741	-
Total current assets		**232,644**	**216,085**
Non-current assets			
Receivables	6	7,800	7,046
Inventories	7	489,600	378,821
Contract assets	1(ii)	347	-
Other financial assets	9	1,718	10
Property, plant and equipment	10	7,492	8,048
Right-of-use assets		998	1,290
Investment properties	11	38,591	39,635
Lease incentives		643	865
Total non-current assets		**547,189**	**435,715**
Total assets		**779,833**	**651,800**
LIABILITIES			
Current liabilities			
Trade and other payables	12	26,898	21,633
Borrowings	13	29,159	-
Other financial liabilities	9	87,886	42,927
Current tax liabilities		5,321	6,906
Contract liabilities	1(ii)	7,436	5,396
Lease liabilities		619	898
Provisions		1,346	1,360
Total current liabilities		**158,665**	**79,120**
Non-current liabilities			
Borrowings	13	172,486	118,714
Other financial liabilities	9	24,424	50,919
Lease liabilities		549	650
Provisions		228	215
Deferred tax liabilities	14	2,258	1,821
Total non-current liabilities		**199,945**	**172,319**
Total liabilities		**358,610**	**251,439**
Net assets		**421,223**	**400,361**

CEDAR WOODS

CONSOLIDATED BALANCE SHEET (CONTINUED)
As at 30 June 2022

	Note	2022 $'000	2021 $'000
EQUITY			
Contributed equity	15	137,333	133,119
Reserves	16	1,815	1,305
Retained profits	17	282,075	265,937
Total equity		**421,223**	**400,361**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2022

	Note	Contributed equity $'000	Reserves $'000	Retained profits * Restated $'000	Total $'000
Balance at 1 July 2020		**127,781**	**568**	**248,452**	**376,801**
Profit for the year		-	-	32,834	32,834
Total comprehensive income for the year		-	-	**32,834**	**32,834**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	15	5,247	-	-	5,247
Transfers from reserves to retained profits	16	-	(148)	148	-
Dividends provided for or paid	23	-	-	(15,497)	(15,497)
Employee share scheme	15, 16	91	885	-	976
		5,338	737	(15,349)	(9,274)
Balance at 30 June 2021		**133,119**	**1,305**	**265,937**	**400,361**
Balance at 1 July 2021		**133,119**	**1,305**	**265,937**	**400,361**
Profit for the year		-	-	37,388	37,388
Total comprehensive income for the year		-	-	**37,388**	**37,388**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	15	3,984	-	-	3,984
Transfers from reserves to retained profits	16	-	(182)	182	-
Dividends provided for or paid	23	-	-	(21,432)	(21,432)
Employee share scheme	15, 16	230	692	-	922
		4,214	510	(21,250)	(16,526)
Balance at 30 June 2022		**137,333**	**1,815**	**282,075**	**421,223**

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

CEDAR WOODS

CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (incl. GST)		356,321	330,618
Other income		63	1,083
Payments to suppliers and employees (incl. GST)		(69,416)	(75,591)
Payments for land and development		(329,296)	(198,972)
Interest received		177	398
Borrowing costs paid		(6,309)	(4,418)
Income taxes paid		(17,376)	(11,531)
Net cash inflows (outflows) from operating activities	19(i)	**(65,836)**	**41,587**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		13	36
Proceeds from capital return from joint venture		521	1,625
Payments for investment properties		(245)	(398)
Payments for property, plant and equipment		(992)	(1,584)
Net cash outflows from investing activities		**(703)**	**(321)**
Cash flows from financing activities			
Proceeds from (repayment of) borrowings		82,442	(27,405)
Principal elements of lease payments		(896)	(933)
Dividends paid	23	(17,436)	(10,233)
Net cash (outflows) inflows from financing activities		**64,110**	**(38,571)**
Net (decrease) increase in cash and cash equivalents		(2,429)	2,695
Cash and cash equivalents at the beginning of the year		5,386	2,691
Cash and cash equivalents at the end of the year	5	**2,957**	**5,386**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

These are the consolidated financial statements of Cedar Woods Properties Limited and its subsidiaries. A list of major subsidiaries is included in note 24.

The notes are set out in the following main sections:

A Key numbers:

Provides a breakdown of those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the group, or where there have been significant changes that required specific explanations; the section further explains what accounting policies have been applied to determine these line items and how the amounts were affected by significant estimates and judgements made in calculating the final numbers.

B Financial risks:

Discusses the group's exposure to various financial risks, explains how these affect the group's financial position and performance and what the group does to manage these risks.

C Group structure:

Explains significant aspects of the group structure and how changes have affected the financial position and performance of the group.

D Unrecognised items:

Provides information about items that are not recognised in the financial statements but could potentially have a significant impact on the group's financial position and performance.

E Further information:

Information that is not immediately related to individual line items in the financial statements, such as related party transactions, share based payments and a full list of the accounting policies applied by the entity.

CEDAR WOODS

SECTION A: KEY NUMBERS

This section provides a breakdown of those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the group, or where there have been significant changes that required specific explanations, what accounting policies have been applied to determine these line items and how the amounts were affected by significant estimates and judgements made in calculating the final numbers.

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PROFIT OR LOSS INFORMATION

1. Revenue

(i) Disaggregation of revenue from contracts with customers

	2022 $'000	2021 $'000
Timing of revenue recognition		
At a point in time		
Sale of land and buildings	318,695	280,577
Development services	8,323	13,554
Over time		
Rent from properties	6,018	5,620

(ii) Assets and liabilities related to contracts with customers

	2022 $'000	2021 $'000
Contract assets		
Commissions relating to property sales	3,041	4,801
Development services fees	1,061	-
Total contract assets	**4,102**	**4,801**
Costs to fulfil a contract that were included in the contract asset balance at the beginning of the period		
Commissions relating to property sales	3,376	657

Sales commissions incurred to fulfill a property sale contract are classified as contract assets in the balance sheet when incurred and are expensed when associated revenue is recognised.

	2022 $'000	2021 $'000
Current contract liabilities		
Customer rebates	7,348	5,396
Other	88	-
Total contract liabilities	**7,436**	**5,396**
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Customer rebates	2,272	3,184

(iii) Transaction price allocated to remaining performance obligations

The transaction price allocated to partially unsatisfied performance obligations at 30 June 2022 is set out below:

	2022 $'000	2021 $'000
Within one year	361,068	341,539
More than one year	188,337	145,322
Total	549,405	486,861

2. Expense items

Profit before income tax expense includes the following specific expenses:

	Note	2022 $'000	2021 $'000
Finance costs			
Interest and finance charges		6,813	4,476
Interest - leases		39	68
Interest – other financial liabilities		3,049	2,770
Unrealised financial instrument (gains) losses		(2,536)	(68)
Less: amount capitalised	(i)	(6,921)	(4,197)
Finance costs expensed		**444**	**3,049**

(i) Capitalised borrowing costs

Where qualifying assets have been financed by the entity's corporate facility, the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's corporate facility during the year, in this case 2.42% (2021 – 1.55%) per annum. Where qualifying assets are financed by specific facilities, the applicable borrowing costs of those facilities are capitalised.

	Note	2021 $'000	2021 $'000
Net loss on disposal of property, plant and equipment		262	98
Loss allowance of trade receivables	6	(87)	174
Employee benefits expense		14,472	13,691
Superannuation		1,309	1,143
Depreciation of property, plant and equipment	10	1,220	1,106
Depreciation of investment properties	11	976	980
Depreciation of right-of-use assets	(ii)	868	848
Other lease expenses			
Expense relating to short-term leases	(ii)	14	33
Expense relating to leases of low value assets that are not shown above as short-term leases	(ii)	9	-
Other			
Write-down of inventory		-	524

(ii) Lease costs included in profit before income tax

Depreciation of right-of-use assets is presented within Administration expenses and Project operating costs on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Expenses relating to short-term leases and low value assets are presented within Project operating costs on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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3. Income tax

This note provides an analysis of the group's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

(i) Income tax expense

	Note	2022 $'000	2021 $'000
Current tax		15,786	19,230
Deferred tax		442	(4,561)
Income tax expense attributable to profit		**16,228**	**14,669**
Deferred income tax (revenue) expense included in income tax expense comprises:			
(Increase) decrease in deferred tax assets	14	(620)	(805)
(Decrease) increase in deferred tax liabilities	14	1,062	(3,756)
		442	(4,561)

(ii) Numerical reconciliation of income tax expense to prima facie tax payable

	2022 $'000	2021 $'000
Profit before income tax	53,616	47,503
Tax at the Australian tax rate of 30% (2021 – 30%)	16,085	14,251
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Subsidiary company loss	-	11
- Interest revenue	-	5
- Employee share scheme	277	293
- Share of net loss of joint venture	-	7
- Other income	(157)	(22)
- Permanent differences arising from capital gains	-	113
- Sundry items	23	11
	143	418
Income tax expense	**16,228**	**14,669**

4. Earnings per share

	2022	2021
Basic earnings per share (cents)	45.7	40.7
Diluted earnings per share (cents)	45.2	40.3
Net profit attributable to the ordinary owners of the company ($'000)	**37,388**	**32,834**
Weighted average number of ordinary shares used as the denominator in the calculation of earnings per share	81,881,597	80,753,378
Weighted average number of ordinary shares used as the denominator in the calculation of diluted earnings per share	82,663,261	81,457,949

The calculation of diluted earnings per share includes performance rights that may vest under the company's LTI and DSTI plans.

BALANCE SHEET INFORMATION

5. Cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank and in hand	2,957	5,386
	2,957	**5,386**

The above figure reconciles to the amount of cash shown in the statement of cash flows at the end of the year.

Cash at bank includes cash held in day to day bank transaction accounts and deposit accounts earning interest from 0 to 1.0% (2021 - 0 to 0.4%) per annum depending on the balances.

The Group's exposure to interest rate risk is discussed in note 21 Financial risk management. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

6. Trade and other receivables

	Notes	2022 $'000	2021 $'000
Current			
Trade receivables	(ii)	6,785	4,692
Less: Loss allowance	(i), (ii)	(236)	(323)
Other receivables	(ii)	1,151	721
Prepayments		1,610	1,265
		9,310	**6,355**
Non-Current			
Trade receivables	(ii)	-	1,632
Other receivables	(iii)	7,798	5,411
Loans – employee share scheme (discontinued)	33	2	3
		7,800	**7,046**

(i) Credit risk

To measure the lifetime expected credit loss for rental debtors, a provision is raised against each debtor based upon the payment profile over the last 12 months, adjusted for current and forward-looking information supporting the expected settlement of the receivable.

(ii) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days. The group's accounting policies for trade and other receivables are outlined in note 34(h).

(iii) Other non-current receivables

Other non-current receivables comprise refundable deposits paid on conditional contracts.

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7. Inventories

	Notes	2022 $'000	2021 $'000
Total Inventory			
Current inventory	(i), (ii)	211,909	194,083
Non-current inventory	(i), (ii)	489,600	378,821
Aggregate carrying amount		**701,509**	**572,904**

	2022 $'000	2021 $'000
Current		
Property held for resale		
- at cost	64,363	37,624
- at valuation 30 June 1992 *	-	13
- capitalised development costs	147,546	156,446
	211,909	**194,083**

** The 1992 valuations were independent valuations which were based on current market values at that time.*

	2022 $'000	2021 $'000
Non-Current		
Property held for resale		
- at cost	389,578	280,172
- capitalised development costs	94,680	93,378
- at net realisable value	5,342	5,271
	489,600	**378,821**

(i) Current and non-current assets pledged as security

Refer to note 13 for information on current assets pledged as security by the parent entity or its controlled entities.

(ii) Accounting for inventory

Refer to note 34(i) for the recognition and classification of inventory.

8. Deferred development costs

	2022 $'000	2021 $'000
Current		
Deferred development costs	3,972	5,460
	3,972	**5,460**

Development costs incurred by the group for the development of land not held as inventory by the group are recorded as deferred development costs in the balance sheet.

9. Other financial assets and other financial liabilities

Other financial assets

	Notes	2022 $'000	2021 $'000
Current			
Interest rate hedge contracts	(i)	741	-
		741	**-**
Non-current			
Interest rate hedge contracts	(i)	1,718	10
		1,718	**10**

Derivatives are only used for economic hedging purposes and not as speculative investments. The group's accounting policy for its cash flow hedges is set out in note 34(t). They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Other financial liabilities

	Notes	2022 $'000	2021 $'000
Current			
Due to vendors of properties under contracts of sale		87,886	42,853
Interest rate hedge contracts	(i)	-	74
		87,886	**42,927**
Non-current			
Due to vendors of properties under contract of sale		24,375	50,901
Other payables		49	5
Interest rate hedge contracts	(i)	-	13
		24,424	**50,919**

(i) Instruments used by the group

The group is party to derivative financial instruments in the normal course of business in order to manage exposure to fluctuations in interest rates in accordance with the group's financial risk management policies.

Interest rate hedge contracts

The group's policy is to protect part of the loans from exposure to fluctuations in interest rates. Accordingly, the consolidated entity has entered into interest rate hedge contracts under which part of the consolidated entity's projected borrowings are protected for the period from 1 July 2022 to 30 June 2025. The group uses a combination of caps and collars to hedge interest rates.

The caps effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at certain levels between 1.00% - 3.00% (2021 – 1.00% to 1.50%). The collars effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at 1.50% and apply a floor to interest rates of 0.87% (2021 – 1.50% and apply a floor to interest rates of 0.87%).

Interest rate hedge contracts currently in place cover approximately 52% (2021 – 46%) of the variable loans outstanding at balance date, with terms expiring in 2022 and 2023. The group is not applying hedge accounting to these derivatives. The gain or loss from re-measuring the derivative financial instruments at fair value is recognised in profit or loss.

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10. Property, plant and equipment

	2022 $'000	2021 $'000
Plant and Equipment at Cost		
At start of the year	12,864	11,491
Additions	1,152	1,602
Disposals	(599)	(229)
At end of the year	13,417	12,864
Accumulated depreciation on Plant and Equipment		
At start of the year	4,816	3,791
Disposals	1,220	(81)
Charge for the year	(111)	1,106
At end of the year	5.925	4,816
Net book value	**7,492**	**8,048**

(i) Non-current assets pledged as security

Refer to note 13 for information on non-current assets pledged as security by the parent entity or its controlled entities.

11. Investment properties

	Note	2022 $'000	2021 $'000
Non-current assets – at cost			
Opening balance at the start of the year		39,635	40,701
Capitalised expenditure		128	118
Depreciation		(976)	(980)
Impairment of capitalised lease costs		(196)	(204)
Closing balance at the end of the year		38,591	39,635
Represented by:			
Completed investment property	(i),(ii),(iii),(iv)	38,591	39,635
Closing balance at the end of the year		**38,591**	**39,635**

(i) Amounts recognised in profit or loss for investment properties

	2022 $'000	2021 $'000
Rental income	5,734	5,224
Direct operating expenses from property that generated rental income	(3,326)	(3,667)

(ii) Fair value of investment property

The fair value of the Williams Landing Shopping Centre which makes up completed investment property at 30 June 2022 is $83.3m, based on an internal management valuation (2021 – external valuation of $83.6m). The investment property includes land surrounding the shopping centre for future development which is on the same title, contributing $20.0m (2021: $20.6m) to the valuation. The management valuation applies a market capitalisation rate to the net rent for the shopping centre to determine fair value.

(iii) Leasing arrangements

Investment properties are leased to tenants under long term operating leases. Minimum lease payments under non-cancellable leases are receivable as follows:

	2022 $'000	2021 $'000
Within one year	4,336	4,499
Later than one year but not later than 5 years	17,768	17,999
Later than 5 years	20,035	17,097
	42,139	**39,595**

(iv) Non-current assets pledged as security

Refer to note 13 for information on non-current assets pledged as security by the parent entity or its controlled entities.

12. Trade and other payables

	2022 $'000	2021 $'000
Trade payables	2,692	7,372
Accruals	23,919	13,984
Other payables	287	277
	26,898	**21,633**

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

13. Borrowings

	2022 $'000	2021 $'000
Current		
Bank loan – secured (Williams Landing Shopping Centre facility)	29,193	-
Facility fees capitalised (amortised over the period of facility)	(92)	-
Amortisation of facility fees	58	-
	29,159	**-**
Non-Current		
Bank loans – secured (Corporate facilities)	172,800	90,000
Bank loan – secured (Williams Landing Shopping Centre facility)	-	29,193
Facility fees capitalised (amortised over the period of facility)	(361)	(1,024)
Amortisation of facility fees	47	545
	172,486	**118,714**

The fair value of non-current borrowings equals their carrying amount.

(i) Security for borrowings

All of the consolidated entity's assets are pledged as security for the group's finance facilities.

Bank loans totalling $172,800,000 provided by three major banks (2021 - $90,000,000) are secured by first registered mortgages over some of the consolidated entity's land holdings, and first registered charges, guarantees and indemnities provided by Cedar Woods and applicable subsidiary entities. Cedar Woods has provided first registered charges over its assets and undertakings in relation to the corporate loan facility.

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The Williams Landing Shopping Centre facility is secured by a first registered mortgage over the Williams Landing Shopping Centre (excluding land for future development) disclosed in investment properties at note 11.

(ii) Financing arrangements

The group had access to the following lines of credit at balance date:

	2022 $'000	2021 $'000
Corporate facilities		
Total facilities (loan and guarantees)	300,000	205,000
Used at balance date (loan and guarantees)	(212,173)	(110,997)
Unused at balance date	87,827	94,003
Williams Landing Shopping Centre facility		
Total facility	30,000	30,000
Used at balance date	(29,193)	(29,193)
Unused at balance date	807	807
Total Facilities	330,000	235,000
Used at balance date	(241,366)	(140,190)
Unused at balance date	**88,634**	**94,810**

The consolidated entity has total corporate finance facilities of $300,000,000 (2021 - $205,000,000), provided by three major banks. The consolidated entity extended its corporate facility in December 2021 following its annual review. The facility tenure remains comprised of three and five year debt as follows:

- $240,000,000 (approximately 80%) of the facility expiring January 2025; and
- $60,000,000 (approximately 20%) of the facility expiring January 2027.

The conditions of the facilities impose certain covenants including interest cover, loan-to-valuation ratio and leverage ratio (net debt to EBITDA). The interest on the corporate loan facilities is variable and at 30 June 2022 was an average rate of 2.42% (2021 – 1.55%) per annum. The corporate facilities include bank guarantee facilities of $60,000,000 (2021 - $40,000,000) subject to similar terms and conditions, which were drawn to a total amount of $39,373,000 at 30 June 2022 (2021 - $20,997,000).

The consolidated entity has a facility of $30,000,000 (2021 - $30,000,000) in place for the Williams Landing Shopping Centre investment property. The conditions of the facility impose certain covenants including loan-to-valuation ratio and interest cover ratio. The facility extends to 30 June 2023. The interest on the Williams Landing Shopping Centre loan facility is variable and at 30 June 2022 was an average rate of 2.85% (2021 – 1.96%) per annum.

Details of the group's exposure to risk arising from current and non-current borrowings are set out in note 21. Financial risk management.

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14. Deferred tax

(i) Assets

	Notes	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:			
Inventory		3,135	2,782
Capital losses		1,745	1,745
Provision for customer rebates		2,205	1,619
Property, plant and equipment		344	595
Provision for employee benefits		862	824
Other		202	303
Total deferred tax assets		8,493	7,868
Set-off of deferred tax assets pursuant to set-off provisions		(8,493)	(7,868)
Net deferred tax assets		-	-
Deferred tax assets at the start of the year		7,868	7,056
Increase in deferred tax assets credited (debited) to income tax expense	3	620	805
Increase in deferred tax assets credited to equity		5	7
Deferred tax assets at the end of the year		8,493	7,868
Deferred tax assets expected to be recovered within 12 months		5,365	4,881
Deferred tax assets expected to be recovered after more than 12 months		3,128	2,987
		8,493	**7,868**

Movements	Inventory $'000	Provision for customer rebates $'000	Capital Losses $'000	Property, plant & equipment $'000	Provision for employee benefits $'000	Other $'000	Total $'000
At 1 July 2020	2,196	1,168	1,858	808	682	344	7,056
(Charged) credited							
- to profit or loss	586	451	(113)	(213)	142	(48)	805
- directly to equity	-	-	-	-	-	7	7
At 30 June 2021	2,782	1,619	1,745	595	824	303	7,868
(Charged) credited							
- to profit or loss	353	586	-	(251)	38	(106)	620
- directly to equity	-	-	-	-	-	5	5
At 30 June 2022	**3,135**	**2,205**	**1,745**	**344**	**862**	**202**	**8,493**

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(ii) Liabilities

	Notes	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:			
Inventory		6,073	5,768
Deferred development costs		1,192	1,638
Property, plant and equipment		621	251
Contract assets		977	1,242
Derivative financial instruments		738	-
Other		1,150	790
Total deferred tax liabilities		10,751	9,689
Set off of deferred tax assets pursuant to set-off provisions		(8,493)	(7,868)
Net deferred tax liabilities		**1,821**	**1,821**
Deferred tax liabilities at the start of the year		9,689	13,445
Increase (decrease) in deferred tax liabilities debited (credited) to income tax expense	3	1,062	(3,756)
Deferred tax liabilities at the end of the year		10,751	9,689
Deferred tax liabilities expected to be settled within 12 months		5,428	5,498
Deferred tax liabilities expected to be settled after more than 12 months		5,323	4,191
		10,751	**9,689**

Movements	Inventory $'000	Deferred development costs $'000	Property plant & equipment $'000	Contract Assets $'000	Derivative Financial Instruments $'000	Other $'000	Total $'000
At 1 July 2020	7,622	3,923	-	999	-	901	13,445
Charged (credited)							
- to profit or loss	(1,854)	(2,285)	251	243	-	(111)	(3,756)
At 30 June 2021	5,768	1,638	251	1,242	-	790	9,689
Charged (credited)							
- to profit or loss	305	(446)	370	(265)	738	360	1,062
At 30 June 2022	**6,073**	**1,192**	**621**	**977**	**738**	**1,150**	**10,751**

15. Equity

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Movement in ordinary share capital				
Start of the year	**81,344,846**	**80,447,826**	**133,119**	**127,781**
Shares issued pursuant to the dividend reinvestment plan:				
Ordinary shares issued on 27 October 2021 at $5.89	678,422	-	3,996	-
Ordinary shares issued on 30 April 2021 at $6.69	-	575,465	-	3,850
Ordinary shares issued on 30 October 2020 at $5.61	-	252,065	-	1,414
Shares issued pursuant to the bonus share plan:				
Ordinary shares issued on 29 October 2021	39,857			
Ordinary shares issued on 30 April 2021	-	26,087	-	-
Ordinary shares issued on 30 October 2020	-	10,027	-	-
Shares issued under employee share scheme:				
Ordinary shares issued on 27 August 2021	64,727	-	230	-
Ordinary shares issued on 27 August 2020	-	33,376	-	91
Transaction costs arising on share issues	-	-	(12)	(17)
	783,006	**897,020**	**4,214**	**5,338**
End of the year	**82,127,852**	**81,344,846**	**137,333**	**133,119**

Holders of ordinary shares are entitled to participate in dividends and the proceeds on any winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a shareholder meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Holders of performance rights or zero-price options under executive or employee share plans are not entitled to participate in dividends or any winding up of the company, nor are they entitled to vote at shareholder meetings.

(i) Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend satisfied by the issue of new ordinary shares rather than being paid in cash. Shares may be issued under the plan at a discount to the market price, at the discretion of the Directors.

(ii) Bonus share plan

The company has established a bonus share plan under which holders of ordinary shares may elect not to receive dividends but to receive instead additional fully paid shares issued as 'Bonus Shares' to the equivalent value of the dividend foregone. The entitlement for shares issued under the plan is calculated based on the same pricing mechanism as the dividend reinvestment plan, including any discount.

For the 2022 financial year, the dividend reinvestment plan and bonus share plan were in operation for the 2021 final dividend and not in operation for the 2022 interim dividend.

(iii) Employee share scheme

Details of the company's employee share scheme can be found in note 33 and in the remuneration report on pages 55-57 and 59 of this financial report.

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16. Reserves

The following table shows the composition and movement in reserves during the year. A description of the nature and purpose of reserves is provided below the table.

	Notes	2022 $'000	2021 $'000
Composition			
Asset revaluation reserve (pre-1992)	(i)	-	3
Employee share plan reserve	(ii)	1,815	1,302
Balance at the end of the year		**1,815**	**1,305**
Movements			
(i) Asset revaluation reserve			
Balance at the beginning of the year		3	38
Transfer to retained profits	17	(3)	(35)
Balance at the end of the year		-	3
(ii) Employee share plan reserve			
Balance at the beginning of the year		1,302	530
Share-based payments expense		922	976
Transfer to equity	15	(230)	(91)
Transfer to retained profits	17	(179)	(113)
Balance at the end of the year		1,815	1,302

The asset revaluation reserve was used until 1992 to record increments and decrements on the revaluation of non-current assets. Refer to note 34(i).

The share-based payments reserve is used to recognise the grant date fair value of the rights issued to employees adjusted for those rights not expected to vest. Refer to note 33.

17. Retained profits

	Notes	2022 $'000	2021 $'000
Retained profits at the start of the year		265,937	248,452
Net profit attributable to members of Cedar Woods		37,388	32,834
Transfers from reserves	16	182	148
Dividends provided for or paid	23	(21,432)	(15,497)
Retained profits at the end of the year		**282,075**	**265,937**

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18. Categories of financial assets and financial liabilities

Notes 5, 6, 9, 12 and 13 provide information about the group's financial instruments, including:

(i) Specific information about each type of financial instrument

(ii) Accounting policies

(iii) Information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The group holds the following financial instruments:

Financial Assets	Notes	Derivatives used for hedging $'000	Financial assets at amortised cost $'000	Total $'000
2022				
Cash and cash equivalents	5	-	2,957	2,957
Trade and other receivables*	6	-	15,500	15,500
Derivative financial instruments	9	2,459	-	2,459
Total		**2,459**	**18,457**	**20,916**
2021				
Cash and cash equivalents	5	-	5,386	5,386
Trade and other receivables*	6	-	12,136	12,136
Derivative financial instruments	9	10	-	10
Total		**10**	**17,522**	**17,532**

** Excluding prepayments and contract assets.*

Financial Liabilities	Notes	Derivatives used for hedging $'000	Financial liabilities at amortised cost $'000	Total $'000
2022				
Trade and other payables	12	-	26,898	26,898
Borrowings	13	-	201,645	201,645
Other financial liabilities	9	-	112,310	112,310
Lease liabilities		-	1,168	1,168
Total		**-**	**342,021**	**342,021**
2021				
Trade and other payables	12	-	21,633	21,633
Borrowings	13	-	118,714	118,714
Other financial liabilities	9	87	93,759	93,846
Lease liabilities		-	1,548	1,548
Total		**87**	**235,654**	**235,741**

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CASH FLOW INFORMATION

19. Cash Flow information

(i) Reconciliation of profit after income tax to net cash inflows (outflows) from operating activities

	2022 $'000	2021 $'000
Profit after income tax	37,388	32,834
Depreciation and amortisation	3,064	2,933
Amortisation of lease incentives and legal fees	524	624
Write down of assets – investment property and lease incentives	36	10
Write down of inventory	-	524
Write down or loss on sale of non-current assets	262	98
Fair value (gain) on financial assets and liabilities	(2,536)	(98)
Non-cash share-based payments expense	922	976
Share of loss in equity accounted investment	-	24
Other income	(521)	(73)
Changes in operating assets and liabilities		
(Decrease) increase in provisions for employee benefits		
Increase in contract liabilities	2,040	1,502
(Increase) in inventories	(128,606)	(14,278)
Decrease in other deferred development costs	1,488	9,073
(Increase) in deferred tax assets	(624)	(812)
(Decrease) increase in current income tax payable	(1,586)	7,699
Increase (decrease) in deferred tax liability	1,062	(3,756)
Decrease in capitalised borrowing costs	489	284
(Increase) in trade receivables	(3,736)	(2,740)
Decrease (increase) in contract assets	699	(1,472)
Increase (decrease) in trade creditors	5,292	(4,411)
Increase in other financial liabilities	18,508	12,591
Net cash (outflows) inflows from operating activities	**(65,836)**	**41,587**

CEDAR WOODS

(ii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in debt for each of the periods presented.

	2022 $'000	2021 $'000
Cash and cash equivalents	2,957	5,386
Borrowings – repayable within one year	(29,159)	-
Borrowings – repayable after one year	(172,486)	(118,714)
Net debt	**(198,688)**	**(113,328)**
Cash and cash equivalents	2,957	5,386
Gross debt – variable interest rates	(201,645)	(118,714)
Net debt	**(198,688)**	**(113,328)**

	Other Assets	Liabilities from financing activities		
	Cash $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt as at 30 June 2020	**2,691**	**-**	**(145,362)**	**(142,671)**
Cash flows	2,695	-	27,435	30,130
Other non-cash movements	-	-	(787)	(787)
Net debt as at 30 June 2021	**5,386**	**-**	**(118,714)**	**(113,328)**
Cash flows	(2,429)	(29,193)	(53,249)	(84,871)
Other non-cash movements	-	34	(523)	(489)
Net debt as at 30 June 2022	**2,957**	**(29,159)**	**(172,486)**	**(198,688)**

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SECTION B: FINANCIAL RISKS

This section of the notes discusses the group's exposure to various risks and shows how these could affect the group's financial position and performance.

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SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and judgements turning out to be inaccurate. Detailed information about each of these estimates and judgements is presented below.

20. Significant estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity. The judgements that have a significant risk of causing a material adjustment to the carrying amounts or presentation of assets and liabilities within the next financial year are discussed below.

a) Inventory - classification

Judgement is exercised with respect to estimating the classification of inventory between current and non-current assets. Inventory is classified as current only when sales are expected to result in realisation of cash within the next twelve months, based on executed sales contracts at year end and management's settlement forecasts.

b) Inventory - valuation

The recoverable amount of inventory is estimated based on an assessment of net realisable value including future development costs. This requires judgement as to the future cash flows likely to be generated from the properties included in inventory, including in some cases, judgement regarding the likelihood and timing of obtaining planning, environmental and development approvals. Other items of estimation within project cash flow models utilised for assessing the recoverable amount of inventory can include future sales rate, sales prices, further development costs required to complete the inventory for settlement and in some cases escalation of revenues and costs and total project yield.

Management make informed estimates drawing on historical and recent experience, expert advice from consultants, third party valuations and economic and property market forecasts. In the current period, estimates have considered the impact of rising interest rates and inflation, in particular on customer demand and its effect on future sales rates and prices as well as cost of materials.

If approvals are not received when anticipated or forecasts of project yield, sale prices or future costs are significantly inaccurate, the recoverable amount of inventory may be significantly impaired. Refer also to note 34 (i).

There were no critical judgements other than those involving estimates referred to above, that management made in applying the group's accounting policies.

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FINANCIAL RISK MANAGEMENT

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

21. Financial Risk Management

The group's activities expose it to a variety of financial risks:

Risk	Exposure arising from	Measurement	Management
Market risk – interest rate risk	Long term borrowings at variable rates	Cash flow forecasting Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade and other receivables and derivative financial instruments	Ageing analysis Credit ratings Management of deposits	Ongoing checks by management Contractual arrangements
Liquidity risk	Borrowings and other liabilities	Forecast and actual cash flows	Flexibility in funding arrangements

Financial risk management is considered part of the overall risk management program overseen by the Audit and Risk Management committee. Further detail on the types of risks to which the group is exposed and the way the group manages these risks is set out below.

The group holds the following financial instruments:

	2022 $'000	2021 $'000
Financial assets		
Cash and cash equivalents	2,957	5,386
Trade and other receivables*	15,500	12,136
Derivative financial instruments	2,459	10
	20,916	**17,532**
Financial liabilities		
Trade and other payables	26,898	21,633
Other financial liabilities	112,310	93,759
Borrowings	201,645	118,714
Lease liabilities	1,168	1,548
Derivative financial instruments	-	87
	342,021	**235,741**

** Excluding prepayments and contract assets*

a) Market risk

i. Price risk

The consolidated entity has no foreign exchange exposure or price risk on equity securities.

ii. Cash flow and fair value interest rate risk

As the consolidated entity does not have a significant portfolio of interest-bearing assets, the income and operating cash inflows are not materially exposed to changes in market interest rates.

Interest rate risk arises from exposures to long term borrowings, where those borrowings are issued at variable interest rates. Borrowings issued at variable interest rates expose the group to cash flow interest rate risk.

The consolidated entity reviews the potential impact of variable interest rate changes and considers various interest rate management products in the context of prevailing monetary policy of the Reserve Bank and economic conditions. Accordingly, the consolidated entity has entered into interest rate cap and collar contracts under which a part of the consolidated entity's projected borrowings are protected for the period from 1 July 2022 to 30 June 2025.

There is an indirect exposure to interest rate changes caused by the impact of these changes upon the property market. The group addresses this risk by virtue of managing its pricing, product offer and development programs.

iii. Instruments used by the group

Interest rate caps effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at certain levels between 1.00% - 3.00% (2021 – 1.00% - 1.50%). Interest rate collars effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at 1.50% and apply a floor to interest rates of 0.87% (2021 – 0.87% and apply a floor to interest rates of 0.87%).

The consolidated entity's policy is to limit a significant proportion of its borrowings to a maximum fixed rate using interest rate swaps or caps to achieve this when necessary. Hedge contracts currently in place cover 52% (2021 - 46%) of the variable loan outstanding at balance date of $201,993,000 (2021 - $119,193,000), with terms expiring in 2023 and 2025.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for receivables and borrowings is set out below.

	2022			2021		
	Interest bearing - variable $'000	Non-interest bearing $'000	Total $'000	Interest bearing - variable $'000	Non-interest bearing $'000	Total $'000
Receivables						
*Trade and other receivables**	-	15,498	15,498	-	12,133	12,133
Employee share loans	-	2	2	-	3	3
	-	**15,500**	**15,500**	-	**12,136**	**12,136**

** Excluding prepayments and contract assets.*

	2022			2021		
	Interest bearing - fixed $'000	Interest bearing - variable $'000	Total $'000	Interest bearing - fixed $'000	Interest bearing - variable $'000	Total $'000
Interest bearing liabilities						
Bank loans	-	201,993	201,993	-	119,193	119,193
Other financial liabilities	112,261	-	112,261	93,754	-	93,754
	112,261	**201,993**	**314,254**	**93,754**	**119,193**	**212,947**

The weighted average interest rate at year end is 2.42% (2021: 1.55%).

An analysis by maturity is provided in 21(c)i. below.

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iv. Summarised interest rate sensitivity analysis

The potential impact of a change in bank interest rates of + / -1% is not significant to the group's net profit and equity. The potential impact on financial assets is not significant. Refer to comments above for further information on the impact of changes in interest rates upon the group.

b) Credit risk

The consolidated entity has minimal exposure to credit risk from customers as title to lots or units in the consolidated entity's developments does not generally pass to customers until funds are received.

Policies and procedures are in place to mitigate credit risk including management of deposits and review of the financial capacity of customers. Ongoing checks are performed by management to ensure that settlement terms detailed in individual contracts are adhered to. For land under option the consolidated entity typically secures its rights by way of encumbrances on the underlying land titles. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above.

Derivative counterparties and cash deposits are placed with high credit quality financial institutions, such as major trading banks.

Credit risk may arise in relation to bank guarantees given to certain parties. These guarantees are supported by contractual arrangements that bind the counterparty, providing security against inappropriate presentation of the bank guarantees.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available credit facilities to manage the consolidated entity's financial commitments. The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. During the year forecasts involved scenario modelling including downside cases, conditional and potential acquisition scenarios and possible impacts from external events. Due to the dynamic nature of the underlying businesses, the group aims at maintaining flexibility in funding by keeping committed credit lines available.

At 30 June 2022 the group had undrawn committed facilities of $88,634,000 (2021 - $94,810,000) and cash of $2,957,000 (2021 - $5,396,000) to cover short term funding requirements. Refer to note 13(ii) for details. The Company continued to operate within all of its facility covenants throughout FY2022.

i. Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table for non-interest bearing liabilities are the contractual undiscounted cash flows. For variable interest rate liabilities, the cash flows have been estimated using interest rates applicable at the reporting date.

Group – at 30 June 2022	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Non-derivatives					
Non-interest bearing	26,898	-	-	26,898	26,898
Fixed rate	89,240	25,556	-	114,797	112,261
Variable rate	30,026	-	192,138	222,164	201,645
Derivatives	-	-	-	-	-
Total	**146,164**	**25,556**	**192,138**	**363,859**	**340,804**

Group – at 30 June 2021	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Non-derivatives					
Non-interest bearing	21,633	-	-	21,633	21,633
Fixed rate	43,243	53,381	-	96,624	93,754
Variable rate	-	95,943	30,719	126,662	118,714
Derivatives	74	13	-	87	87
Total	**64,950**	**149,337**	**30,719**	**245,006**	**234,188**

d) Fair value measurement

This note provides information on the judgements and estimates made by the group in determining the fair values of the financial instruments.

i. Fair value hierarchy

To provide an indication on the reliability of the inputs used in determining fair value, the group classifies its financial instruments into three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and liabilities measured and recognised at fair value at 30 June 2022 and 30 June 2021:

As at 30 June 2022	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Derivatives used for hedging	9	-	2,459	-	2,459
Total assets		-	**2,459**	-	**2,459**

As at 30 June 2021	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Derivatives used for hedging	9	-	10	-	10
Total assets		-	**10**	-	**10**
Liabilities					
Derivatives used for hedging	9	-	87	-	87
Total liabilities		-	**87**	-	**87**

ii. Valuation techniques used to determine fair values

Level 1 – The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for the financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2 – The fair value of financial instruments that are not traded in an active market (such as derivatives provided by trading banks) is determined using market valuations provided by those banks at reporting date. These instruments are included in level 2.

Level 3 – If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

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CAPITAL MANAGEMENT

22. Capital management objectives and gearing

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group will consider a range of alternatives which may include:

- raising or reducing borrowings
- adjusting the dividend policy
- issue of new securities
- return of capital to shareholders
- sale of assets.

Gearing is a measure used to monitor the levels of debt used in the business to fund operations. The primary gearing ratio is calculated as interest bearing bank debt net of cash and cash equivalents divided by shareholders' equity. Gearing is managed by reference to a guideline which sets the desirable upper and lower limits for the gearing ratio. The group's gearing is then addressed by utilising capital management initiatives as discussed above.

The gearing ratios were as follows:

	Notes	2021 $'000	2021 $'000
Total interest-bearing bank debt	13	201,645	118,714
Less: cash and cash equivalents	5	(2,957)	(5,386)
Net bank debt		198,688	113,328
Shareholders' equity		421,223	400,361
Gearing ratio		**47.2%**	**28.3%**

The group's guideline is to target gearing within the range of 20-75% The group operated comfortably within the target range during the financial year.

a) Loan covenants

Under the terms of the major borrowing facilities, the group has complied with covenants throughout the reporting period. Debt covenants are disclosed in note 13 and include requirements in relation to a maximum loan-to-valuation ratio, a maximum leverage ratio (net debt to EBITDA) and minimum interest cover ratio.

23. Dividends

a) Ordinary shares

	2022 $'000	2021 $'000
Fully franked based on tax paid at 30%		
Final dividend for the year ended 30 June 2021 of 13.5 cents (2020 – 6.5 cents) per fully paid share		
- Paid in cash	6,760	3,761
- Satisfied by shares under the dividend reinvestment plan	3,996	1,414
Interim dividend for the year ended 30 June 2022 of 13.0 cents (2021 – 13.0 cents) per fully paid share		
- Paid in cash	10,676	6,472
- Satisfied by shares under the dividend reinvestment plan	-	3,850
Total	**21,432**	**15,497**

b) Dividends not recognised at the year end

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 14.5 cents per fully paid ordinary share (2021 – 13.5 cents), fully franked based on the tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 28 October 2022 out of retained profits at 30 June 2022, but not recognised as a liability at year end is below:

	2022 $'000	2021 $'000
Dividends not recognised at year end	**11,909**	**10,982**

c) Franked dividends

The franked portions of the final dividend proposed at 30 June 2022 will be franked from existing franking credits or from franking credits arising from the payment of income tax in the next financial year.

	2022 $'000	2021 $'000
Franking credits available for the subsequent financial year on a tax-paid basis of 30% (2021 – 30%)	**113,566**	**107,066**

The above amounts represent the franking accounts at the end of the financial year, adjusted for:

(i) Franking credits that will arise from the payment of the current tax liability;
(ii) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
(iii) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $5,104,000 (2021 - $4,707,000).

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SECTION C: GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole.

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25. Interests in joint arrangements 104
26. Deed of cross guarantee 104
27. Parent entity financial information 104

GROUP STRUCTURE

24. Subsidiaries

The group's operating subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares or units that are held directly by the group and the proportion of ownership interest held equals the voting rights held by the group. The subsidiaries are incorporated or established in Australia. The principal activities of all subsidiary entities are property development and/or investment in Australia.

The consolidated financial statements incorporate the assets, liabilities and results in accordance with the accounting policy described in note 34 (b).

Company	Notes	Equity Holding	
		2022	2021
Champion Bay Nominees Pty Ltd	(i)	-	50%
Cedar Woods Properties Finance Pty Ltd		100%	100%
Cedar Woods Properties Harrisdale Pty Ltd		100%	100%
Cedar Woods Properties Investments Pty Ltd		100%	100%
Cedar Woods Properties Management Pty Ltd		100%	100%
Cedar Woods Property Sales Pty Ltd		100%	100%
Baret Developments Pty Ltd	(ii)	100%	-
Cranford Pty Ltd		100%	100%
Daleford Property Pty Ltd		100%	100%
Dunland Property Pty Ltd		100%	100%
Esplanade (Mandurah) Pty Ltd		100%	100%
Eucalypt Property Pty Ltd		100%	100%
Flametree Property Pty Ltd		100%	100%
Galaway Holdings Pty Ltd		100%	100%
Gaythorne Pty Ltd		100%	100%
Geographe Property Pty Ltd		100%	100%
Huntsman Property Pty Ltd		100%	100%
Jarrah Property Pty Ltd		100%	100%
Kayea Property Pty Ltd		100%	100%
Lonnegal Property Pty Ltd		100%	100%
Osprey Property Pty Ltd		100%	100%
Silhouette Property Pty Ltd		100%	100%
Terra Property Pty Ltd		100%	100%
Upside Property Pty Ltd		100%	100%
Vintage Property Pty Ltd		100%	100%
Williams Landing Home Improvement Pty Ltd		100%	100%
Williams Landing Home Improvement Trust		100%	100%
Williams Landing Shopping Centre Pty Ltd		100%	100%
Williams Landing Shopping Centre Trust		100%	100%
Williams Landing Town Centre Pty Ltd		100%	100%
Woodbrooke Property Pty Ltd		100%	100%
Yonder Property Pty Ltd		100%	100%
Zamia Property Pty Ltd		100%	100%

(i) Champion Bay Nominees Pty Ltd was wound up during the year ended 30 June 2022.
(ii) Baret Developments was incorporated during the year ended 30 June 2022.

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25. Interests in joint arrangements

Set out below are the joint ventures of the group as at 30 June 2022. The principal place of business and country of incorporation (or origin) was Australia for all entities.

Name of entity	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
	2022 %	2021 %			2022 $'000	2021 $'000
Cedar Woods Wellard Limited	-	32.5	Joint Venture	Equity method	-	-

Cedar Woods Wellard Limited, a property development company that developed the Emerald Park residential estate at Wellard, WA was wound up during the year ended 30 June 2022 following the completion of the project.

26. Deed of Cross Guarantee

Cedar Woods Properties Limited and all subsidiaries listed at note 24 except for dormant entity, Baret Developments Pty Ltd, are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.*

The companies referred to above as parties to the deed of cross guarantee represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Cedar Woods Properties Limited, they also represent the 'extended closed group'.

a) Consolidated statement of profit or loss and comprehensive income for the year ended 30 June

The consolidated statement of profit or loss and comprehensive income for the year ended 30 June 2022 of the closed group is the same as the consolidated group

b) Consolidated balance sheet as at 30 June

The consolidated balance sheet of the closed group at 30 June 2022 is the same as the consolidated group.

27. Parent Entity Financial Information

The financial information for the parent entity, Cedar Woods, has been prepared on the same basis as the consolidated financial statements, except as detailed in notes (a) and (b) below.

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $'000	2021 $'000
Balance sheet		
Current assets	49,381	45,299
Total assets	505,487	447,742
Current liabilities	(55,716)	(93,983)
Total liabilities	(228,954)	(184,404)
Net assets	**276,533**	**263,068**
Shareholders' equity		
Issued capital	137,333	133,119
Reserves	1,815	1,302
Retained profits	137,385	128,647
	276,533	**263,068**
Profit for the year	28,519	25,818
Total comprehensive income	**28,519**	**25,818**

a) Investments in subsidiaries and joint venture entities

Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Cedar Woods. Such investments include both investments in shares issued by the subsidiary and other parent entity interests that in substance form part of the parent entity's investment in the subsidiary.

These include investments in the form of interest free loans which have no fixed repayment terms and which have been provided to subsidiaries as an additional source of long term capital. Dividends received from joint ventures are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

b) Tax consolidation legislation

Cedar Woods and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. Dormant entity, Baret Developments Pty Ltd is not registered for tax and thus not currently part of the tax consolidated group.

The head entity, Cedar Woods, and the controlled entities in the tax-consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax-consolidated group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, Cedar Woods also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidated group.

The entities in the tax consolidated group have also entered into a tax funding agreement under which the subsidiaries fully compensate the parent for any current tax payable assumed and are compensated by the parent for any current tax receivable and deferred tax assets relating to unused tax losses that are transferred to the parent under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the subsidiaries' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity when it is issued. The head entity may require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

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SECTION D: UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not satisfy the recognition criteria.

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UNRECOGNISED ITEMS

28. Contingent liabilities

Bank guarantees

At 30 June 2022 bank guarantees totalling $39,373,000 (2021 - $20,997,000) had been provided to various state and local authorities supporting development and maintenance commitments.

29. Commitments

Capital commitments

At 30 June 2022 the consolidated entity had commitments under civil works, building construction and landscaping construction for development of its projects in the ordinary course of business. The total amount contracted for work yet to be completed for civil works was $26,327,000 (2021 - $22,363,000), for building construction was $88,789,000 (2021 - $103,073,000) and for landscaping construction was $2,412,000 (2021 - $3,748,000). This work will be substantially completed in the next 12 months.

30. Events occurring after the reporting period

Refer to note 23(b) for details of the final dividend recommended by the directors, to be paid on 28 October 2022.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years; or
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

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SECTION E: FURTHER INFORMATION

Section E contains information that is not immediately related to individual line items in the financial statements, such as related party transactions, share based payments and a full list of the accounting policies applied by the entity.

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31. Related Party Transactions

a) Key management personnel compensation

Additional disclosures relating to key management personnel are set out in the Directors' Report.

	Consolidated	
	2022 $	2021 $
Short-term employee benefits	2,829,837	2,451,717
Post-employment benefits	160,983	142,986
Long-term employee benefits	599,348	599,381
	3,590,168	**3,194,084**

b) Group

The group consists of Cedar Woods Properties Limited and its controlled entities. A list of these entities and the ownership interests held by the parent entity are set out in note 24.

c) Parent entity

The parent entity within the group is Cedar Woods Properties Limited.

d) Transactions with other related parties

Cedar Woods Properties Management Pty Ltd and Cedar Woods Property Sales Pty Ltd derived management and selling fees totaling $12,750 (2021 - $720,988) from Cedar Woods Wellard Limited. Management and selling fees are derived according to management agreements in place between the parties. These are based on normal terms and conditions, at market rates at the time of entering into the agreements

During the year, planning, architectural and consulting services were provided by Hames Sharley Architects of which Director, Mr W G Hames is a principal and Property settlement charges were paid to Westland Settlement Services Pty Ltd, a company associated with the family of Director, Mr R S Brown. For detailed disclosures please see the remuneration report on page 66.

32. Remuneration of Auditors

During the year the following fees were paid or payable to the auditor of the parent entity:

PricewaterhouseCoopers – Australian firm & Related network firms	2022 $	2021 $
Assurance services		
- Audit and review of the financial statements	308,612	289,872
- Other assurance services	-	3,060
Total fees for assurance services	308,612	292,932
Non-audit services		
- Taxation compliance and advisory services	87,210	113,545
- Consulting services	-	49,780
Total fees for non-audit services	87,210	163,325
Total assurance and non-audit services	**395,822**	**456,257**

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33. Employee Share Scheme

The current Long Term Incentive (LTI) plans effective from 1 July 2019 for FY2020, from 1 July 2020 for FY2021 and from 1 July 2021 for FY2022 will continue in FY2023.

The current LTI plan for the MD and executives has two vesting conditions a) a 3 year service condition and b) two performance conditions measured over a 3 year period: 50 per cent of the LTI grant will be tested against a relative total shareholder return ("TSR") hurdle (measured against the S&P / ASX Small Industrials Index) and 50 per cent against earnings per share ("EPS") growth compared with the Corporate plan targets.

Full details of the operation of the current LTI plan are set out in the remuneration report on pages 55-57 and 59 of this annual report.

The MD receives 65% of the STI in cash, with 35% deferred by way of a grant of zero-price options under the Deferred Short-Term Incentive (DSTI) Plan (FY2021 – 45% cash STI and 55% DSTI). The STI including the DSTI is awarded based on the Remuneration and Nominations Committee's assessment of the company's overall performance using the Balanced Scorecard. Full details of the operation of the current DSTI plan are set out in the remuneration report on page 54 of this annual financial report.

34. Summary of Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative information is reclassified and restated for consistency with current period disclosures. The financial statements are for the consolidated entity consisting of Cedar Woods and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Cedar Woods is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with International Financial Reporting Standards (IFRS).

The financial statements of the Cedar Woods group also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments.

iii. New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2021:

- *AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions [AASB16]*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139].*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 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.

v. Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of Cedar Woods.

b) Principles of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Cedar Woods (parent) as at 30 June 2022 and the results of all subsidiaries for the year then ended. Cedar Woods and its subsidiaries together are referred to in these financial statements as the consolidated entity or the group.

Subsidiaries are those entities over which the parent has the power to govern the financial and operating policies, generally accompanying a shareholding of one-half or more of the voting rights.

The acquisition method of accounting is used to account for business combinations by the group. Subsidiaries are fully consolidated from the date on which control is transferred to the parent. They are de-consolidated from the date that control ceases.

All inter-company balances and transactions between companies within the consolidated entity are eliminated upon consolidation.

ii. Joint arrangements

Joint arrangements – Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations - The consolidated entity recognises its direct right to assets, liabilities, revenues and expenses of joint operations, which have been incorporated in the financial statements under the appropriate headings.

Joint ventures - Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint ventures are set out in note 25.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 34(p).

c) Segment reporting

Management has determined the operating segment based on the reports reviewed by the Managing Director that are used to make strategic decisions. The Managing Director has been identified as the chief operating decision maker.

d) Business combinations

The acquisition method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, or liabilities undertaken at the date of acquisition. Acquisition related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present values at the date of acquisition. The discount rate used is the incremental borrowing rate applied by the consolidated entity's financiers for a similar borrowing under comparable terms and conditions.

e) Revenue and other income

i. Sale of land and buildings

Revenue arising from the sale of land and buildings is recognised when control over the property has been transferred to the customer. In most of the group's contracts this is the point in time at which legal title passes to the customer.

The revenue is measured at the transaction price agreed under the contract, with revenue relating to customer rebates recognised separately where applicable.

ii. Sale of land and buildings – customer rebates

Certain contracts for the sale of land and buildings include an obligation of the group to provide goods, services, or payments to the customer, subject to certain performance conditions. These contracts provide a right to customers that forms a separate performance obligation.

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The transaction price is allocated to the performance obligations on a relative stand-alone selling basis. Management estimates the stand-alone selling prices at the point in time that legal title passes to the customer based on the contract value, and observable market prices of similar services.

The likelihood of redemption of each customer rebate is estimated at the time of transfer of legal title. If the performance conditions of the customer are not met within the terms of the contract, the obligation expires, and the group recognises the revenue attributable to the performance obligation without delivery of the goods, services or payment

iii. Development services

Revenue from development services is recognised at a point in time where the group has satisfied contractual performance obligations and control over the output has passed to the customer. In most instances this coincides with the transfer of legal title of the developed land or building.

iv. Lease income

Income from operating leases is recognised over time on a straight-line basis over the period of the lease.

v. Government grants

Grants from the government are recognised as other income at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate in Australia adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Cedar Woods and certain wholly owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively

g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, and deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

h) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

For trade receivables, the group applies the simplified approach permitted by AASB9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. To measure the lifetime expected credit loss for rental debtors, a provision is raised against each debtor based upon the payment profile over the last 12 months, adjusted for current and forward-looking information supporting the expected settlement of the receivable.

i) Inventories

i. Property held for development and resale

Since 1 July 1992, property purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes acquisition and subsequent development costs, and applicable borrowing costs incurred during development. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. All property held for development and sale is regarded as inventory and is classified as such in the balance sheet. Property is classified as current inventory only when sales are expected to result in realisation of cash within the next twelve months, based on management's sales forecasts. Borrowing costs incurred prior to active development and after development is completed, are expensed as incurred.

Prior to 1 July 1992 the consolidated entity's land assets were classified on acquisition as non-current investments and initially recorded at cost with regular independent valuations being undertaken. Increments or decrements were reflected in the balance sheet and also recognised in equity. The balance of this land is stated at 1992 valuation, which is its deemed cost. The amount remaining in the Asset Revaluation Reserve represents the balance of the net revaluation increment for land revalued prior to 1 July 1992 which is now classified as inventory and which is still held by the consolidated entity. When revalued assets are sold, it is policy to transfer any amounts included in reserves in respect of those assets to retained earnings.

The acquisition of land is recognised when an unconditional purchase contract exists.

When property is sold, the cost of the land and attributable development costs, including borrowing costs, is expensed through cost of sales.

j) Deferred development costs

Development costs incurred by the group for the development of land not held as an asset by the group are recorded as deferred development costs in the balance sheet. They are included in current assets, except for those which are not expected to be reimbursed within 12 months of the reporting period, which are classified as non-current assets. In instances when the deferred development costs are reimbursed by the land owner, they are expensed in the profit or loss.

k) Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value, less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal) is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

l) Property, plant and equipment

Property, plant and equipment is substantially made up of furniture, fittings and equipment and is stated at historical cost less depreciation. Depreciation is calculated on a straight line or diminishing value basis to write off the net cost of each item of property, plant and equipment over its expected useful life to the consolidated entity. The expected useful lives of items of property, plant and equipment and the depreciation methods used are:

- Plant and equipment – 3 to 15 years (straight line and diminishing value methods)

The assets' residual values and useful lives are reviewed for impairment and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

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Intangible assets

Costs associated with maintaining software are recognised as an expense as incurred. Development costs that are directly attributable to the design, customisation, configuration and testing of identifiable and unique software products controlled by the group are recognised as intangible assets within property, plant and equipment, where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software and to restrict others from accessing it
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Costs incurred in configuring or customising SaaS arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred.

Directly attributable costs that are capitalised as part of the software include contractor and employee costs. The group does not apportion overheads to capitalised intangible assets.

Intangible assets are amortised from the point at which the asset is ready for use using the straight-line method over the expected useful lives as follows:

- IT development and software – 3 to 5 years

The assets' residual values and useful lives are reviewed for impairment and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

m) Investments and other financial assets

i. Classification

The group classifies its financial assets in the following categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

ii. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

iii. Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

n) Investment property

Investment property, principally comprising retail property, is held for long term rental yields and is not occupied by the consolidated entity. Investment property includes properties under construction for future use as investment property and is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis to write off the net cost of each investment over its expected useful life to the consolidated entity. The expected useful life of investment property buildings is 40 years.

When the company elects to dispose of investment property, it is presented as assets classified as held for sale in the balance sheet where it meets the relevant criteria. Net gains or losses on sale are disclosed in the profit or loss.

o) Lease incentives

Lease incentives provided under an operating lease by the group as lessor are recognised on a straight line basis against rental income over the lease period.

p) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash generating units, which is generally the project level. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

q) Trade and other payables

Trade payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r) Leases

i. Group as a lessee

The group leases corporate offices, IT equipment and land for sales centres or marketing signage. Rental contracts vary in periods and may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the group's incremental borrowing rate is used, being the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. This reflects the group's weighted average interest rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options in offices and equipment leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

ii. Group as a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet as investment properties.

s) Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the commencement of the facility when draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets during the period when the asset is being prepared for its intended use or sale.

t) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes to fair value are taken to profit or loss and are included in other income or expenses.

u) Other financial liabilities

Other financial liabilities at fair value through profit or loss are financial liabilities due to vendors of properties under contracts of sale and other payables. Liabilities in this category are classified as current liabilities if they are expected to be settled within 12 months, otherwise they are classified as non-current.

v) Employee benefits

i. Short term obligations

Liabilities for wages and salaries, bonuses and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

ii. Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

iii. Bonus plans

The group recognises a liability and expense for bonuses earned during the financial year where contractually obliged or where past practice has created a constructive obligation.

iv. Superannuation

Contributions by the consolidated entity to employees' superannuation funds are charged to the profit or loss when they are payable. The consolidated entity does not operate any defined benefit superannuation funds.

w) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

y) Share based payments

Share based compensation benefits are provided to employees via the Deferred STI and LTI plans. Information relating to these schemes is set out in the remuneration report on pages 54 to 55.

The value of Performance Rights granted under the Deferred STI and LTI plans is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the Performance Rights granted:

- Including any market performance conditions (e.g. the entity's share price); and
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability and remaining an employee of the group over a specified time period)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the group revises its estimates of the number of Performance Rights that are expected to vest based on the non-market vesting and service conditions. The impact of the revision to original estimates is recognised, if any, in profit or loss with a corresponding adjustment to equity.

z) Earnings per share

i. Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to owners of Cedar Woods by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the earnings used in the determination of basic earnings per share to take account of any effect on borrowing costs associated with the issue of dilutive potential ordinary shares. The weighted average number of ordinary shares is adjusted to reflect the conversion of all dilutive potential ordinary shares.

aa) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements.

Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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ab) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, taxation authorities, are presented as operating cash flows.

35. 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.

CEDAR WOODS

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DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 70 to 118 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 30 June 2022 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 24 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 26.

Note 34(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Nathan Blackburne
Managing Director

Perth, Western Australia
24 August 2022

INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report

To the members of Cedar Woods Properties Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Cedar Woods Properties Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Cedar Woods Properties Limited is an Australian property development company. The Group's principal interests are in urban land subdivision and built form development for residential, commercial and retail purposes. Its portfolio of assets is located in Western Australia, Victoria, Queensland and South Australia.

Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $2.7 million, which represents approximately 5% of the Group's profit before tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The accounting processes are structured around a Group finance function at its head office in Perth. Our audit procedures were predominantly performed at the Group head office.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Management Committee: – Valuation of inventory • These are further described in the *Key audit matters* section of our report.

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- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Carrying value of inventory *(Refer to note 7 and 20(b))* As of 30 June 2022, the Group recognised total inventory of property held for sale of $702m, split between current inventory of $212m and non-current inventory of $490m. Inventory is stated at the lower of cost and net realisable value for each development project. The Group's estimate of net realisable value includes assumptions about future market and economic conditions which inherently are subject to the risk of change. These factors are disclosed in Note 20(b) and include, but are not limited to future sales prices, future sales rates, further development costs for completion, and in some cases escalation rates of sales and costs and total project yield. This was a key audit matter given the relative size of the inventory balance in the Consolidated Balance Sheet and the inherent subjectivity and significant judgements involved in the key assumptions and estimates used to calculate net realisable value.	We performed the following procedures, amongst others: • Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data, and the need for changes in them, that are appropriate for developing the inventory net realisable value in the context of the Australian Accounting Standards • We obtained an understanding and evaluated the design of relevant controls in relation to inventory valuation • We traced a sample of additions to the cost of projects (e.g. land acquisition, development costs and capitalised borrowing costs) to supporting documentation and assessed whether they were capitalised appropriately We applied a risk-based assessment to determine those development projects where there was a greater risk that the carrying value of the inventory may be in excess of net realisable value. Our risk-based selection criteria incorporated our knowledge of the lifecycle of each project from current and prior years, our observations made through site visits during the year and our understanding of current economic conditions relevant to individual project locations as informed by publicly available property market reports.

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Key audit matter	How our audit addressed the key audit matter

	For those projects which were assessed to be at greater risk, we performed a combination of one or more of the following audit procedures:
	• We obtained the net realisable value assessment and cash flow analysis and held discussions with management to develop an understanding of the basis for assumptions used in the analysis
	• Assessed the appropriateness of key assumptions, including:
	  ○ comparing forecast sales value for each project to actual sales values known from the current period and comparable projects,
	  ○ comparing forecast costs of the project to the relevant construction contracts (if applicable) or the construction contract proposal,
	  ○ comparing management's forecast sales volumes, sales prices and cost escalation factors to internal and external data
	• Assessed whether the carrying value was the lower of cost and net realisable value
	
	We also evaluated the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 50 to 67 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Cedar Woods Properties Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001.*

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
24 August 2022

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CEDAR WOODS

SHAREHOLDERS' INFORMATION

This section provides information for shareholders on distributions and other shareholder benefits, the composition of the share register and past financial performance.

Investors' Summary 128
Shareholder Information 129
Five Year Financial Performance 131

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INVESTORS' SUMMARY

Dividend and dividend policy

The final dividend for the 2022 financial year is 14.5 cents per share, fully franked. The dividend will be paid on 28 October 2022. The Company's dividend policy is to distribute approximately 50% of the full year net profit after tax. The Board has elected to temporary depart from this policy for FY2022 as it did in the prior year, with the total FY2021 dividends representing a payout ratio of 60%. This acknowledges both the result in FY2022 and the current outlook for growth in FY2023.

Shareholder discount scheme

The group operates a shareholder discount scheme which entitles shareholders to a 5% discount off the listed price of any residential lot, or 2.5% off the listed price of houses, apartments or strata commercial units at the group's developments. A summary of the main terms and conditions follows:

For residential lots, shareholders must hold a minimum number of 1,000 shares for at least 6 months before purchasing a lot to qualify for the discount;

For off the plan purchases of 'built-form' lots (such as townhouses, apartments or commercial units), shareholders must hold a minimum number of 1,000 shares at the time of purchasing a lot and hold the shares through to settlement of the lot to qualify for the discount;

The number of shareholder discounts available will be limited in any sales release to two discounts, although the Company may extend this for a particular release; and

The shareholder discount scheme does not apply to lots or dwellings at joint venture projects.

The above is a summary of the main conditions and shareholders should apply to the company or visit the website for the full terms and conditions.

Electronic payment of dividends

During 2021, the group transitioned to exclusively adopting electronic funds transfer for the payment of dividends. Accordingly, shareholders must nominate a bank, building society or credit union account for the payment of dividends by direct credit. Payments are electronically credited on the dividend payment date and confirmed by mailed advice. New shareholders receiving dividends for the first time should contact the company's share registrar, Computershare Investor Services Pty Ltd, by visiting www.computershare.com.au.

Dividend re-investment plan and Bonus share plan

The dividend re-investment plan and bonus share plan are operated from time to time as part of measures to manage the group's capital. Shareholders can change their participation status in the plans by completing an election form in accordance with the rules of each plan. The dividend re-investment plan and bonus share plan will not be in operation for the final dividend for the 2022 financial year.

Shareholders' timetable

Dividend announcement	25 August 2022
Share register closes for dividend (Record date)	29 September 2022
Final dividend payment date	28 October 2022
First quarter update	October 2022
Annual General Meeting	2 November 2022
Half-year result announcement	February 2023
Interim dividend payment date	April 2023
Third quarter update	May 2023
Full year result and dividend announcement	August 2023

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 18 August 2022.

a) Distribution of ordinary shares

	Number of holders	Number of shares
1 – 1,000	1,535	633,039
1,001 – 5,000	1,535	4,078,423
5,001 – 10,000	513	3,861,445
10,001 – 100,000	580	14,635,077
100,001 and over	55	58,919,868
	4,218	**82,127,852**

There were 255 holders of less than a marketable parcel of shares.

b) Twenty largest shareholders of ordinary shares as disclosed in the share register

Name	Number of shares	Percentage of shares
J P Morgan Nominees Australia Pty Limited	13,111,046	15.96
Citicorp Nominees Pty Limited	6,370,584	7.76
Hamsha Nominees Pty Ltd <The Nowra Projects Unit Fund A/C>	5,040,216	6.14
Westland Group Holdings Pty Ltd	4,233,029	5.15
National Nominees Limited	3,796,352	4.62
HSBC Custody Nominees (Australia) Limited	3,743,487	4.56
Beach Corporation Pty Ltd	3,382,604	4.12
Joia Holdings Pty Ltd	2,298,758	2.80
Helen Kaye Poynton	1,677,095	2.04
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	1,364,268	1.66
Netwealth Investments Limited <Wrap Services A/C>	1,178,180	1.44
Mr Paul Stephen Sadleir	1,083,283	1.32
Brispot Nominees Pty Ltd <House Head Nominee A/C>	837,026	1.02
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	720,874	0.88
Dr Alan Gerraty & Mrs Patricia Gerraty <A & P Gerraty S/F A/C>	600,000	0.73
Leblon Holdings Pty Ltd <William Hames Super Fund A/C>	536,240	0.65
BNP Paribas Noms (Nz) Ltd <DRP>	500,000	0.61
Mr John Henry Tucker & Mrs Kay Joylene Tucker <Tucker Family Superfund A/C>	485,000	0.59
BNP Paribas Noms Pty Ltd <DRP>	438,935	0.53
Gold Plaza Pty Ltd	417,482	0.51
	51,814,459	**63.09**

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c) Substantial shareholders of ordinary shares

As disclosed in substantial shareholder notices lodged with the ASX at 18 August 2022.

Name	Number of shares	Percentage of shares[1]
William George Hames and related entities	9,314,668	12.90
Robert Stanley Brown and related entities	7,818,633	9.75
AustralianSuper Pty Ltd	9,291,217	11.41

[1] *Percentage of issued capital held as at the date notice provided.*

d) Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights

No voting rights.

Options

No voting rights.

e) Unquoted equity securities

Issued under employee incentive schemes:	Number on issue	Number of holders
Performance rights issued under the FY2020 long term incentive plan	243,246	20
Performance rights issued under the FY2021 long term incentive plan	272,023	23
Performance rights issued under the FY2022 long term incentive plan	252,299	30
Zero price options issued under the FY2021 deferred short term incentive plan	32,182	1

CEDAR WOODS

FIVE YEAR FINANCIAL PERFORMANCE

All figures in $'000 except where stated

Financial Year	2022	2021	2020	2019	2018
Financial Performance					
Revenue from operations	333,036	299,751	260,660	375,149	239,661
Earnings before interest and tax	54,060	50,552	31,729	72,014	65,168
Finance costs	444	3,049	2,245	3,072	4,020
Operating profit before tax	53,616	47,503	29,484	68,942	61,148
Income tax expense	16,228	14,669	9,097	20,298	18,545
Net profit after tax	37,388	32,834	20,387	48,644	42,603
Financial Position					
Total assets	779,833	651,800	644,055	571,711	601,516
Total liabilities	358,610	251,439	267,254	195,181	248,330
Shareholders' equity	421,223	400,361	376,801	376,530	353,186
Number of shares on issue – end of year ('000)	82,128	81,345	80,448	80,118	79,517
Basic earnings per share (cents)	45.7	40.7	25.4	60.9	53.9
Key Performance Measures					
Dividend per share, fully franked (cents)	27.5	26.5	19.0	31.5	30.0
EBIT Margin	16.2%	16.9%	12.2%	19.2%	27.2%
Interest cover (times)	9.1	12.1	5.9	8.6	8.5
Return on Equity	9.1	8.2%	5.4%	12.9%	12.1%
Investment in inventory during year	329,296	198,972	208,952	245,814	191,633
Net tangible assets backing per share ($)	5.13	4.92	4.68	4.67	4.44
Net bank debt	198,688	113,328	142,671	105,314	109,134
Net bank debt to equity	47.2%	28.3%	37.9%	28.0%	30.9%
Share price – end of year ($)	3.68	6.71	5.24	5.70	5.76
Stock Market capitalisation at 30 June	302,230	545,824	421,547	456,6	458,015
Number of employees at 30 June	99	93	91	95	90

Returns to shareholders over 1, 3, & 5 years	1 Year	3 Year	5 Year
Earnings per share growth %	12.2	(9.2)	(4.5)
Share price growth %	(45.2)	(13.5)	(6.7)
Dividend growth % (paid dividend)	35.9	(9.7)	(1.4)
Total shareholder return %	(42.4)	(9.5)	(1.9)

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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 Say
FRICS, FAPI

Nathan John Blackburne
BB, AMP, GAID – Managing Director

COMPANY SECRETARY

Paul Samuel Freedman
BSc, CA, GAICD

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Ground Floor, 50 Colin Street
WEST PERTH WA 6005

Postal Address
P.O. Box 788 West Perth WA 6872

Phone (08) 9480 1500
Email email@cedarwoods.com.au
Website www.cedarwoods.com.au

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11
172 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

ANNUAL GENERAL MEETING

Date Wednesday 2 November 2022
Time 10:00am AWST