

## **RESULTS ANNOUNCEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2024**

#### **GROUP SUMMARY**

CVC Limited (the Company) recorded a net loss after tax to shareholders of \$2.5 million for the year ended 30 June 2024 (2023: profit of \$13.4 million).

A summary table of the result is provided below:

<b>Underlying Results</b>			
	<b>FY24</b>	<b>FY23</b>	<b>Change (%)</b>
Total income	\$23.6 m	\$100.2 m	(76.4%)
Underlying NPAT	(\$4.7 m)	\$13.9 m	NM <sup>1</sup>
NPAT to shareholders	(\$2.5 m)	\$13.4 m	NM <sup>1</sup>
Ordinary dividends	5.0 cps	9.0 cps	(44.4%)
Net assets to shareholders	\$173.5 m	\$181.3 m	(4.3%)
Net assets per share	\$1.49	\$1.55	(3.9%)
Cash position	\$14.0 m	\$51.2 m	(72.7%)

<sup>1</sup> Not Meaningful

Net assets to shareholders as at 30 June 2024 were \$173.5m representing \$1.49 per share (FY23: \$1.55 per share). The Board has been consistent in communicating that the statutory assets of the business do not align with current 'as is' independent values of property inventory due to the nature of accounting standards, whereby those assets are recorded at the lower of cost and net realisable value. The Board is of the view that the impact of current valuations which would be over and above the carrying value of these assets is in the order of \$1.13 per share on a post-tax basis.

#### **CAPITAL MANAGEMENT**

Given the nature of the assets held in the CVC investment portfolio, some of which require continued funding due to ongoing settlement payment profiles, capital management remained a high propriety of the management team and Board.

During the year, CVC successfully refinanced a loan provided to the Marsden Park project as a result of Mirvac's withdrawal from the project after it was announced by NSW government that it would not be rezoned for residential use. The \$30m first mortgage loan was refinanced by NAB with a term of two years. This should provide sufficient runway to achieve planning approval and add considerable value to the property.

The CVC note remains an important component of CVC's balance sheet. Throughout the year the note remained within its covenants and provided attractive risk adjusted returns to investors. Subsequent to the year end, CVC issued an additional 150,000 new notes and successfully raised approximately \$15m through a wholesale offer. The new notes issued formed a single series with the existing CVC note (which trade on ASX under the code "CVCHA"). The note remained well within its covenants after the additional note issue.

As part of the capital management focus, the business made the decision to divest its interest in its Mernda residential project, the residual land surrounding the Harpley Town Centre, as well as the remaining land in the Caboolture development.

Further capital was injected into investments in the property portfolio during the year. Major capital investments included \$16.2m toward the Lake Orr mixed use project, \$5.9m toward the Clyde North industrial project and \$5.2m toward the Officer South industrial project.

The balance sheet is well positioned to benefit from upcoming cash inflows from scheduled property settlements. Additionally, CVC has the flexibility to generate cash from our underlying assets through new financing arrangements, particularly as asset values rise with planning approvals, through potential joint ventures, and/or the divestment of assets when opportunities arise at favorable prices.

## DIVIDEND POLICY

Total fully franked dividends for the current financial year amounted to 5 cents per share. The Board remains committed to paying dividends in line with the performance of the company and its underlying profitability.

As the operations of CVC are transactional in nature, it is not possible to provide a forecast for results and dividends for FY25.

The Board of CVC will continuously evaluate the merit of share buybacks as part of its wider capital management program. The business has several funding commitments over the coming 12 months and that will play a considerable part in the Boards strategy in this regard.

## SEGMENT REVIEW

A summary of the operating results for the financial year is provided below:

	2024	2023
	\$	\$
Property Investments	6,741,094	24,732,753
Non-property Investments	(2,861,967)	5,829,788
Notes interest	(2,822,991)	(4,426,163)
Unallocated overhead expenses	(7,534,661)	(6,839,695)
Tax effect	1,796,654	(5,413,243)
<b>Total Comprehensive Income</b>	<b>(4,681,871)</b>	<b>13,883,440</b>
Less: non-controlling interest	2,165,561	(465,764)
<b>Total Comprehensive Income attributable to Shareholders</b>	<b>(2,516,310)</b>	<b>13,417,676</b>

## Property Investments

### Contribution Summary

Due to the nature of CVC's investment portfolio, where a large component of assets are classified as inventory, accounting profits are generally only recognised after these assets are divested. This is due to accounting standards requiring assets to be recorded at the lower of cost and net realisable value. As has been previously advised, independent valuations of CVC's major investments indicate that there is a material difference between carrying values and the value of the asset from a market perspective.

FY24 was a year where there was limited divestments within the property portfolio of CVC. Instead management and the Board supported the ongoing progression of the investments through planning or development. As a result, profit for the year was negatively impacted as compared to the previous year.

Settlement of the Donnybrook residential land continued during the year with \$33.8m in settlements received by the project joint venture entity, which contributed \$4.6m in profit to CVC. There remains a further \$34.8 in residential sales which will flow in FY25. The remaining asset of the project is a 75Ha zoned industrial land parcel. Further detailed planning and infrastructure approvals are forecast to occur in H1 FY25. This will allow the commencement of development to subdivide the land.

#### ***Progress on other property projects***

As has been the consistent narrative of the Board of CVC, substantial progress continues with regard to planning processes each year. It is generally acknowledged in the property industry that the current planning environment is very challenging and that nearly all planning processes are taking longer than historical timeframes. CVC remains well placed with its strategic property assets and the weight of state and local council support for the projects it is progressing. While the Board is frustrated with the delays that have affected each of our major projects, it is buoyed by the value these approvals will bring and what each will contribute to the long-term success of the CVC business.

The Liverpool, New South Wales project remains in a Gateway Determination process and extensive communication between the proponent land owner group, the NSW Department of Planning and Liverpool City Council continues. Most recently, in May 2024, an updated planning proposal was submitted to Liverpool City Council. This was as a result of modifications made to the original proposal submitted, where the changes were made on account of ongoing engagement with local and state authorities. The most recent submitted proposal still sought an FSR of 4:1 and would yield in excess of 5,000 apartments on the land which CVC has invested in. The business remains positive with regard to the planning progress being made and is hopeful that the rezoning will be on public exhibition in H1 FY25.

Significant work has been undertaken relating to the Marsden Park North, New South Wales rezoning process. The property is part of a wider precinct which has been part of a Precinct Acceleration Protocol (PAP) process since 2013, where the property was identified as potential future residential lands. In H1 FY24, the NSW Department of Planning announced that it would not support the rezoning of the land to allow residential development. Since that time, considerable work and communication has been shared between the landowner group and the department about other uses. Management and the Board remain optimistic that a clear process to progress the land for other uses will be laid out and on public exhibition in H1 FY25.

The Kirra Beach, Queensland development has advanced considerably with construction over 90% at the end of FY24. The project has achieved much stronger presales than anticipated and settlements are forecast to occur in H1 FY25 which will generate strong profits.

During the year, CVC and its Joint Venture progressed the planning on the Burleigh Waters, Queensland project further de-risking its delivery with approval of the bulk earthworks and reconfiguration of the lot now achieved, which was of significant value. Earthworks to create development lots to be sold have commenced, with one development lot already sold with settlement scheduled in FY25. Further sales activity within the project is anticipated in FY25.

### **New Property Investments**

The business committed to partner with Wilmac Property Group in the purchase of a zoned industrial parcel of land in Clyde North, Victoria. CVC is a 40% equity holder in the property. A planning permit to subdivide the land was achieved in the year adding substantial value to the property. Commencement of development works are forecast for H2 FY25.

During the year, CVC made an investment into a land project comprising two land parcels located in Officer South, Victoria. The land, which totalled approximately 23Ha, is currently in a rezoning process where the designated use under the exhibited structure plan allows for industrial development. A formal Panel process has been completed and the rezoning process is anticipated to conclude within approximately 12 months. Settlement of the parcels of land is not forecast until H2 FY28, allowing the business to explore the multiple options at its disposal to optimise value over this time.

The business conducted diligence on a number of other transactions which have the prospect of closing in FY25 on the basis that they meet the investment criteria of the business, however any investment will be balanced against the primary focus of the board which is to ensure sufficient capital to advance its existing portfolio of investments.

### **Non-Property Investments**

Non property investment continues to become a lesser proportion of the business, representing a total of \$34.2 million in value as at the end of the year. This segment generated a total pre-tax loss of \$2.9 million (FY23: profit \$5.8 million).

### **GENERAL SUMMARY OF THE YEAR AND FY25 OUTLOOK**

The performance of the business, as measured by the FY24 result, points to a business that has not delivered. However, it is important to note that accounting standards mean that some of the reward for effort invested by the business in relation to its property holdings is not yet reflected in the accounts of CVC. It is the role of management and the Board to continue to add value to CVC's investment portfolio in the knowledge that it will eventually be reflected in the value of the CVC business.

Internally, CVC sees a time of general weakness in the broader Australian economy. Thus the investment rationale of the business is as important as it has ever been - that is to make investments where there is a strong degree of capital protection.

Property will provide opportunity, the role of management is to identify areas that represent the greatest opportunity, as it is clear the performance of property will be dependant on the macro and micro economic factors affecting each segment individually.

Construction timeframes and costs still represent a challenge for many parts of the property market. Fortunately most of CVC's investment portfolio is not exposed to these issues at this time. A large degree of our investments have delayed settlement terms, and will benefit considerably in value uplift when planning outcomes are achieved.

FY25 will be another year where effort and energy is expended to conclude planning processes. There is reason to be optimistic about what can be achieved in this regard, but as always, planning approvals are not perfectly forecastable, thus there is not certainty around when our major projects will be rezoned.

The Board and management of CVC Limited continues to simplify the business model and its investment portfolio, while also focusing on optimising long term value for CVC shareholders.

## RISK ASSOCIATED WITH CVC'S BUSINESS

Some of the key risks relating to CVC are set out below. It is not, however, possible to describe all the risks to which CVC may become subject and which may impact adversely on CVC's prospects and performance.

### ***Property investment risk***

The performance of CVC's property investments is influenced by the realisable value of CVC's property and property-related assets and the security supporting loans. The realisable value can be affected by general market conditions as well as project specific outcomes.

### ***Key management and investment personnel***

Key management and investment personnel are responsible for sourcing opportunities and recommending and managing the investments of CVC. There is a risk that the financial performance of the company could be impacted if key staff members or directors resign or retire their employment at CVC and are not promptly replaced by suitably qualified and experienced personnel.

### ***Investment liquidity risk***

CVC's Portfolio includes investments in assets that are typically subject to low levels of liquidity. If an investment cannot be realised quickly enough (or at all) or at an earlier time than intended then CVC may suffer significant losses.

### ***Investment concentration risk***

CVC's investment strategy includes making significant investments and undertaking active management roles in property projects. As CVC reduces its holding of legacy, non-property assets, investment concentration risk continues to increase. CVC's Portfolio may consist of a small number of investments that may subject the company to investment concentration risk.

### ***Project approval risk***

The success of certain property projects is dependent on the ability of CVC or the developer to obtain rezoning and / or development approvals from government bodies. This process involves obtaining approvals outside of the control of CVC. There is a risk that approvals will not be able to be achieved as forecast, or at all. This may impact the value of the project in an unfavourable manner.

### ***Development risk***

The proceeds generated from a property project is closely tied to the approval and development process. Unanticipated factors can influence the realisable value of a property. These can include, but are not limited to the following potential conditions:

- (i) Changes in the conditions of planning approval of a particular project or property;
- (ii) Development cost increases;
- (iii) Project timetables being delayed; and
- (iv) Economic factors impacting the project (such as interest rate rises increasing the cost to finance development).

### ***Cyber risk***

CVC does have cyber risks that we cannot eliminate entirely but our risks are relatively small and we perform regular systems reviews to ensure sensitive information is properly stored or destroyed.

Craig Treasure  
Executive Chairman  
22 August 2024

Mark Avery  
Managing Director  
22 August 2024

## Appendix 4E

### Preliminary Final Report Results for announcement to the market

CVC Limited		
ABN	Financial Year ended (‘Reporting Period’)	Previous Financial Year ended (‘Corresponding period’)
34 002 700 361	30 June 2024	30 June 2023

#### Results

			30 June 2024 \$	30 June 2023 \$
Income from ordinary activities	down	76% to	23,611,932	100,228,773
(Loss)/profit after tax attributable to members		NM <sup>1</sup> to	(2,516,310)	13,417,676
Net (loss)/profit for the period attributable to members		NM <sup>1</sup> to	(2,516,310)	13,417,676

<sup>1</sup> Not Meaningful

#### Dividends (distributions)

As previously announced, the Board has resolved that a final dividend for the year ended 30 June 2024 will not be paid, having regard to future cashflow commitments of the business.

#### Net tangible asset per security

	Year ended 30 June 2024	Year ended 30 June 2023
Net tangible assets per ordinary security	\$1.49	\$1.55
Note: Net tangible assets include “right-of-use assets”		

The preliminary final report is based on accounts that have been audited.

#### Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

For personal use only

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CVC LIMITED  
AND ITS CONTROLLED ENTITIES

FINANCIAL REPORT

For the year ended  
30 June 2024

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The financial report was authorised for issue by the Directors on 22 August 2024.  
The company has the power to amend and reissue the financial report.

ACN 002 700 361

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT

The Directors present the Financial Report of CVC Limited (the "Company") and its controlled entities ("CVC"), for the year ended 30 June 2024 together with the Auditors' Report thereon.

#### DIRECTORS

The Directors in office during the whole of the financial year and up to the date of this report, unless otherwise stated, are:

Name:	<b>Mark Anthony Avery</b>
Title:	Managing Director, Member of Audit Committee, Chief Executive Officer, Company Secretary
Qualifications:	B.Com.Pl.Ds. (UOM)
Experience and expertise:	Mr Avery began his professional career at Macquarie Group in 2002 in the property finance and residential development divisions. Mr Avery also worked for private and listed property development and investment groups. Mr Avery commenced at CVC in 2010, and has been responsible for all of the group's real estate investment activities. He is also a director of Eildon Capital Limited and Eildon Funds Management Limited.
Listed company directorships: (held within the last three years)	Non-Executive Director of Eildon Capital Group (Since April 2022) Managing Director of Eildon Capital Group (From November 2015 to April 2022)
Interests as at the date of this report:	
- Ordinary shares:	9,500
- Performance rights:	1,700,000

Name:	<b>Craig Granville Treasure</b>
Title:	Executive Chairman
Qualifications:	BASc (Surveying) (QUT), FDIA
Experience and expertise:	Mr Treasure has more than 30 years' experience in property development, specifically in the residential land and housing sectors along the eastern seaboard of Australia. As a licensed surveyor and licenced property developer, Mr Treasure has previously held a number of senior executive roles and directorships within the property industry. His experience is both as a business proprietor and at an executive level with publicly listed entities.
Listed company directorships: (held within the last three years)	Director and Non-Executive Chairman of TasFoods Limited (From June 2020 to May 2022).
Interests as at the date of this report:	
- Ordinary shares:	68,000
- Loan notes:	4,000
- Performance rights:	1,300,000

Name:	<b>Ian Houston Campbell</b>
Title:	Non-Executive Director, Chairman of Audit Committee
Qualifications:	FCA, MAICD
Experience and expertise:	Mr Campbell is currently a Non-Executive Director and Chairman of Kip McGrath Education Centres Limited (ASX: KME) and Redox Limited (ASX: RDX). Mr Campbell's previous Non-Executive Director roles include Gloria Jeans Coffees International Pty Limited, Young Achievement Australia Limited and Green's Foods Holdings Pty Limited. Mr Campbell brings to CVC 30 years of experience as a former partner with Ernst and Young and predecessor firms, principally working with entrepreneurial companies in preparing them for growth, sale and the capital markets.
Listed company directorships: (held within the last three years)	Non-Executive Director and Chairman of Kip McGrath Education Centres Limited (Since August 2019). Non-Executive Director and Chairman of Redox Limited (since 2009)
Interests as at the date of this report:	
- Ordinary shares:	50,000

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### DIRECTORS (CONTINUED)

Name:	<b>John Scott Leaver</b>
Title:	Executive Director
Qualifications:	B.Ec. (Uni. Of Sydney)
Experience and expertise:	Mr Leaver was originally a founder of CVC in 1984.
Listed company directorships: (held within the last three years)	None
Interests as at the date of this report:	
- Ordinary shares:	40,703,337
- Loan notes:	38,340

#### COMPANY SECRETARY

In addition to being a Director of the Company, Mark Avery is also a company secretary of the Company.

#### KEY MANAGEMENT PERSONNEL

Key management personnel during the financial year are the directors.

#### MEETINGS OF DIRECTORS

The number of meetings of CVC's board of directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	Full board		Audit Committee Meetings	
	No of meetings attended	No of meetings eligible to attend	No of meetings attended	No of meetings eligible to attend
Mark Anthony Avery	6	6	2	2
Ian Houston Campbell	6	6	2	2
Craig Granville Treasure	6	6	2	2
John Scott Leaver	6	6	2	2

#### PRINCIPAL ACTIVITIES

The principal activities of entities within CVC during the year were:

- property finance and development;
- the provision of investment and development capital; and
- investment in other non-property opportunities.

#### DIVIDENDS

A final fully franked dividend in respect of the year ended 30 June 2023 of 5 cents per share amounting to \$5,841,210 was paid on 18 August 2023.

#### CONSOLIDATED RESULTS

The financial performance for the 2024 financial year is as follows:

- Net loss after tax of \$2.5 million (2023: net profit of \$13.4 million) to shareholders;
- Net loss after tax of \$4.7 million (2023: net profit of \$13.9 million);
- Earnings per share loss of 2 cents (2023: profit of 11.49 cents); and
- Decrease in Net Assets per share of 6 cents (2023: increase of 2 cents), following dividends per share totalling 5 cents (2023: 9 cents) paid during the year.

The consolidated result for the year attributable to the members of the Company is calculated as follows:

	2024 \$	2023 \$
Net (loss)/profit after income tax	(4,681,871)	13,883,440
Net (loss)/profit attributable to non-controlling interests	(2,165,561)	465,764
Net (loss)/profit after income tax attributable to members of parent entity	<u>(2,516,310)</u>	<u>13,417,676</u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### REVIEW OF OPERATIONS

##### Financial Performance

For the year of FY24 CVC Limited recorded an after-tax loss attributable to shareholders of \$2.5m (FY23: profit of \$13.4m). During the year the company paid 5 cents per share in fully franked dividends (FY23: 9 cents per share)

A breakdown of the operating segments for the year are as follows:

	2024	2023
	\$	\$
Property Investments	6,741,094	24,732,753
Non-property Investments	(2,861,967)	5,829,788
Notes Interest	(2,822,991)	(4,426,163)
Unallocated overhead expenses	(7,534,661)	(6,839,695)
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Total Comprehensive (Loss)/Income	(4,681,871)	13,883,440
Less: non-controlling interest	(2,165,561)	465,764
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Total Comprehensive (Loss)/Income attributable to Shareholders	<u>(2,516,310)</u>	<u>13,417,676</u>

Net assets to shareholders as at 30 June 2024 were \$173.5m representing \$1.49 per share (FY23: \$1.55 per share). The Board has been consistent in communicating that the statutory assets of the business do not align with current 'as is' independent values of property inventory due to the nature of accounting standards, whereby those assets are recorded at the lower of cost and net realisable value. The Board is of the view that the impact of current valuations which would be over and above the carrying value of these assets is in the order of \$1.13 per share on a post-tax basis.

##### Capital Management

Given the nature of the assets held in the CVC investment portfolio, some of which require continued funding due to ongoing settlement payment profiles, capital management remained a high propriety of the management team and Board.

During the year, CVC successfully refinanced a loan provided to the Marsden Park project as a result of Mirvac's withdrawal from the project after it was announced by NSW government that it would not be rezoned for residential use. The \$30m first mortgage loan was refinanced by NAB with a term of two years. This should provide sufficient runway to achieve planning approval and add considerable value to the property.

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**(AND ITS CONTROLLED ENTITIES)**  
**DIRECTORS' REPORT (CONTINUED)**

**REVIEW OF OPERATIONS (CONTINUED)**

**Property Investments**

*Contribution Summary*

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*Progress on other property projects*

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**CVC LIMITED**  
**(AND ITS CONTROLLED ENTITIES)**  
**DIRECTORS' REPORT (CONTINUED)**

**REVIEW OF OPERATIONS (CONTINUED)**

**Property Investments (continued)**

***New Property Investments***

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The business conducted diligence on a number of other transactions which have the prospect of closing in FY25 on the basis that they meet the investment criteria of the business, however any investment will be balanced against the primary focus of the board which is to ensure sufficient capital to advance its existing portfolio of investments.

**Non-Property Investments**

Non property investment continues to become a lesser proportion of the business, representing a total of \$34.2 million in value as at the end of the year. This segment generated a total pre-tax loss of \$2.9 million (FY23: profit \$5.8 million).

**General Summary of the Year and FY25 Outlook**

The performance of the business, as measured by the FY24 result, points to a business that has not delivered. However, it is important to note that accounting standards mean that some of the reward for effort invested by the business in relation to its property holdings is not yet reflected in the accounts of CVC. It is the role of management and the Board to continue to add value to CVC's investment portfolio in the knowledge that it will eventually be reflected in the value of the CVC business.

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FY25 will be another year where effort and energy is expended to conclude planning processes. There is reason to be optimistic about what can be achieved in this regard, but as always, planning approvals are not perfectly forecastable, thus there is not certainty around when our major projects will be rezoned.

The Board and management of CVC Limited continues to simplify the business model and its investment portfolio, while also focusing on optimising long term value for CVC shareholders.

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**(AND ITS CONTROLLED ENTITIES)**  
**DIRECTORS' REPORT (CONTINUED)**

**REVIEW OF OPERATIONS (CONTINUED)**

**Risk associated with CVC's business**

Some of the key risks relating to CVC are set out below. It is not, however, possible to describe all the risks to which CVC may become subject and which may impact adversely on CVC's prospects and performance.

***Property investment risk***

The performance of CVC's property investments is influenced by the realisable value of CVC's property and property-related assets and the security supporting loans. The realisable value can be affected by general market conditions as well as project specific outcomes.

***Key management and investment personnel***

Key management and investment personnel are responsible for sourcing opportunities and recommending and managing the investments of CVC. There is a risk that the financial performance of the company could be impacted if key staff members or directors resign or retire their employment at CVC and are not promptly replaced by suitably qualified and experienced personnel.

***Investment liquidity risk***

CVC's Portfolio includes investments in assets that are typically subject to low levels of liquidity. If an investment cannot be realised quickly enough (or at all) or at an earlier time than intended then CVC may suffer significant losses.

***Investment concentration risk***

CVC's investment strategy includes making significant investments and undertaking active management roles in property projects. As CVC reduces its holding of legacy, non-property assets, investment concentration risk continues to increase. CVC's Portfolio may consist of a small number of investments that may subject the company to investment concentration risk.

***Project approval risk***

The success of certain property projects is dependent on the ability of CVC or the developer to obtain rezoning and / or development approvals from government bodies. This process involves obtaining approvals outside of the control of CVC. There is a risk that approvals will not be able to be achieved as forecast, or at all. This may impact the value of the project in an unfavourable manner.

***Development risk***

The proceeds generated from a property project is closely tied to the approval and development process. Unanticipated factors can influence the realisable value of a property. These can include, but are not limited to the following potential conditions:

- (i) Changes in the conditions of planning approval of a particular project or property;
- (ii) Development cost increases;
- (iii) Project timetables being delayed; and
- (iv) Economic factors impacting the project (such as interest rate rises increasing the cost to finance development).

***Cyber risk***

CVC does have cyber risks that we cannot eliminate entirely but our risks are relatively small and we perform regular systems reviews to ensure sensitive information is properly stored or destroyed.

**STATE OF AFFAIRS**

Other than as set out above, there were no other significant changes in the state of affairs of the Company that occurred during the year not otherwise disclosed in this report or the financial statements.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the year end, CVC has successfully raised approximately \$15m by issuing redeemable, unsecured, no-convertible notes. The new notes issued formed a single series with the existing CVC Note 2 (which trade on ASX under the code "CVCHA").

CVC sold the land development site in Werribee, Victoria, realising a profit of \$0.5 million in July 2024.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in future financial years.

#### LIKELY DEVELOPMENTS

As explained in previous reports, the total level of profit for any period, notwithstanding the recurrent earnings, is largely determined by the timing of the realisation of investments that result in capital gains, changing market values as well as costs incurred to achieve a realisation event. The Company believes the strong financial position and continual evaluation of investment opportunities by its management team will enable the identification and execution of suitable investment opportunities during the course of the coming year.

#### ENVIRONMENTAL REGULATION

CVC has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of CVC's operations that are subject to significant environmental laws and regulation. The Directors have determined that CVC has complied with those obligations during the financial year and that there has not been any material breach.

#### REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of the Company and its 100% owned entities in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by s. 308(3C) of the *Corporations Act 2001*. The remuneration report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of CVC.

##### Remuneration philosophy

The performance of CVC depends upon its ability to attract and retain quality people. CVC is committed to developing a remuneration philosophy of paying sufficient competitive 'base' rewards to attract and retain high calibre management personnel and providing the opportunity to receive superior remuneration tied directly to the creation of value for shareholders.

##### Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and remuneration for all other key management personnel is separate and distinct.

Non-Executive Director's remuneration is solely in the form of base salary plus superannuation contributions and has been set by shareholders at a maximum aggregate amount of \$400,000, to be allocated amongst the Directors as they see fit. It has been set to balance the need to attract and retain Directors of the highest calibre at a cost that is acceptable to shareholders.

Other key management personnel remuneration consists of: base salary, fees, superannuation contributions, short term discretionary performance bonuses and participation in the CVC Executive Long Term Incentive Plan.

The Company does not have a remuneration committee. The remuneration of the Managing Director is determined following discussion with the remaining Directors. The remuneration of key management personnel other than the Managing Director are determined following discussion with the Board of CVC.

Short term discretionary performance bonuses permit CVC to reward individuals for superior personal performance or contribution towards components of CVC's performance for which they have direct responsibility and are determined at the end of the financial year.

The objectives of the CVC Executive Long Term Incentive Plan are to directly align the opportunity to achieve superior employment rewards with the wealth generated for shareholders whilst providing a mechanism to retain key employees over the longer term. Refer to page 12 for details of performance rights issued.

**CVC LIMITED**  
**(AND ITS CONTROLLED ENTITIES)**  
**DIRECTORS' REPORT (CONTINUED)**

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

**Executive contractual arrangements**

It is CVC's policy that service contracts for key management personnel are unlimited in term but capable of termination as per the relevant period of notice and that CVC retains the right to terminate the contract immediately, by making payment that is commensurate with pay in lieu of notice.

The service contract outlines the components of remuneration paid to the key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account any change in the scope of the role performed by the key management personnel and any changes to the principles of the remuneration policy.

The key employment terms of Messrs Avery and Treasure as at the date of this report are as follows:

- Base salary per annum:

Mark Anthony Avery	\$500,000
Craig Granville Treasure	\$420,000
- Termination of employment by providing six months' notice, unless it is due to serious misconduct, which requires no notice;
- Any unvested short term incentives are forfeited; and
- Six months restriction from solicitation of staff and clients.

Given Mr Leaver is a major shareholder and founder of CVC, the key employment terms of his contract as at the date of this report are as follows:

- Base salary per annum: \$225,000
- Termination of employment with reasonable notice, unless it is due to serious misconduct, which requires no notice.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### REMUNERATION REPORT (AUDITED) (CONTINUED)

##### Individual remuneration disclosures

The following table provides details of the remuneration expense of the Company and its 100% owned entities recognised for the group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standard.

		Base Salary Fees \$	STI Bonus (a) \$	Post – employ't benefits Super'n \$	Share- based payment (c) \$	Termination benefit \$	Total \$	Base % (b) \$
MA Avery Managing Director	2024	465,000	330,000	27,500	264,834	-	1,087,334	45%
	2023	440,000	440,000	27,500	96,794	-	1,004,294	47%
CG Treasure Executive Chairman	2024	384,615	100,000	27,500	202,520	-	714,635	58%
	2023	400,000	200,000	27,500	74,019	-	701,519	61%
IH Campbell Non-Executive Director	2024	95,000	-	10,450	-	-	105,450	100%
	2023	88,225	-	9,264	-	-	97,489	100%
JS Leaver Head of Strategic Operations	2024	215,000	-	23,650	-	-	238,650	100%
	2023	207,763	-	21,815	-	-	229,578	100%
JA Hunter (d) Company Secretary	2024	-	-	-	-	-	-	-
	2023	212,500	-	13,750	14,234	1,274,737	1,515,221	99%
	2024	1,159,615	430,000	89,100	467,354	-	2,146,069	
	2023	1,348,488	640,000	99,829	185,047	1,274,737	3,548,101	

##### Notes:

- (a) The Short Term Incentive Bonus represents discretionary cash bonuses as determined by the Directors of CVC, based on their performance during the year. There are no predetermined key performance measures set in order to assess and calculate the entitlement to the bonus amount paid. Instead the bonus payments determined by the Directors are a subjective assessment of the respective contributions to the performance of CVC and execution of its strategy for the financial year. Bonuses for the 2024 financial year were paid on 12 July 2024.
- (b) Base % reflects the amount of base level remuneration that is not dependent on individual or CVC performance.
- (c) Share-based payment is in relation to performance rights issued. Refer note 34.
- (d) Mr John Hunter resigned as company secretary from 30 September 2022 and ceased to be considered as a key management personnel from this date. The amount paid in 2023 includes payment to Mr Hunter in relation to his departure, as per approved in the Annual General Meeting on 29 November 2022. This payment encompasses \$326,660 untaken annual leave and long service leave entitlement, \$98,077 severance pay and an estimated future performance payment of \$850,000 if he had continued in employment with CVC.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### REMUNERATION REPORT (AUDITED) (CONTINUED)

##### Additional disclosures relating to key management personnel

##### (i) *Shareholding in the Company*

The relevant interest of each key management personnel held in the Company as at 30 June 2024 is as follows:

##### *Ordinary shares:*

	Opening	Disposal	Closing
MA Avery	9,500	-	9,500
CG Treasure	68,000	-	68,000
IH Campbell	50,000	-	50,000
JS Leaver	40,703,337	-	40,703,337

The shares held by key management personnel have the same contractual right as ordinary shareholders.

##### *Loan notes:*

	Opening	Disposal	Closing
MA Avery	-	-	-
CG Treasure	4,000	-	4,000
IH Campbell	-	-	-
JS Leaver	40,000	(1,660)	38,340

##### (ii) *Shareholding in the subsidiaries*

Key management personnel and their related entities hold interests in the following CVC subsidiaries. Movement of interests held during the year are disclosed below:

	Opening Ownership Interest 1 Jul 2023	Purchases	Closing Ownership Interest 30 Jun 2024
<b>Norwell Valley Collective Pty Ltd</b>			
Mr C.G. Treasure	10%	-	10%
<b>West Melb Land Holdings Pty Ltd</b>			
Mr M.A. Avery	6.5%	-	6.5%
Mr C.G. Treasure	6.5%	-	6.5%

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### REMUNERATION REPORT (AUDITED) (CONTINUED)

##### Additional disclosures relating to key management personnel (Continued)

##### (iii) Performance rights

On 10 December 2021, CVC issued employees performance rights under the CVC Employee Incentive Plan. The Employee Incentive Plan was approved by shareholders at the 2021 Annual General Meeting, and is designed to provide long-term incentives for senior managers and above to deliver long-term shareholder returns. Under the plan, participants are granted rights that deliver ordinary shares to employees (at no cost) which only vest if Total Shareholder Return (TSR) hurdles are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance rights carry no dividend or voting rights or rights to participate in any other share issue of CVC or any other entity. When exercisable, each performance right is entitled to receive one ordinary share.

TSR is the compound annual rate measured between the grant date and the vesting date which is calculated based on a combination of share price growth and dividends to shareholders. The total number of rights that vest, if any, depends on the TSR hurdle achieved and will be determined by the directors of CVC with reference to the below table.

Return (p.a.)	Vesting Amount
< 12.5%	nil
12.5% - 15%	25%
15% - 17.5%	50%
17.5% - 20%	75%
>20%	100%

The following table illustrates movements in the number of performance rights on issue during the year.

##### Year ended 30 June 2024

Grant Date	Vesting Date	Exercise Price	Balance at start of the year	Granted during the year	Balance at end of the year	Fair value per right at grant date
10 Dec 2021	09 Dec 2025	-	3,500,000	-	3,500,000	\$1.91

The table below provides a reconciliation of performance rights held by the Key Management personnel.

##### Year ended 30 June 2024

	Grant Date	Vesting Date	Exercise Price	Balance at start of the year	Granted during the year	Balance at end of the year	Fair value per right at grant date
MA Avery	10 Dec 2021	09 Dec 2025	-	1,700,000	-	1,700,000	\$1.91
CG Treasure	10 Dec 2021	09 Dec 2025	-	1,300,000	-	1,300,000	\$1.91

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### DIRECTORS' REPORT (CONTINUED)

#### REMUNERATION REPORT (AUDITED) (CONTINUED)

##### Additional disclosures relating to key management personnel (Continued)

##### (iv) Other Transactions with key management personnel

Key management personnel hold co-investments in the projects of CVC and have contractual rights to receive distributions and capital returns received by CVC from the following project.

Marsden Park Development Trust: the landowner of the property project in Marsden Park North, New South Wales

The following table shows the entitlement movement during the year.

	Opening ownership interest 1 Jul 23	Other changes during the year	Closing ownership interest 30 Jun 24
<b>Marsden Park Development Trust</b>			
Mr M.A. Avery	0.5%	-	0.5%

At the end of the reporting period \$60,616 were recognised in trade and other payables in the statement of financial position in relation to the co-investment in Marsden Park Development Trust property project.

##### Consequences of performance on shareholder wealth

In considering CVC's performance and benefits for shareholder wealth, the Directors have regard to the following indicators in respect of the current financial year and previous financial years.

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Net (loss)/profit attributable to members of the parent entity	(2,516,310)	13,417,676	6,105,923	19,489,949	(2,074,480)
Other comprehensive loss attributable to members of the parent entity	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive (loss)/income attributable to members of the parent entity	(2,516,360)	13,417,676	6,105,923	19,489,949	(2,074,480)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Dividends paid	5,841,210	10,514,169	10,514,169	3,504,722	9,413,760
Shares bought back on market	-	-	-	864,524	671,904
Share price at year end	1.69	2.37	2.45	1.97	1.41
Change in share price	(0.68)	(0.08)	0.48	0.56	(1.18)
Net assets per share	1.49	1.55	1.53	1.56	1.43
Change in net assets per share	(0.06)	0.02	(0.03)	0.13	(0.10)

*This concludes the remuneration report, which has been audited.*

# CVC LIMITED

(AND ITS CONTROLLED ENTITIES)

## DIRECTORS' REPORT (CONTINUED)

### SHARE OPTIONS

There were no options issued by the Company during the year or to the date of this report. CVC has outstanding performance rights to key management personnel. Refer page 12.

### INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

#### a) Indemnification

During and since the end of the financial period CVC has provided an indemnity and entered into an agreement to indemnify Directors and Company Secretaries for liabilities that may arise from their position, except where the liability arises out of conduct involving a lack of good faith.

#### b) Insurance Premiums

CVC has not, during the year or since the end of the financial year, paid or agreed to pay a premium for insuring any person who is or has been an auditor of the Company or a related body corporate for the costs or expenses of defending legal proceedings.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expense insurance for Directors and Officers of the Company.

In accordance with s. 300(9) of the *Corporations Act 2001* further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### ROUNDING OF AMOUNTS

CVC is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

### AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

CVC appointed Pitcher Partners Sydney as the auditors for the 2024 financial year. Details of the amounts paid or payable to the auditor for audit services provided during the financial year are disclosed in note 26. No fees were paid to the auditor in respect of non-audit services during the year.

### AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CVC LIMITED

A copy of the Independence Declaration given to the Directors by the lead auditor for the audit undertaken by Pitcher Partners Sydney is included on page 15.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Dated at Sydney 22 August 2024.



MARK AVERY  
Director



CRAIG TREASURE  
Director

**Auditor's independence declaration****To the Directors of CVC Limited**

In relation to the independent audit for the year ended 30 June 2024, to the best of my knowledge and belief there have been:

- i. No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- ii. No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of CVC Limited and the entities it controlled during the year.

**John Gavljak**

Partner

**Pitcher Partners**

Sydney

22 August 2024

**CVC LIMITED**  
(AND ITS CONTROLLED ENTITIES)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>INCOME FROM CONTINUING OPERATIONS</b>			
Development sales and fees	4	7,117,200	69,684,135
Change in fair value of investment property	17	-	1,578,224
Interest and fee income	4	7,551,138	9,447,821
Share of net profits of associates accounted for using the equity method	16	6,436,988	8,445,577
Gain on investment at fair value through profit or loss		-	3,116,675
Other income	4	2,506,606	7,956,341
<b>Total income</b>		<b>23,611,932</b>	<b>100,228,773</b>
<b>EXPENSES</b>			
Property development cost	5	4,488,175	61,024,237
Employee and director costs	5	4,408,966	5,271,382
Finance costs	5	8,819,678	7,535,809
Impairment loss	5	3,000,339	3,632,815
Change in fair value of investment property	17	634,938	-
Loss on investment at fair value through profit or loss		5,047,294	-
Management and consultancy fees		794,902	771,530
Other expenses	5	2,896,165	2,696,317
<b>Total expenses</b>		<b>30,090,457</b>	<b>80,932,090</b>
<b>(Loss)/profit before related income tax expense</b>		<b>(6,478,525)</b>	<b>19,296,683</b>
Income tax (benefit)/expense	6	(1,796,654)	5,413,243
<b>Net (loss)/profit for the year</b>		<b>(4,681,871)</b>	<b>13,883,440</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(4,681,871)</b>	<b>13,883,440</b>
<b>Net (loss)/profit for the year attributable to</b>			
Shareholders		(2,516,310)	13,417,676
Non-controlling interest		(2,165,561)	465,764
		<b>(4,681,871)</b>	<b>13,883,440</b>
<b>Total comprehensive (loss)/income for the year attributable to</b>			
Shareholders		(2,516,310)	13,417,676
Non-controlling interest		(2,165,561)	465,764
		<b>(4,681,871)</b>	<b>13,883,440</b>
Basic earnings per share	7	(0.0215)	0.1149
Diluted earnings per share	7	(0.0215)	0.1137

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

**CVC LIMITED**  
(AND ITS CONTROLLED ENTITIES)  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	25	14,045,785	51,175,273
Financial assets at amortised cost	9	41,753,258	42,540,711
Financial assets at fair value through profit or loss	13	-	217,422
Inventories	14	6,844,420	4,720,802
Other assets	15	505,749	2,507,407
		<hr/>	<hr/>
Assets classified as held for sale	10	63,149,212 14,249,649	101,161,615 -
		<hr/>	<hr/>
<b>Total current assets</b>		<b>77,398,861</b>	<b>101,161,615</b>
		<hr/>	<hr/>
<b>NON-CURRENT ASSETS</b>			
Contract asset	11	3,804,400	2,514,995
Financial assets at amortised cost	9	25,234,302	37,467,551
Financial assets at fair value through profit or loss	13	25,513,403	30,504,918
Inventories	14	73,907,693	13,441,003
Investments accounted for using the equity method	16	19,920,433	33,447,592
Property, plant and equipment		56,002	86,236
Right-of-use assets	12	917,950	1,375,037
Investment properties	17	38,400,000	4,000,000
Other assets	15	66,632,052	57,007,010
Deferred tax assets	6	5,046,880	2,054,655
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>259,433,115</b>	<b>181,898,997</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>336,831,976</b>	<b>283,060,612</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	2,944,121	4,932,472
Interest bearing loans and borrowings	21	47,910,000	1,073,558
Other liabilities	22	73,019	145,088
Lease liabilities	12	476,282	471,483
Provisions	20	625,453	637,653
Current tax liabilities		1,739,840	5,264,880
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>53,768,715</b>	<b>12,525,134</b>
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings	21	99,619,257	86,728,446
Lease liabilities	12	485,195	961,479
Deferred tax liabilities	6	2,545,747	3,339,603
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>102,650,199</b>	<b>91,029,528</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>156,418,914</b>	<b>103,554,662</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>180,413,062</b>	<b>179,505,950</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Contributed equity	23	97,231,880	97,231,880
Retained earnings		75,698,079	84,055,599
Other reserves	24	598,229	52,668
		<hr/>	<hr/>
Total parent entity interest		173,528,188	181,340,147
Non-controlling interest		6,884,874	(1,834,197)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>180,413,062</b>	<b>179,505,950</b>
		<hr/>	<hr/>

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

**CVC LIMITED**  
(AND ITS CONTROLLED ENTITIES)  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	Contributed equity \$	Retained earnings \$	Other reserves \$	Other equity \$	Owners of the parent \$	Non-controlling interest \$	Total \$
At 1 July 2023		97,231,880	84,055,599	52,668	-	181,340,147	(1,834,197)	179,505,950
Profit for the year		-	(2,516,310)			(2,516,310)	(2,165,561)	(4,681,871)
Other comprehensive income		-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	(2,516,310)	-	-	(2,516,310)	(2,165,561)	(4,681,871)
<i>Transactions with shareholders:</i>								
Change in non-controlling ownership interests	24	-	-	314	-	314	14,036,065	14,036,379
Return of capital		-	-	-	-	-	(1,908,032)	(1,908,032)
Dividends paid	8	-	(5,841,210)	-	-	(5,841,210)	(1,243,401)	(7,084,611)
Share based payment	24	-	-	545,247	-	545,247		545,247
<b>At 30 June 2024</b>		<b>97,231,880</b>	<b>75,698,079</b>	<b>598,229</b>	<b>-</b>	<b>173,528,188</b>	<b>6,884,874</b>	<b>180,413,062</b>
At 1 July 2022		97,231,880	79,270,687	98,993	1,881,405	178,482,965	(2,359,711)	176,123,254
Profit for the year		-	13,417,676	-	-	13,417,676	465,764	13,883,440
Other comprehensive income		-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		-	13,417,676	-	-	13,417,676	465,764	13,883,440
<i>Transactions with shareholders:</i>								
Change in non-controlling ownership interests	24	-	-	(245,606)	-	(245,606)	182,075	(63,531)
Return of capital		-	-	-	-	-	(2,418)	(2,418)
Dividends paid	8	-	(10,514,169)	-	-	(10,514,169)	(119,907)	(10,634,076)
Share based payment	24	-	-	199,281	-	199,281	-	199,281
Transfer from/(to) equity		-	1,881,405	-	(1,881,405)	-	-	-
<b>At 30 June 2023</b>		<b>97,231,880</b>	<b>84,055,599</b>	<b>52,668</b>	<b>-</b>	<b>181,340,147</b>	<b>(1,834,197)</b>	<b>179,505,950</b>

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

**CVC LIMITED**  
(AND ITS CONTROLLED ENTITIES)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		2,848,002	1,427,172
Cash payments in the course of operations		(8,034,321)	(7,793,438)
Cash proceeds from land held for resale		6,950,000	5,050,000
Cash payment for land held for resale		(52,073,042)	(1,848,751)
Proceeds on disposal of equity investments		5,148,877	42,517,715
Payments for equity investments		(10,751,273)	(16,224,494)
Payment on construction contract		(3,812,402)	(43,030,084)
Proceeds from construction contract		1,985,224	64,905,093
Payment for other assets		(17,902,435)	(40,850,296)
Loans provided		(5,325,565)	(15,488,860)
Loans repaid		8,071,514	38,233,954
Dividends received		843,866	3,435,665
Interest received		2,572,220	7,709,087
Interest paid		(10,376,550)	(4,219,408)
Income taxes paid		(5,514,470)	(6,808,884)
<b>Net cash (used in)/provided by operating activities</b>	<b>25</b>	<b>(85,370,355)</b>	<b>27,014,471</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investment properties		(374,938)	(21,776)
Proceeds on disposal of investment property		3,740,000	-
Payments for property, plant and equipment		(12,106)	(7,614)
Proceeds on sale of subsidiaries	2	-	5,100,000
Payments for acquisition of subsidiaries, net of cash	2	(4,421,340)	-
Cash held by subsidiaries deconsolidated		-	(6,499,980)
<b>Net cash used in investing activities</b>		<b>(1,068,384)</b>	<b>(1,429,370)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(15,023,910)	(5,225,181)
Proceeds from borrowings		74,168,876	36,099,335
Principal elements of lease payments		(471,485)	(467,270)
Convertible loan note redeemed		-	(50,192,788)
Proceeds from loan note issued		-	31,141,000
Loan note issued transaction costs		-	(1,345,040)
Dividends paid		(7,079,625)	(10,676,264)
Transactions with non-controlling interests		(2,284,605)	(152,870)
<b>Net cash provided by/(used in) financing activities</b>		<b>49,309,251</b>	<b>(819,078)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(37,129,488)</b>	<b>24,766,023</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>51,175,273</b>	<b>26,409,250</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>25</b>	<b>14,045,785</b>	<b>51,175,273</b>

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

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES

CVC Limited is a company limited by shares, incorporated and domiciled in Australia.

This note provides a list of material accounting policies adopted in the preparation of the financial report. These accounting policies have been consistently applied by each entity in CVC and, are consistent with those of the previous year.

##### 1.1 Basis of Preparation

The financial report covers CVC Limited (the "Company") and its controlled entities ("CVC").

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards (including Australian Accounting Interpretations). CVC is a for-profit entity for the purpose of preparing this financial report.

##### Compliance with International Financial Reporting Standards

The financial report complies with International Financial Reporting Standards (IFRS).

##### Functional currency and presentation currency

The financial statements are presented in the Australian currency.

##### Historical cost convention

The financial report has been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investment properties which have been measured at fair value.

##### Rounding of amounts

CVC is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

##### New and amended standards adopted

CVC has adopted all of the applicable new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, including AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates*. Adoption of the applicable new or amended standards did not have a material impact on CVC.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by CVC. These standards are not expected to have a material impact on CVC in the current or future reporting periods.

##### 1.2 Current and non-current classification

CVC presents assets and liabilities in the Statement of Financial Position as current or non-current.

- Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of CVC's operating cycle and within one year from the reporting date. All other assets are classified as non-current.
- Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of CVC's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CVC's accounting policies.

The financial statement areas that involve the use of key estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities are:

- Assessment of recoverable amount of investments accounted for using the equity method (refer note 33.1);
- Assessment of recoverable amount of financial assets at amortised cost (refer note 9);
- Valuation of inventories (refer note 14);
- Valuation of investment properties (refer note 17);
- Fair value of certain financial assets at fair value through profit or loss (refer note 13 and note 33.2);
- Recoverable value of other assets (refer note 15);
- Recoverability of current and deferred tax assets and measurement of current and deferred tax liabilities, and the likelihood of generating sufficient future taxable profits to recover such tax balances (refer note 6); and
- Fair value of performance rights (refer note 34).

##### 1.4 Principles of Consolidation and equity accounting

###### *Subsidiaries*

Subsidiaries are all entities over which CVC has control. CVC controls an entity where CVC is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to CVC. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full and the reporting period and accounting policies of subsidiaries are consistent with those of the parent entity.

Non-controlling interests not held by CVC are allocated their share of net profit after tax in the statement of profit or loss and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

###### *Associates*

Associates are those entities, other than partnerships, over which CVC exercises significant influence but not control. In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. CVC's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of profit or loss from the date significant influence commences until the date significant influence ceases.

Where an equity accounted investment is disposed of and (or) significant influence is lost, any remaining investment is measured at fair value at the disposal date, and is accounted for as a financial asset in accordance with AASB 9 *Financial instruments*. The difference between the previous carrying amount and fair value of the remaining investment is recognised in profit or loss as a gain or loss on disposal.

###### *Joint ventures*

CVC's interests in joint venture partnerships are accounted for using equity accounting principles. Investments in joint venture partnerships are carried at the lower of the equity accounted amount and recoverable amount. CVC's equity accounted share of the joint venture partnerships' net profit or loss is recognised in the consolidated statement of profit or loss from the date joint control commences to the date joint control ceases. CVC's share of other movements in reserves is recognised directly in other comprehensive income.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit. Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

##### 1.6 Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities on the current period's taxable income at the tax rates enacted by the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward amounts of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward amount of unused tax credits can be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit.

##### Tax consolidation legislation

The 100% owned subsidiaries of the Company formed a tax consolidation group on at 30 June 2003. The entities in the consolidated group continue to account for their own current and deferred tax amounts. CVC has applied the "stand-alone taxpayer" approach in determining the appropriate amount of current taxes and deferred taxes to be allocated to members of the tax consolidated group. The Company recognises the current tax liabilities (or assets) from controlled entities in the tax consolidated group. To the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised the Company recognises the deferred tax assets from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the allocation of tax within the group is calculated as if each entity was an individual entity for tax purposes. Unless agreed between the members, the funding agreement requires payment as a result of the transfer of tax amounts.

# **CVC LIMITED**

## **(AND ITS CONTROLLED ENTITIES)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

#### **NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

##### **1.7 Business Combination**

The acquisition method of accounting is used to account for all business combinations.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

For business combinations which involve an equity interest previously held by CVC which qualified as an associate or a jointly controlled entity, it is similarly treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly, it is remeasured to its acquisition date fair value, and any resulting gain or loss compared to its carrying amount at acquisition date is recognised in the statement of profit or loss.

##### **1.8 Cash and Cash Equivalents**

Cash includes cash on hand and short-term deposits with an original maturity of three months or less.

##### **1.9 Trade and Other Payables**

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to CVC prior to the end of the financial year that are unpaid and arise when CVC becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are non-interest bearing and are normally settled on average between 30 – 45 day terms.

##### **1.10 Trade and Other Receivables**

Trade and other receivables are stated at their amortised cost less any allowance for expected credit losses. Individual debts that are known to be uncollectible are written off when identified. CVC applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. The measurement of expected loss is based on CVC's historical credit losses experienced and then adjusted for current and forward-looking information affecting CVC's customers.

##### **1.11 Contract Assets and Contract Liabilities**

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. Individual contract assets that are known to be uncollectible are written off when identified. CVC applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for contract assets. The measurement of expected loss is based on CVC's historical credit losses experienced and then adjusted for current and forward-looking information affecting CVC's customers.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.12 Inventories

CVC develops residential and commercial properties for sale which are classified as inventories. Development projects are valued at the lower of cost and net realisable value (NRV). Cost includes costs of acquisition, development and all other costs directly related to specific projects. NRV is the estimated selling price in the ordinary course of business less estimated costs to complete and sell the development.

##### 1.13 Investment properties

Investment properties are initially measured at cost, including transaction costs. Investment properties are subsequently measured at fair value, which reflect market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are recognised in the statement of profit or loss in the year in which they arise.

##### 1.14 Other non-current assets

Other non-current assets include call options and put and call option at contracted cost to purchase property, non-refundable call option fees paid, security deposit and associated due diligence costs paid in relation to land subject to rezoning and further development. Other non-current assets are recorded at cost and tested for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that they might be impaired. Impairment losses on other non-current assets are taken to the statement of profit or loss.

##### 1.15 Financial Assets

###### (a) Classification

Financial assets in the scope of AASB 9 *Financial Instruments* are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or 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 statement of profit or loss and other comprehensive income.

Debt investments are reclassified when and only when its business model for managing those assets changes.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.15 Financial Assets (continued)

###### (b) Measurement

###### *Initial measurement*

At initial recognition, a financial asset is measured 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.

###### *Subsequent measurement*

###### *Financial assets at amortised cost*

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

###### *Financial assets at fair value through profit or loss (FVPL)*

Equity investments that have not been elected to present as financial assets at fair value through other comprehensive income are measured at FVPL. Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss as applicable.

###### (c) Impairment

The expected credit losses associated with debt instruments carried at amortised cost is assessed on a forward looking basis. The expected credit loss is determined based on changes in the financial asset's underlying credit risk and includes forward-looking information. Where there has been a significant increase in credit risk since initial recognition, the expected credit loss is determined with reference to the probability of default. CVC applies its judgement in determining whether there has been a significant increase in credit risk since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes forward-looking information.

Expected credit loss is generally determined based on the contractual maturity of the financial asset and an assessment of the underlying security provided by the counterparty. The expected credit loss is measured as the product of probability of default, loss given default and exposure at default, with increases and decreases in the measured expected credit loss from the date of origination being recognised in the statement of profit or loss as either an impairment loss or gain.

Outcomes within the next financial period that are different from assumptions and estimates could result in changes to the timing and amount of expected credit losses to be recognised.

The loss allowances for expected credit loss are presented in the statement of financial position as a deduction to the gross carrying amount.

##### 1.16 Intangible Assets

###### *Goodwill*

Goodwill on acquisition of businesses is included in intangible assets. Goodwill is considered to have an indefinite life and represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Impairment losses on goodwill are taken to the statement of profit or loss and are not subsequently reversed.

##### 1.17 Non-current assets (or disposal groups) held for sale

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

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.18 Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowing costs consist of interest and other costs relating to the financing of the acquisition of investment properties, and are expensed in the period they occur.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects. The carrying amount of the conversion option is not remeasured in subsequent periods. Interest on convertible notes and non-convertible notes are expensed in profit or loss.

##### 1.19 Other Liabilities

Other liabilities relate to non-controlling interests in contributory investment trusts that CVC has assessed that it controls and the units issued by these funds meet the definition of a liability in accordance with AASB 132 *Financial Instruments: Presentation* rather than classified as equity.

##### 1.20 Revenue

###### Revenue from contract with customers

###### *Contract Revenue*

CVC develops commercial properties. There is ordinarily one performance obligation, being the delivery of a completed building to a customer, including design, construction and leasing (if applicable) of the building. The performance obligation is satisfied, and revenue including costs and margin is recognised, over time with progress determined in line with the building's percentage of completion. The percentage of completion is determined by costs incurred to date as a percentage of total expected costs. This method best represents the passing of control of the building to the customer as it is being built. Estimates of costs and project completion and associated revenue are revised if circumstances change, with any resulting increases or decreases reflected in the statement of profit or loss. The revenue is only recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved.

###### *Sale of land*

CVC develops and sells commercial land. Revenue is recognised when control of the property has transferred to the customer. The revenue is measured at the transaction price agreed under the contract. The properties have generally no alternative use for CVC due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The consideration is due when legal title has been transferred.

###### *Management Fee Income*

Management fee income are provided to customers as a series of distinct goods or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single performance obligation.

###### *Financing components*

CVC does not expect to have any contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, CVC does not adjust any of the transaction prices for the time value of money.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

##### 1.20 Revenue (continued)

###### *Other income*

###### *Rental income*

Rental revenue from operating leases is recognised on a straight line basis over the term of the lease.

###### *Interest income*

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

###### *Dividends*

Revenue from dividends and other distributions from controlled entities are recognised by the parent entity when they are declared by the controlled entities.

Revenue from dividends from investments other than associates is recognised when right to receive is established. Dividends received out of pre-acquisition reserves are recognised in revenue and the investment is also assessed for impairment.

##### 1.21 Employee Entitlements

###### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled including "on-costs".

###### *Long service leave*

The liability for long service leave 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.

###### *Share-based payments*

CVC provides benefits to employees in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted, and amortised over the vesting period of the plan. The number of rights expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

##### 1.22 Earnings Per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

##### 1.23 Segment Reporting

A business segment is a distinguishable component of the entity that is engaged in providing differentiated products or services. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

##### 1.24 Foreign Currency Translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES

##### 2.1 Composition of Consolidated Group

The consolidated financial statements include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Companies incorporated in Australia:

	Interest Held by Consolidated Entity		Interest held by non-controlling interests	
	2024 %	2023 %	2024 %	2023 %
<b>CVC Limited</b>				
<b>Directly Controlled Entities:</b>				
79 Logan Road Pty Ltd (a)	52.5	n/a	47.5	n/a
79 Logan Road Trust (a)	52.5	n/a	47.5	n/a
Albemarle Altfi Investments Unit Trust	100	100	-	-
Biggee Pty Limited	60	60	40	40
Biomedical Systems Pty Limited	100	100	-	-
CVC Caboolture Unit Trust	60	60	40	40
CVC Investment Co Pty Limited	100	-	-	-
CVC Investment Managers Pty Limited	100	100	-	-
CVC Managers Pty Limited	100	100	-	-
CVC Mezzanine Finance Pty Limited	100	100	-	-
CVC (Newcastle) Pty Limited	100	100	-	-
CVC Property Investments Pty Limited	100	100	-	-
CVC Renewables Pty Limited	100	94	-	6
EFM Harpley Property Trust	100	100	-	-
Eildon Debt Fund (b)				
- V Class	-	100	-	-
- AU Class	100	-	-	-
Eildon Property Investment (E) Fund (b)				
- B Class	96	96	4	4
Harpley Developments Pty Limited	100	100	-	-
JAK Mickleham Road Pty Limited	-	100	-	-
LAC JV Pty Limited	66.7	66.7	33.3	33.3
LAC JV Unit Trust	66.7	66.7	33.3	33.3
LAC JV No. 2 Pty Limited	-	50	-	50
LAC JV No. 2 Unit Trust	-	50	-	50
MAC 1 MP Pty Ltd	66	66	34	34
Marsden Park Development Trust	66	66	34	34
Norwell Valley Collective Pty Ltd	60	60	40	40
Officer Land Co Pty Ltd	70	-	30	-
Safari Capital Pty Limited	-	100	-	-
Stinoc Pty Limited	99	99	1	1
West Melb Land Holdings Pty Ltd	80.5	80.5	19.5	19.5
<b>Controlled Entity owned by West Melb Land Holdings Pty Ltd:</b>				
Truganina Land Co Pty Ltd	70	70	30	30

- (a) On 4 July 2023, CVC acquired additional 17.5% of the entities which resulted in CVC's holding increasing to 52.5%. As such, the entities became subsidiaries of CVC after the transaction. Refer note 2.3.
- (b) Units issued in the fund meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity. As such, the units in the funds not eliminated on consolidation are recognised as "Other Liabilities" in the statement of financial position.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES (CONTINUED)

##### 2.2 Deconsolidation of Subsidiaries

###### Year ended 30 June 2023

###### *EFM Harpley Town Centre Property Trust*

During the 2023 financial year, CVC sold 52.4% of its holding in EFM Harpley Town Centre Property Trust for \$5.1m, resulting in a \$857,701 gain on sale taken to profit or loss. Subsequent to the sale, the trust has been accounted as associate investment using the equity method. The investment was reclassified to Assets Classified as Held for Sale on 30 June 2024. Refer Note 10.

##### 2.3 Business Combination

###### *79 Logan Road Trust*

On 4 July 2023, CVC acquired 17.5% of 79 Logan Trust for a consideration of \$4,644,692. Immediately prior to that date the Company had an existing holding of 35% of the equity on issue with a carrying amount of \$8,471,784.

A summary of the acquisition is as follows:

	\$
Purchase consideration:	
Cash paid	4,644,692
Carrying amount prior to acquisition	8,471,784
	<hr/>
Total purchase consideration	13,116,476
	<hr/> <hr/>
Fair value of Assets and Liabilities of 79 Logan Road Trust at Acquisition:	
Cash assets	223,352
Trade and other receivables (a)	125,873
Investment property	38,400,000
Trade and other payables	(224,538)
Interest bearing loan	(11,320,000)
	<hr/>
Net identifiable assets acquired	27,204,687
Less: non-controlling interest (b)	(14,410,004)
Add: goodwill (c)	321,793
	<hr/>
Net assets acquired	13,116,476
	<hr/> <hr/>
Cash outflow	
Cash consideration	4,644,692
Less: balances acquired	
Cash	(223,352)
	<hr/>
Net outflow of cash – investing activities	4,421,340
	<hr/> <hr/>

- (a) The fair value of acquired trade and other receivables is the gross contractual amount.
- (b) CVC has recognised the non-controlling interest at the non-controlling interest's proportionate share of the net identifiable assets.
- (c) The goodwill is attributable to the value of business in 79 Logan Trust. It will not be deductible for tax purpose. The goodwill has been fully impaired during the year. Refer note 18.

For the period from acquisition to 30 June 2024, the acquired business contributed revenues of \$1.4m and net profit of \$71k. If the acquisition had occurred on 1 July 2023, the contributed revenues and net profit would not have been materially different to the actual amounts contributed.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES (CONTINUED)

##### 2.4 Interest in material subsidiaries

###### *(a) Significant restrictions*

CVC has constitutional restrictions on its ability to access or use the assets of CVC Caboolture Unit Trust, Eildon Debt Fund, Eildon Property Investment (E) Fund, LAC JV Unit Trust and Marsden Park Development Trust, which arise from the operation of the various Trust Deeds of the entities. CVC has an interest in the equity of these entities, but does not have a right to their assets or liabilities.

The carrying amount of the non-controlling interests of the various entities included within the consolidated financial statements to which these restrictions apply is a net asset of \$6,884,874 (2023: liability of \$1,834,197).

###### *(b) Information on subsidiaries:*

Set out below are those entities that have non-controlling interests that are material to CVC.

Marsden Park Development Trust:	a property development in Riverstone, New South Wales.
CVC Caboolture Unit Trust:	a property development in Caboolture, Queensland.
Biggee Pty Ltd:	a property development in Varsity Lakes, Queensland
Truganina Land Co Pty Ltd:	a property development in Truganina, Victoria.
79 Logan Road Trust	a commercial property in Woolloongabba, Queensland with a long term lease to an ASX listed entity, with residential development approval.
Norwell Valley Collective Pty Ltd:	a property development project in Norwell, Queensland.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES (CONTINUED)

##### 2.4 Interest in material subsidiaries (Continued)

###### (b) Information on subsidiaries (continued):

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to CVC. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Marsden Park Development Trust		CVC Caboolture Unit Trust		Biggee Pty Ltd	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
<b>Summarised statement of financial position</b>						
Current assets	5,733,819	31,542	459,964	6,214,140	4,600,336	6,838,898
Current liabilities	270,438	7,892	495,146	4,657,207	26,675,918	104,557
<b>Current net assets</b>	<b>5,463,381</b>	<b>23,650</b>	<b>(35,182)</b>	<b>1,556,933</b>	<b>(22,075,582)</b>	<b>6,734,341</b>
Non-current assets	21,378,384	13,441,003	-	4,000,000	54,728,252	4,259,282
Non-current liabilities	32,528,111	17,503,221	-	4,213,058	36,817,429	11,956,918
<b>Non-current net assets</b>	<b>(11,149,727)</b>	<b>(4,062,218)</b>	<b>-</b>	<b>(213,058)</b>	<b>17,910,823</b>	<b>(7,697,636)</b>
<b>Net assets</b>	<b>(5,686,346)</b>	<b>(4,038,568)</b>	<b>(35,182)</b>	<b>1,343,875</b>	<b>(4,164,759)</b>	<b>(963,295)</b>
Accumulated NCI	(2,331,509)	(1,773,328)	(14,073)	537,550	(1,665,904)	(385,318)
<b>Summarised statement of comprehensive income</b>						
Revenue	32,092	479,011	5,757,316	66,578,492	47,018	-
(Loss)/profit for the period	(1,647,778)	(867,000)	1,729,471	4,784,656	(3,201,464)	(963,295)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(1,647,778)</b>	<b>(867,000)</b>	<b>1,729,471</b>	<b>4,784,656</b>	<b>(3,201,464)</b>	<b>(963,295)</b>
(Loss)/profit allocated to NCI	(565,682)	(299,191)	691,789	1,913,862	(1,280,586)	(385,318)
Dividends paid to NCI	-	-	(1,243,401)	118,071	-	-
<b>Summarised statement of cash flows</b>						
Cash flows (used in)/from operating activities	(8,109,179)	(313,580)	5,760,437	25,499,947	(46,571,620)	(10,499,965)
Cash flows from/(used in) financing activities	13,346,520	320,738	(8,604,491)	(22,661,431)	46,884,381	10,579,949
<b>Net increase/(decrease) cash and cash equivalents</b>	<b>5,237,341</b>	<b>7,158</b>	<b>(2,844,054)</b>	<b>2,838,516</b>	<b>312,761</b>	<b>79,984</b>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES (CONTINUED)

##### 2.4 Interest in material subsidiaries (Continued)

##### (b) Information on subsidiaries (continued):

	Truganina Land Co Pty Ltd		79 Logan Road Trust (a)		Norwell Valley Collective P/L	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
<b>Summarised statement of financial position</b>						
Current assets	269	107,906	392,620	-	99,339	58,940
Current liabilities	-	-	210,535	-	100,976	92,596
<b>Current net assets</b>	<b>269</b>	<b>107,906</b>	<b>182,085</b>	<b>-</b>	<b>(1,637)</b>	<b>(33,656)</b>
Non-current assets	13,513,064	7,117,411	38,400,000	-	4,130,927	2,514,996
Non-current liabilities	14,511,171	7,314,601	15,240,000	-	6,896,048	3,968,909
<b>Non-current net assets</b>	<b>(998,107)</b>	<b>(197,190)</b>	<b>23,160,000</b>	<b>-</b>	<b>(2,765,121)</b>	<b>(1,453,913)</b>
<b>Net assets</b>	<b>(997,838)</b>	<b>(89,284)</b>	<b>23,342,085</b>	<b>-</b>	<b>(2,766,758)</b>	<b>(1,487,569)</b>
Accumulated NCI	(435,556)	(38,973)	12,565,428	-	(1,106,703)	(595,068)
<b>Summarised statement of comprehensive income</b>						
Revenue	-	-	1,397,419	-	-	-
(Loss)/profit for the period	(908,554)	(89,286)	71,273	-	(1,279,189)	(1,487,669)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(908,554)</b>	<b>(89,286)</b>	<b>71,273</b>	<b>-</b>	<b>(1,279,189)</b>	<b>(1,487,669)</b>
Profit allocated to NCI	(396,584)	(38,973)	24,015	-	(511,676)	(595,068)
Dividends paid to NCI	-	-	-	-	-	-
<b>Summarised statement of cash flows</b>						
Cash flows (used in) /from operating activities	(5,898,678)	(7,187,619)	4,953,632	-	(1,873,005)	(3,152,421)
Cash flows from/(used in) financing activities	5,898,945	7,187,619	(4,914,013)	-	1,903,917	3,152,421
<b>Net increase cash and cash equivalents</b>	<b>267</b>	<b>-</b>	<b>39,619</b>	<b>-</b>	<b>30,912</b>	<b>-</b>

(a) On 4 July 2023, CVC acquired additional 17.5% of the trust which resulted in CVC's holding increasing to 52.5%. As such, the trust became a subsidiary of CVC after the transaction. Refer note 2.3

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 2: CONTROLLED ENTITIES (CONTINUED)

##### 2.5 Transactions with non-controlling interests

There were no material transactions with non-controlling interest for the year ended 30 June 2024 and the year ended 30 June 2023.

#### NOTE 3: PARENT COMPANY INFORMATION

##### 3.1 Summary financial information

The individual financial statements for the parent company, CVC Limited, show the following aggregate amounts:

	2024	2023
	\$	\$
Current assets	40,935,869	80,039,165
<b>TOTAL ASSETS</b>	<b>264,505,341</b>	<b>229,449,402</b>
Current liabilities	8,317,529	5,880,912
<b>TOTAL LIABILITIES</b>	<b>124,430,052</b>	<b>112,828,174</b>
<b>EQUITY</b>		
Contributed equity	97,231,880	97,231,880
Retained earnings	41,453,476	18,544,662
Other reserve	1,389,933	844,686
<b>TOTAL EQUITY</b>	<b>140,075,289</b>	<b>116,621,228</b>
<b>Net profit</b>	<b>28,750,019</b>	<b>26,414,086</b>
<b>Total comprehensive income for the year</b>	<b>28,750,019</b>	<b>26,414,086</b>

The financial information for the Company has been prepared on the same basis as the consolidated financial statements with the exception of investments in associates and controlled entities which are accounted for as "fair value through profit or loss" investments.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 3: PARENT COMPANY INFORMATION (CONTINUED)

	2024	2023
	\$	\$
<b>3.2 Commitments and Contingent liabilities</b>		
<b>Amounts available to be called by investees for partially paid shares and units</b>		
Related entities	766,667	7,500,000
<b>Amounts available to be drawn by borrowers under existing loan facility agreements</b>		
Related entities	102,740	3,020,000
Unrelated entities	694,274	1,942,454
	797,014	4,962,454

#### 3.3 Financial Guarantees

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Guarantees (a)	30,000,000	-
(a) The Company provides guarantee in respect of a bank loan of a subsidiary, secured by registered mortgage over the property of the subsidiary.		

#### NOTE 4: INCOME

##### Development sales and fees:

Contract revenue	167,200	64,634,135
Sale of land	6,950,000	5,050,000
	7,117,200	69,684,135

##### Interest and fee income:

Interest income	7,486,577	9,350,086
Facility fee income	64,561	97,735
	7,551,138	9,447,821

##### Other income:

###### *Profit from equity investments:*

Dividends	41,043	1,754,667
Gain on deconsolidation (note 2.2)	-	857,701
Gain on disposal of held-for sale	-	1,871,845

###### *Recovery of financial assets at amortised cost:*

Impairment recovery	-	2,311,553
Loan forgiveness	72,069	-

###### *Others*

Management fee income	688,394	684,000
Rental income	1,605,386	309,288
All other income	99,714	167,287
	2,506,606	7,956,341

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 4: INCOME (CONTINUED)

##### *Disaggregation of revenue from contracts with customers*

	Development sales and fees \$'000's	Facility fee income \$'000's	Management fee income \$'000's	Other contract revenue (a) \$'000's
<b>Timing of revenue recognition</b>				
<b>Year Ended 30 June 2024</b>				
At a point in time	6,950	-	-	-
Over time	167	65	688	10
	<u>7,117</u>	<u>65</u>	<u>688</u>	<u>10</u>
Revenue from contracts with customers	<u>7,117</u>	<u>65</u>	<u>688</u>	<u>10</u>
<b>Year Ended 30 June 2023</b>				
At a point in time	5,050	-	-	25
Over time	64,634	98	684	11
	<u>69,684</u>	<u>98</u>	<u>684</u>	<u>36</u>
Revenue from contracts with customers	<u>69,684</u>	<u>98</u>	<u>684</u>	<u>36</u>

(a) Other contract revenue were included in All other income.

#### NOTE 5: EXPENSES

	2024 \$	2023 \$
<b>Property development costs:</b>		
Contract cost	-	57,379,325
Cost of land sold	4,488,175	3,644,912
	<u>4,488,175</u>	<u>61,024,237</u>
<b>Employee and director costs:</b>		
Superannuation	232,453	232,720
Share-based payments	545,247	199,281
Non-executive director fees	105,450	97,489
Termination payment	-	1,274,737
Other employee costs	3,525,816	3,467,155
	<u>4,408,966</u>	<u>5,271,382</u>
<b>Finance costs:</b>		
Interest and finance charges paid/payable for financial liabilities at amortised cost	8,757,189	6,439,606
Finance cost for non-controlling interest in trust classified as liabilities	-	10,464
Amortisation of prepaid finance cost (a)	-	1,041,837
Lease liabilities	62,489	43,902
	<u>8,819,678</u>	<u>7,535,809</u>
(a) The finance cost is in relation to the guarantee provided by a third party to the vendor of the property in Moorebank, New South Wales, being purchased by LAC JV Unit Trust. The guarantee is being amortised over the term that the facility is being provided and it has been fully amortised during the 2023 financial year.		
<b>Impairment loss:</b>		
Impairment of financial assets at amortised cost	2,656,593	1,728,926
Impairment of investments in associates	-	1,400,403
Impairment of other assets	21,953	503,486
Impairment of goodwill	321,793	-
	<u>3,000,339</u>	<u>3,632,815</u>
<b>Other expenses:</b>		
Depreciation and amortisation	1,212,159	770,697
All other overhead expenses	1,684,006	1,925,620
	<u>2,896,165</u>	<u>2,696,317</u>

**CVC LIMITED**  
(AND ITS CONTROLLED ENTITIES)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	2024 \$	2023 \$
<b>NOTE 6: INCOME TAX</b>		
<b>6.1 Income Tax Expense</b>		
Accounting (loss)/profit before income tax	(6,478,525)	19,296,683
<b>Income tax (benefit)/expense at the statutory income tax rate of 30%</b>	(1,943,558)	5,789,005
<b>Increase in income tax expense due to:</b>		
Sundry items	80,343	172,202
Goodwill impairment	96,538	-
Trust losses not deductible	745,764	1,306,782
Deferred tax balance not recognised	384,664	-
<b>Decrease in income tax expense due to:</b>		
Dividends received	-	(103,348)
Trust profit not assessable	(819,133)	(1,435,558)
Deferred tax balance not previously recognised	(290,320)	(289,740)
	(1,745,702)	5,439,343
Adjustments in respect of current income tax of previous years	(50,952)	(26,100)
<b>Income tax (benefit)/expense</b>	(1,796,654)	5,413,243
The major components of income tax expense are:		
Current income tax charge	1,967,046	5,748,367
Deferred income tax	(3,712,748)	(309,024)
Adjustments in respect of current income tax of previous years	(50,952)	(26,100)
<b>Income tax (benefit)/expense reported in the statement of profit or loss</b>	(1,796,654)	5,413,243

**6.2 Deferred Tax Assets**

Deferred income tax at 30 June related to the following deferred tax assets:

	Included in Income \$	Included in Equity \$	Total \$
<i>Year ended 30 June 2024</i>			
Provisions and accrued expenses	544,194	-	544,194
Financial assets	2,015,453	-	2,015,453
Equity accounted income	42,587	-	42,587
Other	57,034	143	57,177
Tax losses	3,788,789	-	3,788,789
Deferred tax assets not recognised	(1,401,320)	-	(1,401,320)
	5,046,737	143	5,046,880

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 6: INCOME TAX (CONTINUED)

	Included in Income \$	Included in Equity \$	Total \$
<b>6.2 Deferred Tax Assets (Continued)</b>			
<i>Year ended 30 June 2023</i>			
Provisions and accrued expenses	280,438	-	280,438
Financial assets	1,011,027	-	1,011,027
Equity accounted income	1,001	-	1,001
Other	314,256	389	314,645
Tax losses	1,071,341	-	1,071,341
Deferred tax assets not recognised	(623,797)	-	(623,797)
	<u>2,054,266</u>	<u>389</u>	<u>2,054,655</u>

#### 6.3 Deferred Tax Liabilities

Deferred income tax at 30 June related to the following deferred tax liabilities:

<i>Year ended 30 June 2024</i>			
Financial assets	680,990	-	680,990
Equity accounted income	1,792,697	-	1,792,697
Other	72,060	-	72,060
	<u>2,545,747</u>	<u>-</u>	<u>2,545,747</u>
<i>Year ended 30 June 2023</i>			
Financial assets	1,292,194	-	1,292,194
Equity accounted income	1,962,945	-	1,962,945
Other	84,464	-	84,464
	<u>3,339,603</u>	<u>-</u>	<u>3,339,603</u>

Deferred income tax assets are offset against deferred income tax liabilities to the extent that it is probable that the timing of the utilisation of the temporary differences will occur in the same accounting period, a legally enforceable right exists to set off tax assets and liabilities and that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

CVC estimates future taxable profits based on forecasts. Future taxable profits are influenced by a variety of general economic and business conditions, which are outside the control of CVC. A change in any of these assumptions could have an impact on the future profitability of CVC and may affect the recovery of deferred tax assets. The recoverability of deferred tax assets including those arising from tax losses has been determined with reference to these forecasts.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 7: EARNINGS PER SHARE

	2024 \$	2023 \$
Basic earnings per share	(0.0215)	0.1149
Diluted earnings per share	(0.0215)	0.1137
<b>Reconciliation of earnings used in calculation of earnings per share:</b>		
(Loss)/profit after income tax	(4,681,871)	13,883,440
Less: non-controlling interest	(2,165,561)	465,764
Net (loss)/profit attributable to members of the parent entity	(2,516,310)	13,417,676
<b>Weighted average number of shares</b>		
	<b>Number of Shares</b>	
Weighted average number of shares used in calculating basic earnings per share	116,824,094	116,824,094
Adjustment for calculation of diluted earnings per share (a)	-	1,139,544
Weighted average number of shares and potential ordinary shares used in calculating earnings per share	116,824,094	117,963,638

- (a) The adjustment to weighted number of average shares for 2023 financial year relates to performance rights issued. The convertible notes have been fully redeemed on 22 June 2023 and they were not considered to be dilutive for the purpose of calculating diluted average number of shares as at 30 June 2023. The performance rights are currently not considered to be dilutive for the purpose of calculating diluted average number of shares as the potential issue of such shares would increase earnings per share.

#### NOTE 8: DIVIDENDS

Dividends proposed or paid and not provided for in previous years by the Company are:

*Declared during the financial year and included within the statement of changes in equity:*

	Cents Per Share	Total \$	Date of Payment	Tax rate for Franking Credit	Percentage Franked
<b>Year ended 30 June 2024</b>					
2023 Final dividend on ordinary shares	5.00	5,841,210	18 August 2023	30%	100%
<b>Year ended 30 June 2023</b>					
2023 Interim dividend on ordinary shares	4.00	4,672,964	20 February 2023	30%	100%
2022 Final dividend on ordinary shares	5.00	5,841,205	18 February 2022	30%	100%

*Declared after the end of the financial period and not included in the statement of financial position:*

No final dividend in respect of the year ended 30 June 2024 will be paid.

	<b>The Company</b> 2024 \$	2023 \$
<b>Dividend franking account</b>		
Franking credits available to shareholders for subsequent financial years	16,641,998	10,823,941

The franking account is stated on a tax paid basis. The balance comprises the franking account at year-end adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax
- franking debits that will arise from the refund of overpaid tax instalments paid
- franking debits that will arise from the payment of dividends recognised as a liability at year-end
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 9: FINANCIAL ASSETS AT AMORTISED COST

	2024	2023
	\$	\$
<b>Current</b>		
Trade receivables	213,316	1,887,124
Other receivables	5,722,954	10,013,182
Loans to associated entities	3,373,046	-
Loans to other entities	32,443,942	30,868,066
Expected credit loss for loans to other entities	-	(227,661)
	<u>41,753,258</u>	<u>42,540,711</u>
<b>Non-current</b>		
Loans to associated entities	17,398,675	29,661,533
Expected credit loss for loans to associated entities	(180,072)	(180,072)
Loans to other entities	8,015,699	7,986,090
	<u>25,234,302</u>	<u>37,467,551</u>

#### 9.1 Loans to various entities

Loans to various entities include Loans to associated entities and Loans to other entities. In the event that a counterparty defaults on a loan, CVC may take possession of security provided. During the year, CVC has not repossessed any assets that have been provided as security.

To assess whether there is a significant increase in credit risk CVC compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. These include if a counterparty does not pay a scheduled payment of principal and interest, requests a variation to the repayment terms, or management consider that there has been an adverse change in the underlying value of assets securing the loan.

The table below represents the reconciliation of the expected credit loss allowance on loan assets to which the impairment requirements under AASB 9 are applied.

*Movements in the provision for impairment loss were as follows:*

Carrying amount at the beginning of the year	407,733	2,564,287
Expected credit loss allowance recognised during the year	-	187,032
Unused amount reversed	-	(2,311,553)
Loans written off during the year as uncollectable	(227,661)	(32,033)
	<u>180,072</u>	<u>407,733</u>

#### 9.2 Fair value

Due to the short-term nature of the current financial assets at amortised cost, their carrying amount is considered to be the same as their fair value. For the majority of the non-current financial assets at amortised cost, the fair values are also not significantly different from their carrying amounts as interests charged are at market rates.

Further details on credit risk relating to financial assets at amortised cost is set out in note 30.3.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 10: ASSETS CLASSIFIED AS HELD FOR SALE

	2024	2023
	\$	\$
<b>Non-Current asset held for sale</b>		
Shares in unlisted corporation	<u>14,249,649</u>	<u>-</u>

During the year, CVC decided to sell its holding in EFM Harpley Town Centre Property Trust. As such, the investment was reclassified from Investments in associates (refer note 16) to non-current asset held for sale. The asset is presented within total assets of the Property Investment segment (refer note 28).

#### NOTE 11: CONTRACT ASSETS

Non-Current contract asset	<u>3,804,400</u>	<u>2,514,995</u>
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Contract Assets consists of costs directly related to fulfilling the performance obligations of a contract and anticipated contracts, including professional fees associated with establishing the structure and formulating the contractual agreements. The costs incurred and expected to be incurred have significant financial benefit compared to the current industry standard of similar projects. In addition, CVC expects that the costs are recoverable from the proceeds it will be entitled to under the contract. The contract costs are being amortised over the period from the signing date of the contract until the performance obligation of the contract is satisfied. Amortisation of \$254,793 (2023: \$181,537) has been charged during the year. Other costs associated with preliminary investigation and tender process of the contract have been expensed.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2024 (CONTINUED)

#### NOTE 12: LEASES

CVC leases various offices and equipment. Rental contracts are typically made for fixed periods of 5 years to 6 years, without any extension options.

Contracts may contain both lease and non-lease components. CVC allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 other than the security interests in the leased assets that are held by the lessor and bank guarantees provided by CVC (refer note 27.1). Leased assets may not be used as security for borrowing purposes.

	2024	2023
	\$	\$
<b>Right-of-use assets</b>		
Office leases	905,984	1,358,976
Equipment	11,966	16,061
	<u>917,950</u>	<u>1,375,037</u>
<b>Lease liabilities</b>		
Current	476,282	471,483
Non-current	485,195	961,479
	<u>961,477</u>	<u>1,432,962</u>

Additions to the right-of-use assets during the year ended 30 June 2024 was Nil (2023: Nil) and the total cash outflow for leases was \$ 533,973 (2023: \$511,172).

Depreciation charge of right-of-use assets		
Office leases	452,992	452,992
Equipment	4,095	4,095
	<u>457,087</u>	<u>457,087</u>

#### NOTE 13: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

##### Current

Investments in unlisted entities	-	217,422
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##### Non-current

Investments in listed entities	12,667,569	15,726,204
Investments in unlisted entities	12,845,834	14,778,714
	<u>25,513,403</u>	<u>30,504,918</u>

#### 13.1 Investments in listed entities

The carrying value of investments classified as "Investments in listed entities" has been determined by using the fair value approach. The "last-price" was determined to be an appropriate indication for the fair value of the investments. Refer note 33.2.

#### 13.2 Investments in unlisted entities

The carrying value of investments classified as "Investments in unlisted entities" has been determined by using appropriate valuation methods, including reported or latest available price received from the underlying investment entities and net asset backing using the most recent reports provided by the relevant entities. Refer note 31 for further information on fair value measurement.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	2024	2023
	\$	\$
<b>NOTE 14: INVENTORIES</b>		
<b>Current</b>		
Land development sites held for resale	6,844,420	4,720,802
<b>Non-current</b>		
Land development sites held for resale	73,907,693	13,441,003

Inventories recognised as an expense for the year ended 30 June 2024 totalled \$4,488,175 (2023: \$3,644,912). This expense has been included in the statement of profit or loss.

There was no write-downs of inventories during the year (2023: nil).

CVC develops residential and commercial properties for the purpose of sale rather than being held as an investment property. Development projects are valued at the lower of cost and net realisable value ("NRV"). Cost includes costs of acquisition, development and all other costs directly related to specific projects. NRV is the estimated selling price in the ordinary course of business less estimated costs to complete and sell the development.

The projects represent developments at Marsden Park, New South Wales, Burleigh Waters, Queensland and Werribee, Victoria. The recoverability of the carrying value has been assessed as followed:

- (a) Marsden Park, New South Wales  
An independent valuation was completed in April 2024. The valuation is based on the current land use entitlements (zoning) and utilising a direct comparison basis method. The valuation is significantly greater than the current carrying value of the site.
- (b) Burleigh Waters, Queensland  
CVC exercised the option and acquired the development site in Burleigh Waters, Queensland during the year. The development approval for subdivision was achieved in FY23. An independent valuation was completed in July 2023 which indicates that the end value of the property is greater than the expected development cost of the site, including the current carrying value and the anticipated construction cost.
- (c) Werribee, Victoria  
The site was sold in July 2024. The sale price was significantly higher than the carrying value of the site as at 30 June 2024.

CVC, based on the valuation assessments above, is of the opinion that the NRV of the above land development sites exceeds the current carrying value.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	2024	2023
	\$	\$
<b>NOTE 15: OTHER ASSETS</b>		
<b>Current</b>		
Prepayments	118,838	93,870
Other current assets	386,911	2,413,537
	<u>505,749</u>	<u>2,507,407</u>
<b>Non-current</b>		
Other non-current assets	66,632,052	57,007,010

#### Other non-current assets

Other non-current assets include call options and put and call options to acquire real properties. The carrying value reflects capitalised non-refundable call option fees paid, security deposits and associated due diligence costs paid. The carrying value of capitalised option costs is assessed for impairment annually. An impairment of \$21,953 (2023: \$503,486) had been charged against a call option during the year.

Other non-current assets include the following projects:

- (a) Moorebank, New South Wales  
CVC has exercised its call option and a put and call option has been entered on 27 June 2023 in relation to the land in Moorebank, New South Wales. An Independent valuation was completed by on 13 August 2024 for the underlining land. The valuation is based on the current land use entitlements (zoning) and utilising a direct comparison basis method. The valuation is significantly greater than the expected cost of the underlining site including the current carrying value of the option and the balance of the purchase price.
- (b) Burleigh Waters, Queensland  
During the year, CVC has exercised one of the options and acquired a development site in Burleigh Waters, Queensland. The cost of the relevant option has been reclassified to Inventories upon settlement. Refer note 14.
- (c) Officer South, Victoria  
During the year, CVC has entered into contracts to acquire two parcels of land in Officer South Employment Precinct in Victoria. CVC is of the opinion that the fair value of the properties is greater than the expected cost of the underlining sites including the current carrying value and the balance of the purchase price.

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

##### Non-current

Equity accounted interests in joint ventures	5,900,000	193,470
Equity accounted shares in other associated companies	14,020,433	33,254,122
	<u>19,920,433</u>	<u>33,447,592</u>

Management have reviewed the recoverable amount of investments to determine whether an impairment is required. The amount of any impairment has been determined after consideration of the recoverable amount of the investments, being a recent share price where an active market exists, or alternative valuation methodologies from a review of the operations and assets of the company where an active market does not exist. Management assesses the results to determine the most appropriate valuation. Refer to note 33.1.

##### Reconciliation

Balance at the beginning of the year	33,447,592	38,905,039
New interests acquired	13,510,000	5,928,956
Share of profits	6,436,988	8,445,577
Return of capital	-	(4,481,656)
Dividend paid and other distributions	(9,965,552)	(4,152,634)
Impairment of investment	-	(1,400,403)
Recognition of associate investments upon loss of control (a)	-	6,500,000
Transfer to Held for Sale (a)	(14,249,649)	-
Reclassification of investment (b)	(8,471,784)	-
Disposal of interests	(787,162)	(16,297,287)
	<u>19,920,433</u>	<u>33,447,592</u>

- (a) EFM Harpley Town Centre Property Trust became an associate of CVC during the 2023 financial year. Refer note 2.2. It was reclassified to Assets Classified as Held for Sale on 30 June 2024. Refer note 10.
- (b) On 4 July 2023, CVC acquired additional 17.5% of 79 Logan Road Trust which resulted in CVC's holding increasing to 52.5%. As such, the trust became a subsidiary of CVC after the transaction. Refer note 2.3.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

##### 16.1 Details of interests in investments accounted for using the equity method are as follows:

	Ownership Interest		Investment Information
	Consolidated 2024	2023	
	%	%	
<b>Associated entities in Australia</b>			
79 Logan Road Pty Ltd (a)	n/a	35.0	Trustee of 79 Logan Road Trust
79 Logan Road Trust (a)	n/a	35.0	A commercial property in Woolloongabba, Queensland with a long term lease to an ASX listed entity, with residential development approval.
BioPower Systems Pty Limited	25.1	25.1	Non-operating company
Cravenda Pty Ltd (b)	-	50.0	Trustee of Cravenda Unit Trust
Cravenda Unit Trust (b)	-	50.0	A residential property development in Mernda, Victoria
CVC Emerging Companies Fund	22.3	22.3	A wholesale unit trust that invests in listed and unlisted growth or expansion stage companies
CVC Emerging Companies IM Pty Ltd (b)	50.0	50.0	Manager of CVC Emerging Companies Fund
Donnybrook JV Pty Ltd	49.0	49.0	A residential property development in Donnybrook, Victoria
EFM Harpley Town Centre Property Trust (c)	n/a	47.6	A commercial property development in Werribee, Victoria
LC Menangle Unit Trust (b)	50.0	50.0	A residential property development in Menangle, New South Wales
PVAC Developments Pty Ltd	40.0	40.0	A mixed-used property development in South Morang, Victoria
Tango Development No.6 Pty Ltd	42.5	42.5	A residential property development in Mornington, Victoria
Turrella Property Pty Ltd (b)	50.0	50.0	A residential property development in Turrella, New South Wales
Turrella Property Unit Trust (b)	50.0	50.0	Trustee of Turrella Property Unit Trust
<b>Joint Ventures in Australia</b>			
Drey Pty Ltd (b)	50.0	50.0	A residential property development in Kirra Beach, Queensland
JAK Mickleham Road Pty Ltd and North Victorian Buddhist Association Inc Joint Venture (b)	-	50.0	A residential property development in Craigieburn West, Victoria
Wilmac-CVC Clyde North Pty Limited	40	-	The Joint Venture Manager of CVC Investment Co Pty Ltd & Wilmac Clyde North Fund Joint Venture
CVC Investment Co Pty Ltd & Wilmac Clyde North Fund Joint Venture	40	-	A residential property development in Clyde North, Victoria

- (a) On 4 July 2023, CVC acquired additional 17.5% of the entities which resulted in CVC's holding increasing to 52.5%. As such, the entities became subsidiaries of CVC after the transaction. Refer note 2.3
- (b) Cravenda Pty Ltd, Cravenda Unit Trust, CVC Emerging Companies IM Pty Ltd, LC Menangle Unit Trust, Drey Pty Ltd, Turrella Property Pty Ltd, Turrella Property Unit Trust and JAK Mickleham Road Pty Ltd and North Victorian Buddhist Association Inc Joint Venture are not considered to be controlled entities of CVC as CVC does not have the power to direct the relevant activities of the investee, in order to affect its returns from each entity.
- (c) EFM Harpley Town Centre Property Trust became an associate of CVC during the 2023 financial year. Refer note 2.2. It was reclassified to Assets Classified as Held for Sale on 30 June 2024. Refer note 10.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

##### 16.2 Summarised financial information for investments accounted for using the equity method

The table below provides summarised financial information for those investments accounted for using the equity method that are material to CVC. The information disclosed reflects the amounts presented in the financial statements of the relevant investments accounted for using the equity method and not CVC's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Joint Venture	CVC Investment Co Pty Ltd & Wilmac Clyde North Fund	
	Joint Venture 2024 \$	2023 \$
<b>Summarised statement of financial position</b>		
Cash and cash equivalents	178,530	-
Other assets	9,170	-
	<hr/>	<hr/>
<b>Current assets</b>	<b>187,700</b>	<b>-</b>
	<hr/>	<hr/>
<b>Non-current assets</b>	<b>22,562,300</b>	<b>-</b>
	<hr/>	<hr/>
Other current liabilities	-	-
	<hr/>	<hr/>
<b>Current liabilities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
Financial liabilities (excluding trade payables)	8,000,000	-
	<hr/>	<hr/>
<b>Non-current liabilities</b>	<b>8,000,000</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net assets</b>	<b>14,750,000</b>	<b>-</b>
	<hr/>	<hr/>
<b>Reconciliation to carrying amounts:</b>		
Opening net assets 1 July	-	-
Capital contribution	14,750,000	-
Profit for the period	-	-
	<hr/>	<hr/>
<b>Closing net assets</b>	<b>14,750,000</b>	<b>-</b>
	<hr/>	<hr/>
Group's share - percentage	40%	-
Group's share - dollars	5,900,000	-
Adjusted to market value	-	-
	<hr/>	<hr/>
<b>Carrying amount</b>	<b>5,900,000</b>	<b>-</b>
	<hr/>	<hr/>
<b>Summarised statement of comprehensive income</b>		
Revenue	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
<b>Loss for the period</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Dividends received</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

##### 16.2 Summarised financial information for investments accounted for using the equity method (Continued)

Associates	Donnybrook JV Pty Limited		Eildon Capital Group (a)		79 Logan Road Trust (b)	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
<b>Summarised statement of financial position</b>						
Current assets	4,148,298	7,311,401	-	-	-	155,873
Non-current assets	73,126,848	35,100,907	-	-	-	38,400,000
Current liabilities	1,826,173	5,587,928	-	-	-	54,538
Non-current liabilities	73,547,965	28,124,376	-	-	-	11,490,000
Net assets	1,901,008	8,700,004	-	-	-	27,011,335
Group's share - percentage	49%	49%	-	-	n/a	35%
Group's share - dollars	931,494	4,263,002	-	-	-	9,453,967
Impairment	-	-	-	-	-	(982,183)
Goodwill	4,298,745	4,298,745	-	-	-	-
<b>Carrying amount</b>	<b>5,230,239</b>	<b>8,561,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,471,784</b>
<b>Summarised statement of comprehensive income</b>						
Revenue	38,248,904	29,106,012	-	7,465,016	-	1,356,718
<b>Profit for the period</b>	<b>13,848,824</b>	<b>15,852,814</b>	<b>-</b>	<b>2,659,285</b>	<b>-</b>	<b>492,912</b>
<b>Total comprehensive income</b>	<b>13,848,824</b>	<b>15,852,814</b>	<b>-</b>	<b>2,659,285</b>	<b>-</b>	<b>492,912</b>
Dividends received and other distributions	9,360,960	3,015,118	-	773,035	-	172,519

(a) CVC has sold all its holding in Eildon Capital Group on 24 April 2023. The amounts disclosed for 2023 relate to the period from 1 July 2022 to 24 April 2023.

(b) On 4 July 2023, CVC acquired additional 17.5% of the trust which resulted in CVC's holding increasing to 52.5%. As such, the trust became a subsidiary of CVC after the transaction. Refer note 2.3.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

##### 16.2 Summarised financial information for investments accounted for using the equity method (Continued)

Associates	EFM Harpley Town Centre Property Trust (a)		CVC Emerging Companies Fund	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Summarised statement of financial position</b>				
Current assets	-	1,151,048	37,474,719	39,887,002
Non-current assets	-	19,316,195	-	-
Current liabilities	-	5,197,680	4,058,760	5,631,809
Non-current liabilities	-	-	-	-
<b>Net assets</b>	-	15,269,563	33,415,959	34,255,193
Group's share - percentage	-	52.4%	22.3%	22.3%
Group's share - dollars	-	8,001,251	7,451,759	7,638,908
Impairment	-	(657,047)	-	-
Goodwill	-	-	2,369	2,980
<b>Carrying amount</b>	-	7,344,204	7,454,128	7,641,888
<b>Summarised statement of comprehensive income</b>				
Revenue	16,480	-	2,058,373	1,055,615
(Loss)/profit for the period	(1,722)	(327,171)	1,869,204	(1,249,752)
<b>Total comprehensive income</b>	(1,722)	(327,171)	1,869,204	(1,249,752)
Dividends received and other distributions	-	-	604,592	191,962

- (a) EFM Harpley Town Centre Property Trust became an associate of CVC during the 2023 financial year. Refer note 2.2. It was reclassified to Assets Classified as Held for Sale on 30 June 2024. Refer note 10.

#### Impairment

The carrying value of investments in associates and joint ventures has been reviewed for impairment. No impairment (2023: \$1,400,403) has been charged against the investments during the year. The current carrying value being a reasonable indication of the value of each entity based on an assessment of each entities net asset backing.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 16: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

##### 16.3 Individually immaterial investments accounted for using the equity method

In addition to the interests in investments accounted for using the equity method disclosed above, CVC also has interests in a number of individually immaterial investments that are accounted for using the equity method.

	2024 \$	2023 \$
Aggregate carrying amount of individually immaterial investments accounted for using the equity method	1,336,066	1,427,969
Aggregate amounts of CVC's share of:		
Loss for the period	(8,313)	(18,150)
Total comprehensive income	<u>(8,313)</u>	<u>(18,150)</u>

#### NOTE 17: INVESTMENT PROPERTIES

<b>Non-current</b>		
Leased properties	38,400,000	4,000,000
<b>Reconciliation:</b>		
Investment properties at the beginning of the year	4,000,000	2,400,000
Additions – capital expenditure	374,938	21,776
Additions – acquisition of subsidiary (note 2.3)	38,400,000	-
Fair value adjustment	(634,938)	1,578,224
Sale of investment property	(3,740,000)	-
<b>Carrying amount at the end of the year</b>	<u>38,400,000</u>	<u>4,000,000</u>
<b>Amounts recognised in comprehensive income</b>		
Rental income	1,605,386	309,288
Outgoing recovery	82,014	55,585
Direct operating expenses from property that generated rental income	103,234	79,935

Investment properties are carried at fair value. Information about the valuation of investment properties is provided in note 31.

##### *Lessors commitments*

Investment properties are leased to tenants under operating leases with rental payments payable monthly. The remaining lease terms are on average 2.41 years (2023: 4.34 years), excluding options for lease extensions upon completion of the lease term.

The future minimum lease receivable under non-cancellable leases are as follows:

Less than one year	1,359,315	214,259
Between one and two years	1,346,950	220,687
Between two and three years	569,250	227,308
Between three and four years	-	234,127
Between four and five years	-	76,512
	<u>3,275,515</u>	<u>972,893</u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 18: INTANGIBLE ASSETS

	2024 \$	2023 \$
Goodwill	-	-
<b>Reconciliations:</b>		
Carrying amount at the beginning of the year	-	-
Acquisition of business	321,793	
Impairment of goodwill	(321,793)	-
Carrying amount at the end of the year	-	-

The goodwill is attributable to the acquisition of the business in 79 Logan Road Trust. It has been fully impaired during the period. Refer note 2.3.

Goodwill is not deductible for tax purpose.

#### NOTE 19: TRADE AND OTHER PAYABLES

<b>Current</b>		
Trade payables	333,440	598,968
Sundry creditors and accruals	2,610,681	4,333,504
	2,944,121	4,932,472

#### NOTE 20: PROVISIONS

<b>Current</b>		
Employee entitlements	625,453	637,653

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	2024 \$	2023 \$
<b>NOTE 21: INTEREST BEARING LOANS AND BORROWINGS</b>		
<b>Current</b>		
Secured loan (note 21.1)	47,910,000	1,073,558
<b>Non-current</b>		
Secured loans (note 21.1)	30,000,000	15,216,347
Unsecured loan from associated entity (note 21.2)	39,277,773	41,628,555
Loan notes – unsecured (note 21.3)	30,341,484	29,883,544
	<u>99,619,257</u>	<u>86,728,446</u>

#### 21.1 Secured Loans

The secured loans are generally for periods up to 10 years. The loans attract interest rates ranging from 6.4% to 11% (2023: 5.3% to 6.2%) per annum. The loans are secured by a first ranking charge over the applicable assets.

#### Facility Amount

Bank loans	71,910,000	1,073,558
Non-bank loans	6,000,000	15,216,347
	<u>77,910,000</u>	<u>16,289,905</u>

#### Security held

Inventories	78,107,693	14,452,015
Investment properties	38,400,000	4,000,000
Financial assets	6,760,000	-
	<u>123,267,693</u>	<u>18,452,015</u>

#### 21.2 Unsecured loans from associated entity

The unsecured loans are for periods up to 3 years with interest rate ranging from 4.35% to 15% (2023: from 4.35% to 15%) per annum. Refer note 29.4.

#### 21.3 Loan notes – unsecured

The Company issued 311,410 loan notes with a face value of \$100 per note on 21 April 2023. The loan notes are redeemable, unsecured, non-convertible notes and interest-bearing at a variable rate of 4.75% margin over the 90 day Bank Bill Swap Rate, paid quarterly in arrears and have a maturity date of 31 March 2026.

The Loan notes are presented in the Statement of Financial Position as follows:

Face value of notes issued at the end of the year	31,141,000	31,141,000
Transaction cost	(1,345,040)	(1,345,040)
Amortisation of transaction costs	545,524	87,584
<b>Non-current liability</b>	<u>30,341,484</u>	<u>29,883,544</u>
Accrued interest expense (a)	<u>23,574</u>	<u>7,633</u>

(a) Interest accrued as at 30 June 2024 were included in trade and other payables.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 21: INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

##### 21.4 Fair value

The fair values of borrowings are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

#### NOTE 22: OTHER LIABILITIES

	2024	2023
	\$	\$
Current	<u>73,019</u>	<u>145,088</u>

The above liabilities relate to non-controlling interests in contributory investment trusts that CVC has assessed that they control and that the units issued in these funds meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity.

#### NOTE 23: CONTRIBUTED EQUITY

	The Company			
	2024		2023	
	Number	\$	Number	\$
<b>Issued and paid-up ordinary share capital</b>				
Balance at the beginning and the end of the year	<u>116,824,094</u>	<u>97,231,880</u>	<u>116,824,094</u>	<u>97,231,880</u>

On 24 October 2023 CVC received approval from shareholders to undertake an on-market share buy-back scheme for a duration of 12 months and limited to 20,000,000 ordinary shares. At the date of this report no shares had been bought back under this scheme with 20,000,000 available to be bought back.

##### Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The capital risk management policy remains unchanged from the prior year Annual Report.

#### NOTE 24: OTHER RESERVES

	Asset Revaluation Reserve		Share-based Payment Reserve		Total	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	(792,018)	(546,412)	844,686	645,405	52,668	98,993
Change in non-controlling ownership interests	314	(245,606)	-	-	314	(245,606)
Share based payment	-	-	545,247	199,281	545,247	199,281
Balance at the end of the year	<u>(791,704)</u>	<u>(792,018)</u>	<u>1,389,933</u>	<u>844,686</u>	<u>598,229</u>	<u>52,668</u>

##### Asset Revaluation Reserve

The asset revaluation reserve includes CVC's share of the unrealised change in value arising from the acquisition and disposal of a non-controlling interest in a controlled entity by CVC.

##### Share-based Payment Reserve

Share-based payment reserve is used to recognise the value of equity settled share-based payments.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 25: NOTES TO STATEMENT OF CASH FLOWS

##### 25.1 Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024	2023
	\$	\$
Cash on deposit	<u>14,045,785</u>	<u>51,175,273</u>

##### 25.2 Reconciliation of profit after Income Tax to Cash provided by Operating Activities

Net profit	(4,681,871)	13,883,440
<i>Adjustments for:</i>		
Share of equity accounted profit	(6,436,988)	(8,445,577)
Depreciation and amortisation	1,212,159	770,697
Interest amortisation	2,037,344	-
Performance right	545,247	199,281
Change in fair value of investment properties	634,938	(1,578,224)
Impairment of other assets	21,953	503,486
Impairment of goodwill	321,793	-
Impairment expenses on equity investments	-	1,400,403
Net impairment loss/(recoveries) on financial assets at amortised cost	2,656,593	(582,627)
Gain on loan forgiveness	(72,069)	-
Net loss/(gain) on equity investments	5,047,294	(4,988,520)
Gain on deconsolidation	-	(857,701)
Net foreign currency differences	20,007	(71,130)
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	(4,452,314)	43,634,240
Inventories	(52,113,868)	1,796,161
Equity investments	(5,601,487)	26,293,222
Other assets	(13,373,434)	(44,706,403)
Trade and other payables	(3,812,328)	1,435,772
Provisions	(12,200)	(276,407)
Current tax liabilities	(3,525,041)	(3,901)
Deferred tax assets and liabilities	(3,786,083)	(1,391,741)
Net cash (used in)/provided by operating activities	<u>(85,370,355)</u>	<u>27,014,471</u>

##### 25.3 Financing Facilities

CVC had access to the following specific lines of credit.

###### **Total facilities available:**

Secured bank loans	71,910,000	1,073,558
Secured non-bank loans	6,000,000	15,216,347
Total facilities	<u>77,910,000</u>	<u>16,289,905</u>

###### **Total facilities used (note 21.1):**

Secured bank loans	71,910,000	1,073,558
Secured non-bank loans	6,000,000	15,216,347
	<u>77,910,000</u>	<u>16,289,905</u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 25: NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)

##### 25.4 Interest Bearing Loans and Borrowings

#### *Change in liabilities arising from financing activities*

	Other liabilities (a)	Borrowings	Leases	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2024</b>				
Liabilities at the beginning of the year	145,088	87,802,004	1,432,962	89,380,054
Cash flows	-	53,928,619	(471,485)	53,457,134
Acquisition of subsidiary	-	11,320,000	-	11,320,000
Other changes	(72,069)	(5,521,366)	-	(5,593,435)
	<u>73,019</u>	<u>147,529,257</u>	<u>961,477</u>	<u>148,563,753</u>
<b>Year ended 30 June 2023</b>				
Liabilities at the beginning of the year	448,502	83,862,713	1,900,232	86,211,447
Cash flows	(322,162)	10,477,326	(467,270)	9,687,894
Deconsolidation of subsidiaries	-	(5,000,000)	-	(5,000,000)
Other changes	18,748	(1,538,035)	-	(1,519,287)
	<u>145,088</u>	<u>87,802,004</u>	<u>1,432,962</u>	<u>89,380,054</u>

- (a) Other liabilities relates to non-controlling interests in contributory investment trusts where the units issued in these funds meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity and CVC has assessed that it controls.

#### NOTE 26: AUDITORS' REMUNERATION

The auditor of the Company is Pitcher Partners Sydney.

Amounts received or due and receivable to the Auditors of the Company:

	2024	2023
	\$	\$
<b>Audit or review of the financial report</b>		
Pitcher Partners Sydney	<u>228,675</u>	<u>189,217</u>
<b>Non-audit services</b>		
<i>Other assurance services</i>		
Pitcher Partners Sydney	<u>-</u>	<u>7,000</u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 27: COMMITMENTS AND CONTINGENCIES

##### 27.1 Financial Guarantees

###### Guarantees

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2024	2023
	\$	\$
Guarantees (a)	-	610,995
Bank guarantees (b)	236,699	236,699
Bank guarantees (c)	196,922	2,090,069
	<u>          </u>	<u>          </u>

(a) Guarantees provided to various banks as securities for loan facilities.

(b) Bank guarantees provided to various landlords.

(c) Bank guarantees and bonds granted for development properties contingent on planning approvals.

##### 27.2 Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

###### Acquisition of land

More than 3 years and less than five years	48,750,000	-
	<u>          </u>	<u>          </u>

##### 27.3 Loans and other investments

###### Amounts available to be drawn by borrowers under existing loan facility agreements

Unrelated entities	694,274	1,942,454
Related entities	102,740	41,787,381
	<u>          </u>	<u>          </u>
	797,014	43,729,835
	<u>          </u>	<u>          </u>

###### Amounts available to be called by investees for partially paid shares and units

Unrelated entities	1,139,055	1,139,055
Related entities	766,667	7,500,000
	<u>          </u>	<u>          </u>
Unrelated entities	1,905,722	8,639,055
	<u>          </u>	<u>          </u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 28: SEGMENT INFORMATION

##### 28.1 Business Segments

Information for each business segment is shown in the following tables, in round thousands, as permitted under ASIC class order "ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191". These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Composition of each business segment is as follows:

- Property Investment includes investments in property related ordinary equity, preference equity, joint ventures, options to acquire an interest in direct property subject to planning outcomes and property backed lending comprises loans backed by underlying property assets.
- Non-Property Investment comprises listed investments, unlisted investments and secured lending opportunities that are non-property related.

CVC operates predominantly in Australia.

##### 28.2 Segments - profit or loss

	Property Investment \$'000's	Non-Property Investment \$'000's	Consolidated \$'000's
<b>Year Ended 30 June 2024</b>			
<b>Revenue:</b>			
Segment revenue	20,875	1,514	22,389
			1,223
Unallocated amounts: Interest income			1,223
Consolidated revenue			23,612
<b>Results:</b>			
Total profit for reportable segments	6,741	(2,862)	3,879
			(10,358)
Unallocated amounts: Corporate expenses			(10,358)
Income tax benefit			1,797
Consolidated loss after tax			(4,682)
<b>Year Ended 30 June 2023</b>			
<b>Revenue:</b>			
Segment revenue	93,020	6,017	99,037
			1,192
Unallocated amounts: Interest income			1,192
Consolidated revenue			100,229
<b>Results:</b>			
Total profit for reportable segments	24,733	5,830	30,563
			(11,267)
Unallocated amounts: Corporate expenses			(11,267)
Income tax expenses			(5,413)
Consolidated profit after tax			13,883

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 28: SEGMENT INFORMATION (CONTINUED)

##### 28.3 Segments – balance sheet

	Property Investment \$'000's	Non-Property Investment \$'000's	Consolidated \$'000's
<b>Year Ended 30 June 2024</b>			
<b>Assets:</b>			
Segment assets	276,141	34,185	310,326
	<hr/>	<hr/>	<hr/>
Unallocated amounts:			
Cash and cash equivalents			14,046
Other assets			12,460
			<hr/>
Total assets			336,832
			<hr/>
<b>Liabilities:</b>			
Segment liabilities	111,271	-	111,271
	<hr/>	<hr/>	<hr/>
Unallocated amounts:			
Other liabilities			45,148
			<hr/>
Total liabilities			156,419
			<hr/> <hr/>
<b>Year Ended 30 June 2023</b>			
<b>Assets:</b>			
Segment assets	182,863	38,537	221,400
	<hr/>	<hr/>	<hr/>
Unallocated amounts:			
Cash and cash equivalents			51,175
Other assets			10,486
			<hr/>
Total assets			283,061
			<hr/>
<b>Liabilities:</b>			
Segment liabilities	60,382	-	60,382
	<hr/>	<hr/>	<hr/>
Unallocated amounts:			
Other liabilities			43,173
			<hr/>
Total liabilities			103,555
			<hr/> <hr/>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 29: RELATED PARTY INFORMATION

##### *Parent entity*

CVC Limited is the parent entity.

##### *Subsidiaries*

Interest in subsidiaries are set out in note 2.

##### *Associates*

Interest in associates are set out in note 16.

#### 29.1 Key management personnel compensation

	2024	2023
	\$	\$
Short-term employee benefits	1,589,615	1,988,488
Post-employment benefits	89,100	99,829
Share-based payments	467,354	185,047
Termination benefit	-	1,274,737
	<hr/>	<hr/>
Total	2,146,069	3,548,101
	<hr/>	<hr/>

Details of key management personnel remuneration and superannuation are set out in the Remuneration Report section of the Directors' Report.

#### 29.2 Performance rights

On 10 December 2021, CVC issued employees performance rights under the Employee Incentive Plan (Refer note 34). The table below provides a reconciliation of performance rights held by key management personnel. No performance rights have been issued to other key management personnel.

	Grant Date	Vesting Date	Exercise Price	Balance at start of the year	Granted during the year	Other changes during the year	Balance at end of the year	Fair value per right at grant date
<i>Year ended 30 June 2024</i>								
MA Avery	10 Dec 2021	09 Dec 2025	-	1,700,000	-	-	1,700,000	\$1.91
CG Treasure	10 Dec 2021	09 Dec 2025	-	1,300,000	-	-	1,300,000	\$1.91
<i>Year ended 30 June 2023</i>								
MA Avery	10 Dec 2021	09 Dec 2025	-	1,700,000	-	-	1,700,000	\$1.91
CG Treasure	10 Dec 2021	09 Dec 2025	-	1,300,000	-	-	1,300,000	\$1.91
JA Hunter (a)	10 Dec 2021	09 Dec 2025	-	500,000	-	(500,000)	-	\$1.91

- (a) Mr Hunter resigned as company secretary from 30 September 2022 and ceased to be considered as a key management personnel from this date.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 29: RELATED PARTY INFORMATION (CONTINUED)

##### 29.3 Shares held by Key Management Personnel

Key management personnel and their related entities hold interests in the following CVC subsidiaries. Movement of interests held during the year are disclosed below:

	Ownership Interest 1 July 2022	Purchases	Ownership Interest 30 Jun 2023	Purchases	Ownership Interest 30 Jun 2024
<b>Norwell Valley Collective Pty Ltd</b>					
Mr C.G. Treasure	-	10%	10%	-	10%
<b>West Melb Land Holdings Pty Ltd</b>					
Mr M.A. Avery	-	6.5%	6.5%	-	6.5%
Mr C.G. Treasure	-	6.5%	6.5%	-	6.5%

##### 29.4 Loans with Related Parties

###### *Loans from associates*

	2024 \$	2023 \$
Beginning of the year	41,628,555	9,561,301
Loan advanced received	4,052,876	36,099,335
Loan repayments made	(9,785,312)	(425,181)
Interest charged	3,381,654	700,412
Fair value adjustment on initial recognition	-	(4,307,312)
End of the year	39,277,773	41,628,555

###### *Loans to associates*

Beginning of the year	29,481,461	18,076,983
Loans advanced	3,890,008	7,515,250
Loan repayment received	(13,228,216)	-
Interest charged	2,427,051	1,984,362
Interest repayment received	(919,475)	(163,159)
Impairment	(1,059,180)	-
Impairment recovery	-	2,068,025
End of the year	20,591,649	29,481,461

The loans to associates are generally for periods up to 10 years. The loans attract interest rates ranging from 0% to 15% (2023: 0% to 20%) per annum. The security held in relation to the various loans, differs for each loan and ranges from:

- Registered mortgage;
- General security agreements;
- Corporate and personal guarantees;
- Appointment to project control group: and
- Equity ownership.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 29: RELATED PARTY INFORMATION (CONTINUED)

##### 29.5 Other Transactions

The following represent income and expenditure generated from transactions with related parties with CVC and its controlled entities during the financial year.

##### (a) Amounts recognised as assets and liabilities

Key management personnel have made co-investments in the projects of CVC and have contractual rights to receive distributions and capital returns received by CVC from the following projects.

Marsden Park Development Trust: the landowner of the property project in Marsden Park North, New South Wales  
 Donnybrook JV Pty Limited: the landowner of the property project in Donnybrook, Victoria

The following table shows the entitlement movement during the year.

	Opening ownership interest 1 Jul 22	Other changes during the year	Closing ownership interest 30 Jun 23	Other changes during the year	Closing ownership interest 30 Jun 24
<b>Marsden Park Development Trust</b>					
Mr M.A. Avery	0.5%	-	0.5%	-	0.5%
Mr J.A. Hunter (a)	0.5%	(0.5%)	-	-	-
<b>Donnybrook JV Pty Limited</b>					
Mr M.A. Avery (b)	1.3%	(1.3%)	-	-	-
Mr J.A. Hunter (a)	0.8%	(0.8%)	-	-	-
Mr J.S. Leaver (c)	2.0%	(2.0%)	-	-	-

- (a) During the 2023 financial year, CVC acquired Mr Hunter's investment in Marsden Park Development Trust and Donnybrook JV Pty Limited for a total consideration of \$770,000.  
 (b) During the 2023 financial year, CVC acquired Mr Avery's investment in Donnybrook JV Pty Limited for a total consideration of \$871,025.  
 (c) During the 2023 financial year, CVC acquired Mr Leaver's investment in Donnybrook JV Pty Limited for a total consideration of \$1,393,681.

At the end of the reporting period the following aggregate amounts were recognised in relation to the co-investment in Marsden Park project.

	2024 \$	2023 \$
Trade and other payables	<u>60,616</u>	<u>53,114</u>

Apart from the details disclosed in this financial report, no other Director or key management personnel has entered into a contract with the Company or CVC since the end of the previous financial year and there were no contracts involving Directors' interests existing at year-end.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 29: RELATED PARTY INFORMATION (CONTINUED)

##### 29.5 Other Transactions (Continued)

##### (b) Amounts recognised as revenue or expense

	2024		2023	
	Paid	Received	Paid	Received
	\$	\$	\$	\$
<b>Amounts recognised as revenue or expense</b>				
<i>Management and consulting fees</i>				
Associated entities	-	640,000	-	640,000
Other related entities	-	-	-	-
<i>Interest income</i>				
Associated entities	-	2,427,051	-	1,984,362
<i>Borrowing costs</i>				
Associated entities	3,381,654	-	863,571	-

Management and consulting fees and administration cost were made on normal commercial terms and conditions and at market rates.

	2024		2023	
	Impairment	Impairment Recovery	Impairment	Impairment Recovery
	\$	\$	\$	\$
Investment in associated entities	-	-	1,400,403	-
Loan to associated entities	1,059,180	-	-	2,068,025

#### NOTE 30: FINANCIAL RISK MANAGEMENT

CVC's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk. CVC's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

CVC uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risk.

The responsibility for operational risk management resides with the Board of Directors who seeks to manage the exposure of CVC. There have been no significant changes in the types of financial risks, or CVC's risk management program (including methods used to measure the risks) since the prior year.

CVC holds the following financial instruments:

##### *Financial assets*

At amortised cost:

- Cash and cash equivalents (note 25)
- Trade and other receivables (note 9)
- Loans to associated entities (note 9)
- Loans to other entities (note 9)

At fair value through profit or loss:

- Investments in listed entities (note 13)
- Investments in unlisted entities (note 13)

##### *Financial liabilities*

At amortised cost:

- Trade and other payables (note 19)
- Interest bearing loans and borrowings (note 21)
- Other liabilities (note 22)

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 30.1 Interest Rate Risk

CVC's exposure to interest rate risks of financial assets and liabilities at the reporting date are as follows:

	Note	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest		Non-Interest Bearing	Total
			\$	1 Year or Less	1 to 5 Years	\$	\$
				\$	\$		
2024:							
Financial assets							
Cash and cash equivalents	25	4.4%	14,045,283	-	-	502	14,045,785
Financial assets at amortised cost	9	10.7%	3,128,800	34,529,217	20,828,288	8,501,255	66,987,560
Financial liabilities							
Trade and other payables	19	-	-	-	-	2,944,121	2,944,121
Interest bearing loans and borrowings	21	7.1%	102,251,484	6,000,000	16,925,356	22,352,417	147,529,257
Other liabilities	22	-	-	-	-	73,019	73,019
2023:							
Financial assets							
Cash and cash equivalents	25	4.4%	51,174,771	-	-	502	51,175,273
Financial assets at amortised cost	9	9.3%	-	30,640,404	36,055,141	13,312,717	80,008,262
Financial liabilities							
Trade and other payables	19	-	-	-	-	4,932,472	4,932,472
Interest bearing loans and borrowings	21	4.8%	30,957,102	-	27,168,869	29,676,033	87,802,004
Other liabilities	22	5%	-	145,088	-	-	145,088

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 30.1 Interest Rate Risk (Continued)

CVC holds a significant amount of cash balances which are exposed to movements in interest rates.

CVC has made a commercial decision to not hedge against movements in interest rates. CVC business operations includes borrowing funds at low interest rates and lending at higher rates. Although hedging provides a level of certainty from moving interest rates, it reduces the flexibility of being able to repay loans with excess, undeployed funds if the need arises.

Given the short-term funding requirements for investment opportunities, CVC accepts lower rates of interest in exchange for liquidity in relation to cash deposits. CVC typically deposits uncommitted cash with financial institutions with an "investment grade" credit rating of BBB or higher to maintain liquidity for any investment opportunity that arises. Interest bearing loans and receivables are made at fixed or floating rates. CVC is not charged interest on outstanding trade and other payable balances. CVC enters into loans and borrowings when it is considered commercial and necessary to manage cash flows.

##### *Sensitivity*

Given market changes, CVC expects the interest rate to decrease during the 2025 financial year by 0.75%. The impact at reporting date if interest rates decrease by 0.75% (2023: increase by 0.5%), whilst all other variables are held constant, is as follows:

	Decrease of 75 bp
	\$
<b>2024</b>	
Net gain	385,845
Equity increase	385,845
	Increase of 50 bp
<b>2023</b>	
Net loss	118,134
Equity decrease	118,134

##### 30.2 Price Risk

##### *Equity Securities Price Risk*

CVC has investments in listed securities which could be adversely affected if general equity market values were to decline. CVC also has investments in unlisted securities however these are less susceptible to movements in value as a result of market sentiment as they are valued based on operational fundamentals. CVC does not hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective.

##### *Sensitivity*

At reporting date, if listed security prices had been 10% higher/(lower) while all other variables were held constant the impact would be:

	Increase of 10%	Decrease of 10%
	\$	\$
<b>2024</b>		
Net profit/(loss)	886,730	(886,730)
Equity increase/(decrease)	886,730	(886,730)
<b>2023</b>		
Net profit/(loss)	1,100,834	(1,100,834)
Equity increase/(decrease)	1,100,834	(1,100,834)

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 30.3 Credit Risk Exposure

Credit risk refers to the loss that CVC would incur if a debtor or counterparty fails to perform under its obligations. CVC is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables and loans to various entities. The carrying amounts of financial assets recognised in the statement of financial position best represent CVC's maximum exposure to credit risk at reporting date.

CVC does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by CVC. CVC manage the credit risk as follows:

##### i) Cash deposits:

This is mitigated by the requirement that deposits are only held with institutions with an "investment grade" credit rating of BBB or higher.

##### ii) Loans made to various entities:

This is mitigated by collateral held with a value in excess of the counterparty's obligations to CVC, providing a "margin of safety" against loss. Collateral is in the form of guarantees, security deeds and undertakings which can be called upon if the counterparty is in default under the terms of the agreement.

##### iii) Trade and other receivables:

Trade and other receivables are mainly related to management of development projects. This is mitigated by underlining collateral held with a value in excess of the counterparty's obligations to CVC, providing a "margin of safety" against loss.

##### 30.4 Liquidity Risk

Liquidity risk is the risk that CVC might be unable to meet its obligations. CVC manages liquidity risk by maintaining sufficient cash balances and holding liquid investments that could be realised to meet commitments. CVC continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details maturity profiles of CVC's contractual liabilities.

	Less than 6 months \$	6 months to 1 Year \$	1 to 5 Years \$	Total \$
<b>2024</b>				
Trade and other payables	2,944,121	-	-	2,944,121
Interest bearing liabilities	21,240,000	26,670,000	99,619,257	147,529,257
Other liabilities (a)	73,019	-	-	73,019
Lease liabilities	281,862	278,899	587,222	1,147,983
<b>2023</b>				
Trade and other payables	4,932,472	-	-	4,932,472
Interest bearing liabilities	1,073,558	-	86,728,446	87,802,004
Other liabilities (a)	145,088	-	-	145,088
Lease liabilities	237,751	233,732	961,479	1,432,962

- (a) Payments to unitholders of Eildon Debt Fund and Eildon Property Investment (E) Fund are matched with the cashflows of the repayment of specific loans classified as "Financial assets classified at amortised cost".

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 30: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 30.5 Currency Risk

Currency risk is measured using sensitivity analysis. A portion of CVC investments are in companies listed on foreign exchanges and sales and purchases are made in foreign currencies. CVC is exposed to a decline in the values of those currencies relative to the Australian dollar.

Considering the quantum of the investments in absolute terms as well as relative terms compared to CVC's total investment portfolio it is not cost-effective to hedge against foreign exchange fluctuations, which means that CVC does not actively manage its currency risk.

At balance date CVC had the following exposure to the United States dollar and New Zealand dollar that is not designated as cashflow hedges:

	2024	2023
	\$	\$
<b>Financial assets</b>		
Financial assets at amortised cost	4,500,099	4,166,222
Financial assets at fair value through profit or loss	831,035	1,077,306
	<u>5,331,134</u>	<u>5,243,528</u>

##### Foreign currency sensitivity

CVC is exposed to the US dollar (USD) and New Zealand dollar (NZD). The following table details CVC's sensitivity to a 10% change in the Australian dollar against the respective currencies with all other variables held constant as at reporting date for unhedged foreign exchange exposure.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historic basis and market expectations for future movement.

	Net profit/(loss)		Equity increase/(decrease)	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>USD</b>				
Increase in AUD of 10%	(52,884)	(68,556)	(52,884)	(68,556)
Decrease in AUD of 10%	64,636	83,791	64,636	83,791
<b>NZD</b>				
Increase in AUD of 10%	(286,370)	(242,064)	(286,370)	(242,064)
Decrease in AUD of 10%	350,008	295,856	350,008	295,856

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 31: FAIR VALUE MEASUREMENTS

Fair value reflects the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices or rates are used to determine fair value where an active market exists. If the market for an asset is not active, fair values are estimated using valuation techniques, based on market conditions prevailing at the measurement date. Such techniques include using recent arm's length market transactions; net asset backing; reference to current market value of another instrument that is substantially the same and discounted cash flow analysis.

The fair value of liquid assets maturing within three months are approximate to their carrying amounts. This assumption is applied to liquid assets and the short-term portion of all other financial assets and financial liabilities. Judgements and estimates were made in determining the fair values of certain financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, CVC has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the assets and liabilities as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
	\$	\$	\$
<b>Year ended 30 June 2024</b>			
<b>Financial assets</b>			
<i>"Fair value through profit or loss" investments</i>			
Investments in listed entities	12,667,569	-	12,667,569
Investments in unlisted entities	-	12,845,834	12,845,834
<b>Non-financial assets</b>			
Investment properties	-	38,400,000	38,400,000
	<u>12,667,569</u>	<u>51,245,834</u>	<u>63,913,403</u>
<b>Year ended 30 June 2023</b>			
<b>Financial assets</b>			
<i>"Fair value through profit or loss" investments</i>			
Investments in listed entities	15,726,204	-	15,726,204
Investments in unlisted entities	-	14,996,136	14,996,136
<b>Non-financial assets</b>			
Investment properties	-	4,000,000	4,000,000
	<u>15,726,204</u>	<u>18,996,136</u>	<u>34,722,340</u>

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 31: FAIR VALUE MEASUREMENTS (CONTINUED)

##### Reconciliation of Level 3 fair value movements:

	2024 \$	2023 \$
<b>Balance at the beginning of the year</b>	<b>18,996,136</b>	<b>29,373,111</b>
Purchases	476,292	8,158,245
Purchases – acquisition of subsidiary (b)	38,400,000	-
Sales	(3,740,000)	-
Capital return	(70,914)	(19,427,945)
(Loss)/gain recognised in profit or loss (a)	(2,815,680)	892,725
<b>Balance at the end of the year</b>	<b>51,245,834</b>	<b>18,996,136</b>
 (a) Unrealised (loss)/gain recognised in profit or loss attributable to assets held at the end of the reporting period.	 <b>(2,396,066)</b>	 <b>944,703</b>
(b) CVC acquired additional 17.5% of 79 Logan Road Trust which resulted in CVC's holding increasing to 52.5%. As such, the trust became a subsidiary of CVC after the transaction. Refer note 2.3		

Level 2 financial assets at fair value through profit or loss are listed investments which CVC has significant holdings. The fair value has been determined using the "last-price". Refer note 33.2.

The fair value of Level 3 assets has been determined as follows:

(a) Financial assets at fair value through profit or loss

CVC holds investments in unlisted entities which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The methods that CVC uses to determine the fair value of these investments include:

- the reported or latest available price received from the underlying investment entities; and
- net asset backing using the most recent reports provided by the relevant entities.

CVC determined that it is appropriate to use these methods in valuing the investments in unlisted entities. Refer note 13.

(b) Investment properties

- Retail: the property was sold during the year
- Commercial: the fair value has been determined based on an independent valuation performed by professional qualified valuers in November 2022.

##### Sensitivity analysis

For the purposes of a sensitivity analysis, CVC considers using significant unobservable inputs on page 68 to determine the fair value of unlisted investments and investment properties as reasonable. At reporting date, the impact on pre-tax profit or loss and equity using the unobservable inputs would be as follows:

	Net profit/(loss)		Equity increase/(decrease)	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Investments in unlisted entities</b>				
Favourable changes	1,284,583	1,499,614	1,284,583	1,499,614
Unfavourable changes	(1,284,583)	(1,499,614)	(1,284,583)	(1,499,614)
<b>Investment properties</b>				
Favourable changes	6,910,486	525,000	6,910,486	525,000
Unfavourable changes	(4,417,135)	(380,000)	(4,417,135)	(380,000)

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 31: FAIR VALUE MEASUREMENTS (CONTINUED)

##### *Significant unobservable inputs*

The following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value. The range of values represent the highest and lowest input used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets.

	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs			
			2024		2023	
			Min	Max	Min	Max
<b>Investments in unlisted entities</b>	Reported or latest available price; Net asset backing	Value per security	<b>Down 10%</b>	<b>Up 10%</b>	Down 10%	Up 10%
<b>Investment properties</b>						
Retail	Capitalisation of income	Capitalisation Rate	-	-	4.0%	5.0%
Commercial	Capitalisation of income	Capitalisation Rate	3.0%	4.0%	-	-

#### NOTE 32: EVENTS SUBSEQUENT TO YEAR END

Subsequent to the year end, CVC has successfully raised approximately \$15m by issuing redeemable, unsecured, no-convertible notes. The new notes issued formed a single series with the existing CVC Note 2 (which trade on ASX under the code "CVCHA").

CVC sold the land development site in Werribee, Victoria, realising a profit of \$0.5 million in July 2024.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in future financial years.

#### NOTE 33: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

CVC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### 33.1 Carrying value of investments accounted for using the equity method

The carrying value of Donnybrook JV Pty Limited has been calculated as \$5,230,239 (2023: \$8,561,747) using the equity accounting method. A valuation of the remaining properties of \$133 million indicates that CVC's investment would have a value of approximately \$30.5 million, which is significantly higher than the carrying value.

The carrying value of other investments in associates has been calculated using the equity accounting method. The carrying amount of these investments, if applicable, would be impaired to their fair value, determined using the net asset backing methodology based on the most recent reports provided by the entity.

##### *Net asset backing methodology*

The net asset backing methodology considers that the net assets of an entity reflects the future value of the business. This is because:

- the underlying value of the business operations may be focused specifically on increasing the value of its assets base; or
- there is insufficient repetitive income or profits to justify the use of different valuation techniques such as discounted cashflows or multiple of earnings.

##### 33.2 Carrying value of investments in listed entities

Significant share holdings are held in Cyclopharm Limited, Heritage Brands Ltd and Tasfoods Limited. The number of shares held is greater than what would reasonably be considered to be liquid as each company does not trade on a daily basis; each trade that is executed is small in size; and the market capitalisation is small. CVC has determined that although an active market may not exist, the active market in small amounts of trading does provide a guide for valuation in that it indicates whether or not the market values the intangible assets of an entity. Additionally, CVC has been able to exit larger shareholdings over a period of time without impacting the prevailing share price, particularly when larger investors are seeking to acquire holdings. These factors have been used in determining the valuation of each entity.

# CVC LIMITED

## (AND ITS CONTROLLED ENTITIES)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

#### NOTE 34: SHARE-BASED PAYMENTS

##### CVC Limited

On 10 December 2021, CVC issued employees performance rights under the CVC Employee Incentive Plan. The Employee Incentive Plan was approved by shareholders at the 2021 Annual General Meeting, and is designed to provide long-term incentives for senior managers and above to deliver long-term shareholder returns. Under the plan, participants are granted rights that deliver ordinary shares to employees (at no cost) which only vest if Total Shareholder Return (TSR) hurdles are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance rights carry no dividend or voting rights or rights to participate in any other share issue of CVC or any other entity. When exercisable, each performance right is entitled to receive one ordinary share.

TSR is the compound annual rate measured between the grant date and the vesting date which is calculated based on a combination of share price growth and dividends to shareholders. The total number of rights that vest, if any, depends on the TSR hurdle achieved and will be determined by the directors of CVC with reference to the below table.

Return (p.a.)	Vesting Amount
< 12.5%	nil
12.5% - 15%	25%
15% - 17.5%	50%
17.5% - 20%	75%
>20%	100%

The following table illustrates movements in the number of performance rights on issue during the year.

##### Year ended 30 June 2024

Grant Date	Vesting Date	Exercise Price	Balance at start of the year	Granted during the year	Balance at end of the year	Fair value per right at grant date
<i>Year ended 30 June 2024</i>						
10 Dec 2021	09 Dec 2025	-	3,500,000	-	3,500,000	\$1.91
<i>Year ended 30 June 2023</i>						
10 Dec 2021	09 Dec 2025	-	3,500,000	-	3,500,000	\$1.91

The fair value of the rights at grant date was based on the following inputs:

- Share price of \$2.30 on grant date;
- Implied volatility: 34.42%;
- Risk-free interest rate for the life of the rights: 1.35%; and
- 5 cps dividend paid on half yearly basis.

During the year an expense of \$545,247 (2023: \$199,281) was recognised in profit or loss in respect of the rights issued under the Employee Incentive Plan.

**CVC LIMITED**  
**(AND ITS CONTROLLED ENTITIES)**

**CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

**as at 30 June 2024**

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity name	Entity type	Place formed or incorporated	Percentage of share capital held (if applicable) (a)	Australian tax resident or foreign tax resident
CVC Limited	Body corporate	Australia	N/A	Australian
79 Logan Road Pty Ltd (b)	Body corporate	Australia	52.5	Australian
79 Logan Road Trust	Trust	Australia	52.5	Australian
Albemarle Altfi Investments Unit Trust	Trust	Australia	100	Australian
Biggee Pty Limited	Body corporate	Australia	60	Australian
Biomedical Systems Pty Limited	Body corporate	Australia	100	Australian
CVC Caboolture Unit Trust	Trust	Australia	60	Australian
CVC Investment Co Pty Limited	Body corporate	Australia	100	Australian
CVC Investment Managers Pty Limited	Body corporate	Australia	100	Australian
CVC Managers Pty Limited	Body corporate	Australia	100	Australian
CVC Mezzanine Finance Pty Limited	Body corporate	Australia	100	Australian
CVC (Newcastle) Pty Limited	Body corporate	Australia	100	Australian
CVC Property Investments Pty Limited	Body corporate	Australia	100	Australian
CVC Renewables Pty Limited	Body corporate	Australia	94	Australian
EFM Harpley Property Trust	Trust	Australia	100	Australian
Eildon Debt Fund – AU Class	Trust	Australia	100	Australian
Eildon Property Investment (E) Fund - B Class	Trust	Australia	96	Australian
Harpley Developments Pty Limited	Body corporate	Australia	100	Australian
LAC JV Pty Limited (b)	Body corporate	Australia	66.7	Australian
LAC JV Unit Trust	Trust	Australia	66.7	Australian
MAC 1 MP Pty Ltd (b)	Body corporate	Australia	66	Australian
Marsden Park Development Trust	Trust	Australia	66	Australian
Norwell Valley Collective Pty Ltd	Body corporate	Australia	60	Australian
Officer Land Co Pty Ltd	Body corporate	Australia	70	Australian
Stinoc Pty Limited	Body corporate	Australia	99	Australian
West Melb Land Holdings Pty Ltd	Body corporate	Australia	80.5	Australian
Truganina Land Co Pty Ltd	Body corporate	Australia	56.35	Australian

(a) The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements / voting interest controlled by CVC Limited either directly or indirectly.

(b) Trustee of a trust within the consolidated entity.

At the end of the financial year, no entity other than identified above was a trustee of a trust with the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

**CVC LIMITED**  
**(AND ITS CONTROLLED ENTITIES)**  
**DIRECTORS' DECLARATION**

**For the Year Ended 30 June 2024**

In the opinion of the Directors of CVC Limited:

- (a) The consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards and the *Corporations Regulations 2001*;
  - (ii) as stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and
  - (iii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date.
- (b) the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct; and
- (c) there are reasonable grounds to believe that CVC Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with s. 295A of the *Corporations Act 2001* for the financial period ended 30 June 2024.

Dated at Sydney 22 August 2024.

Signed in accordance with a resolution of the Board of Directors.



MA Avery  
Director



CG TREASURE  
Director

## Independent auditor's report

### To the members of CVC Limited

## Report on the audit of the financial report

### Opinion

We have audited the financial report of CVC Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of 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 2024 and of its financial performance for the year then ended; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### 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 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 and 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### 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 of the current period. These 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.

**Key Audit Matter**
**How our audit addressed the key audit matter**
**Valuation of Financial Assets as Amortised Cost**

Refer to note 9 Financial Assets at Amortised Cost

We focused our audit effort on the valuation of the Group's Financial Assets at Amortised Cost as it is one of the largest asset of the Group and the assessment of recoverability requires significant judgement.

As at 30 June 2024, the Group had Financial Assets at Amortised Cost of \$67.0m, including an allowance for expected credit losses of \$0.2m.

A significant portion of the balance relates to loans receivable provided to corporate entities associated with property development activities and asset backed finance lending.

The Group applies the Expected Credit Loss ("ECL") model under AASB 9 Financial Instruments.

The assessment to determine the ECL for impairment of Financial Assets at Amortised Cost involves significant estimates and judgements made by management. These include an assessment of the credit worthiness of the relevant counterparties, expected future collections, historical impairments, and consideration of the estimated value of any secured assets provided as collateral.

Our procedures included, amongst others:

- Obtaining an understanding of and evaluating the design and implementation of controls surrounding asset backed finance lending;
- Obtaining and reviewing loan agreements and other supporting documentation to gain an understanding of the loans provided and any related secured assets provided as collateral, including their fair value;
- Evaluating compliance of management's methodology for determining the provision for the allowance for expected credit losses with AASB 9.
- Testing the model used to calculate the allowance for expected credit losses, including the testing of mathematical accuracy and the completeness and accuracy of critical data as well as reviewing and challenging the assumptions used by management;
- Reviewing and challenging significant estimates and judgements made by management in determining the recoverability of financial assets; and
- Assessing the adequacy of disclosures in the financial statements.

**Investment in Property Assets – Valuation and Classification**

Refer to note 14 Inventories, note 16 Investments accounted for using the Equity Method and note 17 Investment Properties

We focused our audit effort on the valuation and classification of the Group's property assets as they are significant assets of the Group, and their valuation

Our procedures included, amongst others:

- Obtaining an understanding of and evaluating the design and implementation of controls surrounding the accounting of investments in property assets;

## Key Audit Matter

## How our audit addressed the key audit matter

and classification requires significant judgement.

The Group's investment in property assets include investment properties and inventories, which are held either directly by entities within the Group or indirectly through Group associate investments accounted for using the equity method.

There is significant focus in ensuring that the investments are correctly classified as their classification leads to different accounting outcomes. The classification of investments is important as it determines how revenue and fair value adjustments (realised and unrealised) are reported, be it in profit or loss or through other comprehensive income or in the case of an associate through the equity accounting method.

As at 30 June 2024, the Group had Investment Property of \$38.4 million, Inventories of \$80.8 million and Investments accounted for using the Equity Method of \$19.9 million.

Investment property is held at fair value and inventories are held at the lower of cost and net realisable value.

The valuation of property assets is determined using internal methodologies or through the use of external valuation experts.

The valuation of property assets involves the use of significant estimates and judgements, including both qualitative and quantitative assumptions. These include but are not limited to capitalisation rates, discount rates and forecasted income.

- Evaluating the appropriateness of the classification of the Group's property investments;
- Assessing the scope, competence and objectivity of external valuation experts and management's valuation assessment;
- Assessing methodologies used in the valuations of property assets, for consistency with accounting standards, industry practice and the Group's accounting policies;
- Challenging the significant estimates and judgements used in recoverability assessments and valuations; and
- Assessing the appropriateness of the related disclosures included in the consolidated financial report.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 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, 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 Group are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the remuneration report**

### *Opinion on the remuneration report*

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of CVC Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

## **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.



**John Gavljak**  
Partner



**Pitcher Partners**  
Sydney

22 August 2024

# CVC LIMITED

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## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement, which has been approved by the Board, describes the corporate governance policies, framework and practices of CVC Limited (ASX: CVC).

This Corporate Governance Statement is current as at 30 June 2024.

ASX CG Principles	Compliance by Group
<p><i>Principle 1 – Lay solid foundations for management and oversight.</i></p> <p><i>A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated.</i></p>	
<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose the respective roles and responsibilities of its board and management, and those matters expressly reserved to the board and those delegated to management.</p>	<p>The business of CVC is managed under the direction of the board which is responsible for its corporate governance. The Board comprises Mr Mark Avery, Mr Craig Treasure, Mr Ian Campbell and Mr John Leaver.</p> <p>The Board meets on a regular basis and is required to discuss pertinent business developments, investment decisions and issues, and review the operations and performance of CVC. The Board will seek to ensure that the investment strategy is aligned with the expectations of shareholders and is effectively managed in a manner that is properly focused on its investment strategy as well as conforming to regulatory and ethical requirements.</p> <p>Provision is made at each regular meeting of the Board for the consideration of critical compliance and risk management issues as they arise.</p> <p>The primary objectives of the Board will be to:</p> <ul style="list-style-type: none"> <li>• Set and review strategic direction;</li> <li>• Approve all material transactions;</li> <li>• Approve and monitor financial policies and financial statements;</li> <li>• Establish, promote and maintain proper processes and controls to maintain the integrity of financial accounting, financial records and reporting;</li> <li>• Develop and implement key corporate policies, procedures and controls as necessary to ensure appropriate standards of accountability, risk management and corporate governance and responsibility; and</li> <li>• Ensure shareholders receive high quality, relevant and accurate information on a timely manner.</li> </ul> <p>The Board has delegated responsibility for day-to-day management to the Managing Director.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Prior to appointing a director or putting forward a new candidate for election, screening checks are undertaken as to the person's experience, education, criminal history and bankruptcy history.</p> <p>When presenting a director for re-election, CVC provides shareholders with details of the director's skills and experience, independence and current term served by the director in office and whether the Board supports the re-election.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Directors have been engaged according to Letters of Appointment.</p>

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<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable to the Board, through the Chairperson, for all governance matters. Each Director has access to the Company Secretary. The appointment and removal of the Company Secretary must be determined by the Board as a whole.
<b>Recommendation 1.5</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally;</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(i) <i>the measurable objectives set for that period to achieve gender diversity;</i></li> <li>(ii) <i>the entity's progress towards achieving those objectives; and</i></li> <li>(iii) <i>either:</i> <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul>	The Group's approach to business promotes a culture of equal opportunity and has the core principles of meritocracy based on ability, fairness and equality. CVC does not discriminate on gender, race, religion or cultural grounds.  The Board has adopted a diversity policy, however given the size, nature and scale of CVC has not set out measurable objectives to achieve specific diversity targets. Instead, the Board aims to: <ul style="list-style-type: none"> <li>• promote the principles of merit and fairness when considering Board member appointments; and</li> <li>• recruit from a diverse pool of qualified candidates, seeking a diversity of skills and qualifications.</li> </ul> The Board's composition is reviewed on an annual basis. In the event a vacancy exists, the Board will include diversity in its selection process.  The Board intends to set measurable objectives annually for achieving gender diversity, and will each year report the Group's progress toward achieving them.  CVC currently does not have any women appointed in senior management roles, and currently represent 67% of employees of the company.
<b>Recommendation 1.6</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken period in accordance with that process during or in respect of that period.</li> </ul>	The Board Charter outlines that: <ul style="list-style-type: none"> <li>• the Board to review its performance (at least annually) against previously agreed measurable and qualitative indicators;</li> <li>• the Chairperson of the Board to review each Director's performance;</li> <li>• a nominated Director to review the Chairperson's performance; and</li> <li>• the Board to undertake a formal annual review of its overall effectiveness.</li> </ul> The objective is to review the Board's performance in terms of CVC's objectives, results and achievements. The Board ensures each Director has the necessary skills, experience and expertise, and the mix remains appropriate for the Board to function effectively.  As a result of these performance reviews, the Board may implement changes to improve the effectiveness of the Board and corporate governance structures. Independent professional advice may be sought as part of this process.  The Board did not undertake a formal review of its performance, skills, experience and expertise during the year.
<b>Recommendation 1.7</b> A listed entity should:	Performance reviews for senior executives will take place at least annually. The Board intends to ensure the appropriate disclosures in the

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<p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	<p>remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.</p>
<p><b>Principle 2 – Structure the board to add value</b>  <i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i></p>	
<p><b>Recommendation 2.1</b>  The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Given the size, scale and nature of CVC, there is not a separate nomination committee. The full Board considers the issues that would otherwise be a function of a separate nomination committee.</p> <p>CVC's policy is that the Board considers an appropriate mix of skills, experience, expertise and diversity (including gender diversity).</p> <p>When evaluating, selecting and appointing Directors, the Board considers:</p> <ul style="list-style-type: none"> <li>the candidate's competencies, qualifications and expertise, addition to diversity of the Board and his/her fit with the current membership of the Board;</li> <li>the candidate's knowledge of the industry in which the Group operates;</li> <li>directorships previously held by the candidate and his/her current commitments to other boards and companies;</li> <li>existing and previous relationships with the Group and Directors;</li> <li>the candidate's independence status, including the term of office currently served by the director;</li> <li>criminal record and bankruptcy history (for new candidates);</li> <li>the need for a majority or equal balance on the Board; and</li> <li>requirements of the <i>Corporations Act 2001</i>, ASX Listing Rules, the Constitutions of the Company and the Trust and Board Charter.</li> </ul> <p>The Board seeks to ensure that:</p> <ul style="list-style-type: none"> <li>its membership represents an appropriate balance between Directors with investment management and real estate industry experience and Directors with an alternative strategic perspective; and</li> <li>the size of the Board is conducive to effective discussion and efficient decision-making.</li> </ul> <p>Under the terms of the Company's Constitution:</p> <ul style="list-style-type: none"> <li>an election of Directors must be held at each Annual General Meeting and at least one Director must retire from office; and</li> <li>each Director must retire from office at the third Annual General Meeting following his/her last election.</li> </ul> <p>Where eligible, a Director may stand for re-election.</p>

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### Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The board skills matrix for the Board is set out below:

	Skill, Experience and Expertise										
	Finance			Legal	Strategy	Public Board Experience	Regulatory / Public Policy	Industry Knowledge			
Directors	Financial Accounting & Audit	Audit Committee Experience	Risk Management					Property Transactions	Property Management	Legal Compliance	Statutory Compliance
	75%	50%	75%	75%	100%	100%	50%	50%	50%	75%	75%

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<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Board currently comprises one Independent Director, being Ian Campbell who was appointed to the Board on 16 March 2015.</p> <p>Directors must disclose any material personal or family contract or relationship in accordance with the <i>Corporations Act 2001</i>. Directors also adhere to constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the <i>Corporations Act 2001</i> and the Group's policies.</p> <p>Details of offices held by Directors with other organisations are set out in the Directors' Report. Full details of related party dealings are set out in notes to the accounts as required by law.</p> <p>If a Director's independence status changes, this will be disclosed and explained to the market in a timely manner.</p>
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The composition of the Board is as follows:</p> <ul style="list-style-type: none"> <li>• Craig Treasure – Executive Chairman;</li> <li>• Ian Campbell – Independent Director;</li> <li>• Mark Avery – Managing Director; and</li> <li>• John Leaver – Executive Director.</li> </ul> <p>The Board regularly reviews its composition, and although the Board does not currently comprise a majority of independent directors given the size, scale and nature of the operations of the company the Board believes that the current structure operates effectively and efficiently, allowing for it to collectively exercise its authority without the need for the appointment of additional independent directors.</p>
<p>Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairperson of the Board is Craig Treasure, who is an Executive Director. Mr Treasure has significant experience chairing boards as well as running businesses consistent with CVC. As such, the Board believes that given the size, scale and nature of the operations of CVC as well as the experience of Mr Treasure that he be appointed as chairman of the company.</p>
<p>Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The annual performance assessment provides an opportunity for all directors to identify required training although directors can request professional development opportunities at any time.</p>

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<b>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</b> <i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly</i>	
<b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.	CVC's values are: <ul style="list-style-type: none"> <li>• integrity;</li> <li>• respect;</li> <li>• safe and non-discriminatory work environment; and</li> <li>• acting in a manner consistent with community standards.</li> </ul> These values are set out in the Code of Conduct.
<b>Recommendation 3.2</b> A listed entity should: <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	The Board has adopted a Code of Conduct which is disclosed on the Group's website. It requires officers, employees, contractors, representatives, consultants and associates, and other persons that act on behalf of the Group to act honestly, in good faith, and in the best interests of the Group as a whole, whilst in accordance with the letter (and spirit) of the law.
<b>Recommendation 3.3</b> A listed entity should: <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	The Board has adopted a whistleblower policy which is disclosed on CVC's website.
<b>Recommendation 3.4</b> A listed entity should: <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy</p>	The Board has adopted an anti-bribery and corruption policy which is disclosed on CVC's website.
<b>Principle 4 – Safeguard the integrity of corporate reports</b> <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i>	
<b>Recommendation 4.1</b> The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p>	<p>The Board has established an Audit and Risk Committee.</p> <p>The Audit and Risk Committee has three members: Mr Ian Campbell (Chairperson), and Mr Craig Treasure and Mr Mark Avery.</p> <p>The Audit and Risk Committee does not have a majority of Non-Executive Independent Directors, although the Chairperson is an independent Director. To ensure that the Audit and Risk Committee operates effectively it has adopted and approved charter and all Directors of CVC are appointed as members.</p> <p>The Audit and Risk Committee has authority (within the scope of its responsibilities) to seek any information it requires from CVC employees or external party. Members may also meet with auditors (internal and/or external) without management present and consult independent experts, where the Audit and Risk Committee considers it necessary to carry out its duties.</p> <p>The purpose of the Audit and Risk Committee is to manage the process of financial reporting and accounting practices of CVC.</p> <p>Its key responsibilities are to:</p>

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<p>(A) the charter of the committee;</p> <p>(B) the relevant qualifications and experience of the members of the committee; and</p> <p>(C) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<ul style="list-style-type: none"> <li>review and recommend the financial statements (including key financial and accounting principles adopted by CVC);</li> <li>review and monitor risks and the implementation of mitigation measures for those risks as appropriate;</li> <li>assess the appointment of external auditors and monitor the conduct of audits;</li> <li>monitor compliance with statutory obligations;</li> <li>review and monitor the adequacy of management information and internal control systems; and</li> <li>ensure that any shareholder queries relating to such matters are dealt with expeditiously.</li> </ul> <p>Attendance is recorded at Audit and Risk Committee meetings and the experience of the members is provided in the Directors' Report.</p>
<p><b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Before the Board approves the financial statements, it receives declarations of the CEO and the Financial Controller that, in their opinion, the financial records of CVC have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company, and that their opinion has been formed on the basis of a sound risk management system and internal controls which are operating effectively.</p>
<p><b>Recommendation 4.3</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>CVC will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>
<p><b>Principle 5 – Make timely and balanced disclosure</b> <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>	
<p><b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>The Board has adopted a Disclosure and Communications Policy which is disclosed on CVC's website.</p> <p>The Board is committed to:</p> <ul style="list-style-type: none"> <li>the promotion of investor confidence by ensuring that trading in CVC's securities takes place in an efficient, competitive and informed market;</li> <li>complying with CVC's disclosure obligations under the ASX Listing Rules and the Corporations Act 2001; and</li> <li>ensuring the stakeholders have the opportunity to access externally available information issued by CVC.</li> </ul> <p>The Company Secretary is responsible for coordinating the disclosure of information to Regulators and securityholders and ensuring that any notifications/reports to the ASX are promptly posted on CVC's website.</p>

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Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	CVC ensures that all Directors receive copies of all material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	CVC will ensure that if it gives a new and substantive investor or analyst presentation it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
<i>Principle 6 – Respect the rights of security holders</i> <i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively</i>	
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Information about CVC and its corporate governance items are posted on its website at <a href="http://www.cvc.com.au">www.cvc.com.au</a> .
Recommendation 6.2 A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	<p>The Board has adopted a Disclosure and Communication Policy that describes the Board's policy for ensuring shareholders and potential investors receive or obtain access to information publicly released.</p> <p>CVC's primary portals are its website, Annual Report, Annual General Meeting, Half-Yearly Report, and notices to the ASX.</p> <p>The Board, with the assistance of the Company Secretary, oversees and coordinates the distribution of all information by CVC to the ASX, shareholders, the media and the public.</p> <p>All shareholders have the opportunity to attend the Annual General Meeting and ask questions of the Board.</p>
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<p>The Company holds an Annual General Meeting ("AGM") of shareholders in November each year. The date, time and venue of the AGM are notified to the ASX when the notice of the AGM is circulated to securityholders and lodged with the ASX each year.</p> <p>The Board will choose a date, venue and time considered convenient to the greatest number of its shareholders.</p> <p>A notice of meeting will be accompanied by explanatory notes on the items of business and together they will seek to clearly and accurately explain the nature of the business of the meeting.</p> <p>Shareholders are encouraged to attend the meeting, or if unable to attend, to vote on the motions proposed by appointing a proxy. The proxy form included with the Notice of Meeting will seek to explain clearly how the proxy form is to be completed and submitted.</p>
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands	CVC will ensure that all substantive securityholder resolutions are decided by poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	CVC provides its security holders with an electronic communication option.

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<b>Principle 7 – Recognise and manage risk</b> <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>	
<b>Recommendation 7.1</b> The board of a listed entity should: <p><b>(a)</b> have a committee or committees to oversee risk, each of which:</p> <p><b>(i)</b> has at least three members, all of whom are independent directors; and</p> <p><b>(ii)</b> is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee;</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p><b>(b)</b> if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	The Board of CVC, through the Audit and Risk Committee, is responsible for ensuring that: <ul style="list-style-type: none"> <li>there are adequate policies for the oversight and management of material business risks;</li> <li>there are effective systems in place to identify, assess, monitor and manage the risks and to identify material changes to the risk profile; and</li> <li>arrangements are adequate for monitoring compliance with laws and regulations applicable to CVC.</li> </ul>
<b>Recommendation 7.2</b> The board or a committee of the board should: <p><b>(a)</b> review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p><b>(b)</b> disclose, in relation to each reporting period, whether such a review has taken place.</p>	The Audit and Risk Committee reviews the Group's risk management framework at least annually.
<b>Recommendation 7.3</b> A listed entity should disclose: <p><b>(a)</b> if it has an internal audit function, how the function is structured and what role it performs; or</p> <p><b>(b)</b> if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Given the size, scale and nature of CVC, it does not have an internal audit function. The Board is responsible for considering the material business risks of CVC.
<b>Recommendation 7.4</b> A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	The Board has adopted a Risk Management Statement which outlines the process for identifying, monitoring and mitigating risks as well as generic sources of risk. This is reviewed on an annual basis.

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<b>Principle 8 – Remunerate fairly and responsibly</b> <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the creation of value for security holders.</i>	
<b>Recommendation 8.1</b> The board of a listed entity should: <p><b>(a)</b> have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(A) the charter of the committee;</p> <p>(B) the members of the committee; and</p> <p>(C) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p><b>(b)</b> if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Given the size, scale and nature of CVC, there is not a separate remuneration committee. The full Board considers the issues that would otherwise be a function of a separate remuneration committee.</p> <p>Remuneration for an Independent Director is set at market rates commensurate with the responsibilities borne by the Director. Independent professional advice may be sought.</p> <p>The Board, excluding the Managing Director, is responsible for determining the remuneration of the Managing Director. The full Board is responsible for determining the remuneration of all employees of CVC.</p> <p>The Board also regularly considers the level and composition of remuneration of CVC's employees.</p>
<b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>Remuneration for the Independent Directors is set at market rates commensurate with the responsibilities borne by an Independent Director. Independent professional advice may be sought.</p> <p>The Board, excluding the Managing Director, is responsible for determining the remuneration of the Managing Director. The full Board is responsible for determining the remuneration of all employees of CVC.</p> <p>Further information is provided in the Remuneration Report set out in the Directors' Report.</p>
<b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should: <p><b>(a)</b> have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p><b>(b)</b> disclose that policy or a summary of it.</p>	<p>CVC adopted an employee incentive plan at its 2022 annual general meeting.</p> <p>The Board has adopted a securities trading policy which restricts all directors, officers and employees of CVC from entering into hedging arrangements.</p>

# CVC LIMITED

(AND ITS CONTROLLED ENTITIES)

## ADDITIONAL INFORMATION

The following information was current as at 9 August 2024.

### Distribution schedule

The distribution of shareholders and their shareholdings was as follows:

Category (size of holding)	Number of ordinary shareholders	Number of loan note holders
1 - 1,000	161	270
1,001 - 5,000	176	60
5,001 - 10,000	103	2
10,001 - 100,000	158	5
100,001 - over	62	1
	<hr/>	<hr/>
Total	660	338
	<hr/>	<hr/>

### Unmarketable parcels

	Minimum parcel size	Number of shareholders
<i>Ordinary shares</i>		
Minimum \$500.00 parcel at \$1.61 per share	311	83
<i>Loan notes</i>		
Minimum \$500.00 parcel at \$102.5 per note	5	-

### On market share buy-back

The Company has a current on market share buy-back which commenced on 24 October 2023.

### Substantial holders

The names of the Company's substantial holders and the number of ordinary shares in which each has a relevant interest as disclosed in substantial holder notices given to the Company are as follows:

Shareholder	Number of ordinary shares in which interest held
Mr John Scott Leaver (a)	40,703,337
Southsea (Aust) Pty Limited	17,610,506
J K M Securities Pty Limited	12,300,000
Mr Vanda Gould (b)	11,091,199
Anglo Australian Christian & Charitable Fund	9,712,816

(a) Mr Leaver's holding includes 3,301,465 shares held by Wenola Pty Limited.

(b) Mr Gould's holding includes 10,352,306 shares held by Leagou Pty Limited, 162,000 shares held by Russell Gould Pty Ltd and 576,893 shares held by Melbourne Corporation of Australia Pty Ltd.

# CVC LIMITED

(AND ITS CONTROLLED ENTITIES)

## ADDITIONAL INFORMATION (CONTINUED)

### 20 largest shareholders - ordinary shares and loan notes

As at 9 August 2024, the top 20 shareholders and their shareholdings were as follows:

Shareholder	Shares held	% of issued capital held
<b>Ordinary Shares</b>		
Mr John Scott Leaver	37,401,872	32.02
Southsea (Aust) Pty Limited	17,610,506	15.07
J K M Securities Pty Limited <LJK NOMS P/L Pen Fund A/C>	12,300,000	10.53
Anglo Australian Christian & Charitable Fund	9,712,816	8.31
Leagou Pty Limited	8,647,695	7.40
Chemical Overseas Limited	4,861,741	4.16
Wenola Pty Limited <Pension Fund>	3,301,465	2.83
Leagou Pty Limited	1,704,611	1.46
Mr Nigel Cameron Stokes	1,000,000	0.86
Dr Raymond Joseph Healey	831,928	0.71
J P Morgan Nominees Australia Pty Ltd	794,996	0.68
Miss Kate Imogen Leaver	685,214	0.59
Melbourne Corporation Of Australia Pty Ltd <Superfund A/C>	576,893	0.49
Heasman Superannuation Pty Ltd <Allan J Heasman P/L S/F A/C>	505,100	0.43
Mr Julian Tertini	480,000	0.41
John Angela Pty Limited <J C Criticos P/L P/F A/C>	445,000	0.38
Toni May Ralph	429,817	0.37
J A Investments Limited	420,000	0.36
Jasperson Pty Limited <New South Wales Concrete Works Superannuation Fund>	381,817	0.33
Buduva Pty Ltd	339,214	0.29
	<b>102,430,685</b>	<b>87.68</b>
<b>Loan note</b>		
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	117,270	25.42
Vision Australia Foundation <Vision Australia Credit A/C>	20,934	4.54
Charlie MID Pty Ltd <Charlie Superannuation Fund>	20,000	4.33
Leaver Funds Management Pty Ltd	18,340	3.97
Racing Victoria Limited <Credit A/C>	12,500	2.71
Netwealth Investments Limited <Wrap Services A/C>	10,083	2.19
Conder Docklands Pty Ltd <Conder Investment A/C>	8,740	1.89
Nora Goodridge Investments Pty Ltd	7,000	1.52
Australian Academy Of Science <Interest Bearing A/C>	5,000	1.08
Dalless Investments Pty Ltd <Dalless Investments Fam A/C>	4,686	1.02
Mentany Pty Ltd <Sandra Mitchell Family A/C>	4,300	0.93
Jamba Holdings Pty Ltd	4,000	0.87
Mrs Deborah Anne Treasure	4,000	0.87
Petjia Investments Pty Ltd <Shaw & Gay Super No 1 A/C>	4,000	0.87
R S Management Pty Limited	3,734	0.81
Dewrang Investments Pty Ltd <Kelly Family Super Fund A/C>	3,000	0.65
KSC Investments Pty Ltd	3,000	0.65
Fairfield Lodge Pty Ltd <Cmbagot Executive Fund A/C>	2,980	0.65
Bagot Family Investments Pty Ltd	2,980	0.65
Driftsome Investments Pty Ltd <C Gale Family A/C>	2,915	0.63
	<b>259,462</b>	<b>56.25</b>

### Voting Rights

The Company's constitution details the voting rights of members and states that every member, present in person or by proxy, shall have one vote for every ordinary share registered in his or her name.

### Registered Office

The Company is registered and domiciled in Australia. Its registered office and principal place of business are at Level 40 Governor Philip Tower, 1 Farrer Place, SYDNEY NSW 2000.