

# Cedar Woods Properties Limited

## Appendix 4D

For the half-year ended 31 December 2017

### 1. Details of the reporting period

This report details the consolidated results of Cedar Woods Properties Limited and its controlled entities for the half-year ended 31 December 2017. Comparatives are for the half-year ended 31 December 2016.

### 2. Results for announcement to the market

		Dec 2017 Half \$'000	Dec 2016 Half \$'000	Change
2.1	Revenue	54,264	56,568	Down 4.1%
2.2	Profit after tax attributable to members	3,220	3,023	Up 6.5%
2.3	Net profit for the period attributable to members	3,220	3,023	Up 6.5%

		Dec 2017 Half cents	Dec 2016 Half cents	Change
2.4	Interim dividend per share, fully franked	12.0	12.0	No change
	Basic earnings per share	4.1	3.8	Up 6.5%
	Diluted earnings per share	4.1	3.8	Up 6.3%

#### Explanation

Refer to Company Announcement.

### 3. Net tangible assets per share (book value)

	Dec 2017	Dec 2016	Change
Net tangible assets per share (book value)	\$4.05	\$3.77	Up 7.4%

### 4. Details of entities over which control has been gained or lost during the period

Nil.

### 5. Details of dividends

The Board has declared a fully franked interim dividend of 12 cents per share payable on 27 April 2018. The dividend record date is 27 March 2018.

### 6. Dividend Reinvestment Plan and Bonus Share Plan

The Dividend Reinvestment Plan (DRP) is available for the interim dividend. Election forms must be received by 13 April 2018.

The Bonus Share Plan (BSP) is available for the interim dividend. The BSP election forms must be received by 13 April 2018.

The pricing period under the DRP and BSP comprises the two business days prior to and including the record date and the six business days after the record date.

The pricing methodology is the daily volume weighted average sale price of the ordinary shares in the Company quoted on the ASX during the pricing period, adjusted for the discount.

The discount applicable to the price under the DRP and BSP is 2.5%.

It is anticipated that the price under the DRP and BSP will be advised to ASX on 6 April 2018.

All ordinary shares allotted under the DRP or BSP will from the date of allotment rank equally in all respects with existing ordinary fully paid shares in the company.

Details of the DRP and BSP rules are available on the Shareholder Information page on the company website.

## **7. Details of joint venture entities**

The reporting entity's interest in Cedar Woods Wellard Limited is classified as a joint venture. The reporting entity owns a 32.5% shareholding at 31 December 2017 (Dec 2016 . 32.5%). The share of the net loss from the joint venture for the half-year ended 31 December 2017 amounted to \$83,000 (2016 . profit of \$153,000).

The reporting entity holds a 50% (Dec 2016: 50%) interest in Champion Bay Nominees Pty Ltd and BCM Apartment Trust at 31 December 2017. The reporting entity's interests in the BCM Apartment Trust and Champion Bay Nominees Pty Ltd were accounted for as joint ventures for the half-year ended 31 December 2016. As a result of a change in control of Champion Bay Nominees Pty Ltd during the year ended 30 June 2017, these entities were consolidated in the accounts of Cedar Woods Properties Limited at 30 June 2017.

## **8. Accounting for foreign entities**

Not applicable.

## **9. Auditor's review report**

No dispute or qualification exists in the auditor's review report. Refer to the attached.

# Cedar Woods

PROPERTIES LIMITED

ABN 47 009 259 081

## HALF-YEAR REPORT – 31 DECEMBER 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

**CEDAR WOODS PROPERTIES LIMITED****CORPORATE DIRECTORY****A.B.N. 47 009 259 081****Directors**

William George Hames, BArch (Hons) MCU (Harvard) LFRAIA, MPIA, FAPI (Econ) ó Chairman

Robert Stanley Brown, MAICD, AIFS ó Deputy Chairman

Ronald Packer, BCom (UWA), FAICD, Solicitor Supreme Court of England &amp; Wales ó Lead Independent Non-executive Director

Valerie Anne Davies, FAICD ó Independent Non-executive Director

Jane Mary Muirsmith, BCom (Hons), FCA, GAICD - Independent Non-executive Director

Nathan John Blackburne, BB, AMP, GAICD ó Managing Director

**Company Secretary**

Paul Samuel Freedman, BSc, CA, GAICD

**Registered office and principal place of business**

Ground Floor, 50 Colin Street

WEST PERTH WA 6005

Postal address: P.O. Box 788 West Perth WA 6872

Phone: (08) 9480 1500

Email: email@cedarwoods.com.au

Website: www.cedarwoods.com.au

Cedar Woods Properties Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Ground Floor, 50 Colin Street, WEST PERTH WA 6005. Its shares are listed on the Australian Stock Exchange.

**Share registry**

Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Terrace

PERTH WA 6000

**Auditor**

PricewaterhouseCoopers

125 St Georges Terrace

PERTH WA 6000

**Securities exchange listing**

Cedar Woods Properties Limited shares are listed on the Australian Securities Exchange Limited.

**ASX Code**

CWP

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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## DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Cedar Woods Properties Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

### 1. Directors

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

William George Hames (Chairman)  
 Robert Stanley Brown (Deputy Chairman)  
 Ronald Packer (Lead Independent Non-executive Director)  
 Valerie Anne Davies (Independent Non-executive Director)  
 Jane Mary Muirsmith (Independent Non-executive Director, appointed 2 October 2017)  
 Paul Stephen Sadleir (Managing Director, retired 18 September 2017)  
 Timothy Robert Brown (Alternate for R S Brown, resigned 11 August 2017)  
 Nathan John Blackburne (Managing Director, appointed 18 September 2017)

### 2. Review of operations

The principal continuing activities of the group in the course of the half-year ended 31 December 2017 were that of property developer and investor and no significant change in the nature of those activities has taken place during that period.

A summary of consolidated revenues and results for the half-year ended 31 December 2017 is set out below:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	54,264	56,568
Profit before income tax expense	4,678	4,236
Income tax expense	(1,458)	(1,213)
Net profit attributable to members of Cedar Woods Properties Limited	3,220	3,023

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

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

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

No matter or circumstance has arisen since 31 December 2017 that has significantly affected the Company's operations, results or state of affairs.

### 4. Auditor's independence declaration

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

**CEDAR WOODS PROPERTIES LIMITED****DIRECTORS' REPORT (CONTINUED)****5. Rounding of amounts**

The group is of a kind referred to in Class Order 2016/191 issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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



N J Blackburne  
Managing Director

Perth, Western Australia  
21 February 2018



## Auditor's Independence Declaration

As lead auditor for the review of Cedar Woods Properties Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

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

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

Helen Bathurst

Helen Bathurst  
Partner  
PricewaterhouseCoopers

Perth  
21 February 2018

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**DIRECTORS' DECLARATION  
31 DECEMBER 2017**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 15 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that Cedar Woods Properties Limited will be able to pay its debts as and when they become due and payable.

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



N J Blackburne  
Managing Director

Perth, Western Australia  
21 February 2018





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

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Cedar Woods Properties Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2017, the consolidated statement of changes in equity, consolidated cash flow statement and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Cedar Woods Properties Limited. The consolidated entity comprises the Company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

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

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cedar Woods Properties Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



### *Conclusion*

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

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Helen Bathurst*

Helen Bathurst  
Partner

Perth  
21 February 2018

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

		<b>Half-year</b>	
		<b>2017</b>	<b>2016</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from operations</b>			
Sale of land and buildings		50,026	51,833
Development services		976	2,236
Rent from properties		2,938	2,034
Interest revenue		324	465
		54,264	56,568
<b>Other Income</b>	2	2,863	40
<b>Expenses</b>			
Cost of sales of land and buildings		(30,812)	(31,461)
Cost of providing development services		(690)	(1,624)
Other expenses from ordinary activities:			
Project operating costs		(9,670)	(8,619)
Occupancy		(339)	(331)
Administration		(8,955)	(8,002)
Other	3	(2)	(1,336)
Finance costs	3	(1,898)	(1,152)
Share of net (loss) profit of joint ventures accounted for using the equity method		(83)	153
		4,678	4,236
<b>Profit before income tax</b>		<b>4,678</b>	<b>4,236</b>
Income tax expense	4	(1,458)	(1,213)
		3,220	3,023
<b>Profit for the half-year</b>		<b>3,220</b>	<b>3,023</b>
<b>Total comprehensive income for the half-year</b>		<b>3,220</b>	<b>3,023</b>
<b>Total comprehensive income attributable to members of Cedar Woods Properties Limited</b>		<b>3,220</b>	<b>3,023</b>
		<b>Half-year</b>	
		<b>2017</b>	<b>2016</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share		4.1	3.8
Diluted earnings per share		4.1	3.8

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

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	NOTE	31 December 2017 \$'000	30 June 2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,947	8,400
Trade and other receivables		8,450	5,882
Inventories		135,650	95,145
Deferred development costs		2,238	831
Current tax assets		12,724	-
<b>Total current assets</b>		<b>164,009</b>	<b>110,258</b>
<b>Non-current assets</b>			
Receivables		281	16
Inventories		351,991	326,969
Deferred development costs		14,312	14,893
Investments accounted for using the equity method		4,042	4,125
Property, plant and equipment		6,473	5,122
Investment properties		42,995	43,425
Lease incentives		1,138	816
<b>Total non-current assets</b>		<b>421,232</b>	<b>395,366</b>
<b>Total assets</b>		<b>585,241</b>	<b>505,624</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		25,981	24,175
Other financial liabilities	5	46,724	4,065
Current tax liabilities		-	9,701
Provisions		7,728	9,330
<b>Total current liabilities</b>		<b>80,433</b>	<b>47,271</b>
<b>Non-current liabilities</b>			
Borrowings	6	170,324	87,340
Derivative financial instruments		296	407
Other financial liabilities	5	1,224	37,412
Provisions		82	73
Deferred tax liabilities		13,480	2,887
<b>Total non-current liabilities</b>		<b>185,406</b>	<b>128,119</b>
<b>Total liabilities</b>		<b>265,839</b>	<b>175,390</b>
<b>Net assets</b>		<b>319,402</b>	<b>330,234</b>
<b>EQUITY</b>			
Contributed equity	8	119,525	119,525
Reserves		355	210
Retained profits		199,522	210,499
<b>Total equity</b>		<b>319,402</b>	<b>330,234</b>

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

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

<b>Consolidated</b>	<b>NOTE</b>	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2016</b>		<b>119,525</b>	<b>159</b>	<b>187,504</b>	<b>307,188</b>
Profit for the half-year		-	-	3,023	3,023
<b>Total comprehensive income for the half-year</b>		-	-	<b>3,023</b>	<b>3,023</b>
<b>Transactions with owners in their capacity as owners:</b>					
Transfers from reserves to retained profits		-	(6)	6	-
Dividends provided for or paid	7	-	-	(13,017)	(13,017)
Employee share plan reserve		-	91	-	91
		-	<b>85</b>	<b>(9,988)</b>	<b>(9,903)</b>
<b>Balance at 31 December 2016</b>		<b>119,525</b>	<b>244</b>	<b>177,516</b>	<b>297,285</b>
<b>Balance at 1 July 2017</b>		<b>119,525</b>	<b>210</b>	<b>210,499</b>	<b>330,234</b>
Profit for the half-year		-	-	3,220	3,220
<b>Total comprehensive income for the half-year</b>		-	-	<b>3,220</b>	<b>3,220</b>
<b>Transactions with owners in their capacity as owners:</b>					
Transfers from reserves to retained profits		-	(3)	3	-
Dividends provided for or paid	7	-	-	(14,200)	(14,200)
Employee share plan reserve		-	148	-	148
		-	<b>145</b>	<b>(10,977)</b>	<b>(10,832)</b>
<b>Balance at 31 December 2017</b>		<b>119,525</b>	<b>355</b>	<b>199,522</b>	<b>319,402</b>

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

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	<b>Half-year</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (incl. GST)	64,172	60,614
Payments to suppliers and employees (incl. GST)	(33,916)	(28,647)
Payments for land and development	(84,022)	(42,200)
Interest received	220	184
Borrowing costs paid	(3,000)	(1,740)
Income taxes paid	(13,296)	(9,767)
	<b>(69,842)</b>	<b>(21,556)</b>
<b>Net cash outflows from operating activities</b>		
<b>Cash flows from investing activities</b>		
Payments for investment properties	(501)	(4,332)
Payments for property, plant and equipment	(1,814)	(611)
	<b>(2,315)</b>	<b>(4,943)</b>
<b>Net cash outflows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	82,900	39,285
Dividends paid	7 (14,196)	(13,014)
	<b>68,704</b>	<b>26,271</b>
<b>Net cash inflows from financing activities</b>		
Net decrease in cash and cash equivalents	(3,453)	(228)
Cash and cash equivalents at the beginning of the half-year	8,400	1,697
	<b>4,947</b>	<b>1,469</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>4,947</b>	<b>1,469</b>

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

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**1. BASIS OF PREPARATION OF HALF-YEAR STATEMENT**

This general purpose financial report for the interim half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Cedar Woods Properties Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**2. OTHER INCOME**

	Half-year	
	2017	2016
	\$'000	\$'000
Other project income	2,700	-
Sundry income	163	40
	<b>2,863</b>	<b>40</b>

**3. EXPENSES**

	Half-year	
	2017	2016
	\$'000	\$'000
<b>Finance costs</b>		
Interest and finance charges	3,090	1,667
Interest ó other financial liabilities	1,267	1,557
Unrealised financial instrument gains	(111)	(389)
Less: amount capitalised	(2,348)	(1,683)
Finance costs expensed	<b>1,898</b>	<b>1,152</b>
<b>Depreciation of property, plant and equipment</b>	<b>389</b>	<b>294</b>
<b>Depreciation of investment properties</b>	<b>524</b>	<b>517</b>
<b>Other</b>		
Write-down of inventory	-	1,336
Impairment of lease incentives and capitalised lease costs	2	-
	<b>2</b>	<b>1,336</b>

**4. INCOME TAX**

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year, adjusted for current tax of prior periods. The estimated average annual tax rate used for the six months to 31 December 2017 is 31%, compared to 29% for the six months ended 31 December 2016. The tax rate has been impacted by adjustments for current tax of prior periods in relation to research and development tax credits claimed in prior years and the consolidation of entities outside of the Cedar Woods Properties Limited tax consolidated group into the consolidated financial statements.

<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2017 (CONTINUED)**

**5. OTHER FINANCIAL LIABILITIES**

	<b>31 December 2017 \$'000</b>	<b>30 June 2017 \$'000</b>
<b>Current</b>		
Due to vendors of properties under contracts of sale	46,724	4,065
	<b>46,724</b>	<b>4,065</b>
<b>Non-current</b>		
Due to vendors of properties under contracts of sale	-	36,188
Other payables	1,224	1,224
	<b>1,224</b>	<b>37,412</b>

**6. CURRENT AND NON-CURRENT BORROWINGS****Non-Current Borrowings**

In January 2018 the group extended its \$175,000,000, 3-year corporate finance facility by an additional year to 30 November 2020. The facility has also been increased by \$30,000,000 to facilitate the ongoing growth of the company and its recent expansion into South Australia, bringing the total ongoing facility to \$205,000,000. The facility is a club facility with a security trustee, providing the flexibility for other banks to enter, should the group's requirements grow and more lenders are required. Currently the facility is provided on a joint basis by ANZ and Commonwealth Bank trading as Bankwest. The club facility will continue to provide funding for Cedar Woods's existing operations, ongoing development of its projects and future acquisitions, and provides the company with access to competitively priced long-term funding.

The group has an investment facility of \$30,000,000 in place for the Williams Landing Shopping Centre provided by Commonwealth Bank trading as Bankwest. The facility extends to February 2019.

**7. DIVIDENDS**

	<b>Half-year</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Ordinary shares</b>		
Dividends provided for or paid during the half-year:		
Paid in cash	14,196	13,014
Applied to the employee share plan loans	4	3
	<b>14,200</b>	<b>13,017</b>

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

In addition to the above dividends, since the end of the half year the directors have recommended the payment of an interim dividend of 12 cents per fully paid ordinary share (2016 ó 12 cents), fully franked based on tax paid at 30%. A final dividend is also expected to be paid following the completion of the financial year.



<b>CEDAR WOODS PROPERTIES LIMITED</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2017 (CONTINUED)**

**8. CONTRIBUTED EQUITY**

	Half-year	
	2017	2016
	\$'000	\$'000
Share capital at the beginning of the reporting period ó 78,891,681 (2016 ó 78,891,681) ordinary shares	119,525	119,525
Share capital at the end of the reporting period ó 78,891,681 (2016 ó 78,891,681) ordinary shares	119,525	119,525

**9. CONTINGENT LIABILITIES**

At 31 December 2017 bank guarantees totalling \$15,996,000 (30 June 2017 - \$15,438,000) had been provided to various state and local authorities supporting development and maintenance commitments.

**10. SEGMENT INFORMATION**

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

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

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

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

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

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

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