Cedar Woods Properties Limited

Appendix 4E - Preliminary Final Report

For the year ended 30 June 2021

1. Details of the reporting period

This report details the consolidated results of Cedar Woods Properties Limited and its controlled entities for the year ended 30 June 2021. Comparatives are for the year ended 30 June 2020.

2. Results for announcement to the market

		2021 $'000	2020 * Restated $'000	Change
2.1	Revenue	299,751	260,660	Up 15.0%
2.2	Profit after tax attributable to members	32,834	20,387	Up 61.1%
2.3	Net profit for the period attributable to members	32,834	20,387	Up 61.1%

		2021 cents	2020 * Restated cents	Change
2.4	Final dividend per share, fully franked (to be paid on 30 October 2020)	13.5	6.5	Up 107.7%
	Interim dividend per share, fully franked (paid on 24 April 2020)	13.0	12.5	Up 4.0%
	Total dividends per share, fully franked	26.5	19.0	Up 39.5%
	Basic earnings per share	40.7	25.4	Up 60.2%
	Diluted earnings per share	40.3	25.2	Up 59.9%

* Refer to note 40 on pages 129 to 131 of the attached financial report for details regarding the restatement as a result of a change in accounting policy.

2.5 Record date

The record date for the 2021 final dividend is 30 September 2021. The dividend payment date is 29 October 2021.

3. Statement of profit or loss

Refer to page 74 of the attached financial report.

4. Balance sheet

Refer to page 75 of the attached financial report.

5. Cash Flow Statement

Refer to page 78 of the attached financial report.

6. Statement of changes in equity

Refer to page 77 of the attached financial report.

7. Details of dividends

See items 2.4 and 2.5 above.

8. Dividend Reinvestment Plan and Bonus Share Plan

The Dividend Reinvestment Plan (DRP) and the Bonus Share Plan (BSP) are available for the final dividend. Election forms must be received by 15 October 2021.

9. Net tangible assets per share (book value)

	2021	2020 * Restated	Change
Net tangible assets per share (book value)	$4.92	$4.68	5.1%

* Refer to note 40 on pages 129 to 131 of the attached financial report for details regarding the restatement as a result of a change in accounting policy.

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

None.

11. 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 30 June 2021 (2020 – 32.5%). The share of the net loss from the associated entity for the year ended 30 June 2021 amounted to $24,000 (2020 – net loss of $174,000). Additionally, the consolidated group recognised other income of $73,000 in relation to capital returns from the joint venture exceeding the carrying amount of the investment.

12. Any other significant information

None.

13. Foreign entities

Not applicable.

14. Commentary on the results

Please refer to the attached media release and the financial & operating review in the financial report.

14.1 Earnings per share

	2021	2020 * Restated
Basic earnings per share	40.7 cents	25.4 cents
Diluted earnings per share	40.3 cents	25.2 cents
Weighted average number of ordinary shares used as the denominator in the calculation of earnings per share	80,753,378	80,352,925
Weighted average number of ordinary shares used as the denominator in the calculation of diluted earnings per share	81,457,949	80,873,241

* Refer to note 40 on pages 129 to 131 of the attached financial report for details regarding the restatement as a result of a change in accounting policy.

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

Diluted earnings per share adjusts the earnings used in the determination of basic earnings per share to take account of the issue of dilutive potential ordinary shares. The weighted average number of ordinary shares is adjusted to reflect the conversion of all dilutive potential ordinary shares. The calculation of diluted earnings per share includes performance rights that may vest under the company's long term incentive plan.

14.2 Returns to shareholders including distributions and buy backs

Refer to item 2 above (Dividends).

14.3 Significant features of operating performance

Refer to media release and the financial & operating review in the financial report for details.

14.4 Results of segments

Refer to note 41 on page 131 of the attached financial report.

14.5 Discussion of trends in performance

Refer to media release and the financial & operating review in the financial report for details.

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified

Nil.

15. Audit of financial statements

The report is based on the attached financial statements which have been audited. A copy of the auditor's report appears on page 133 of the financial statements.

16. and 17. Modified opinions or emphasis of matter in auditor's report

None.

ANNUAL REPORT

2021

Cedar Woods Properties Limited
ABN 47 009 259 081

CEDAR WOODS
DEVELOPING TOMORROW TODAY

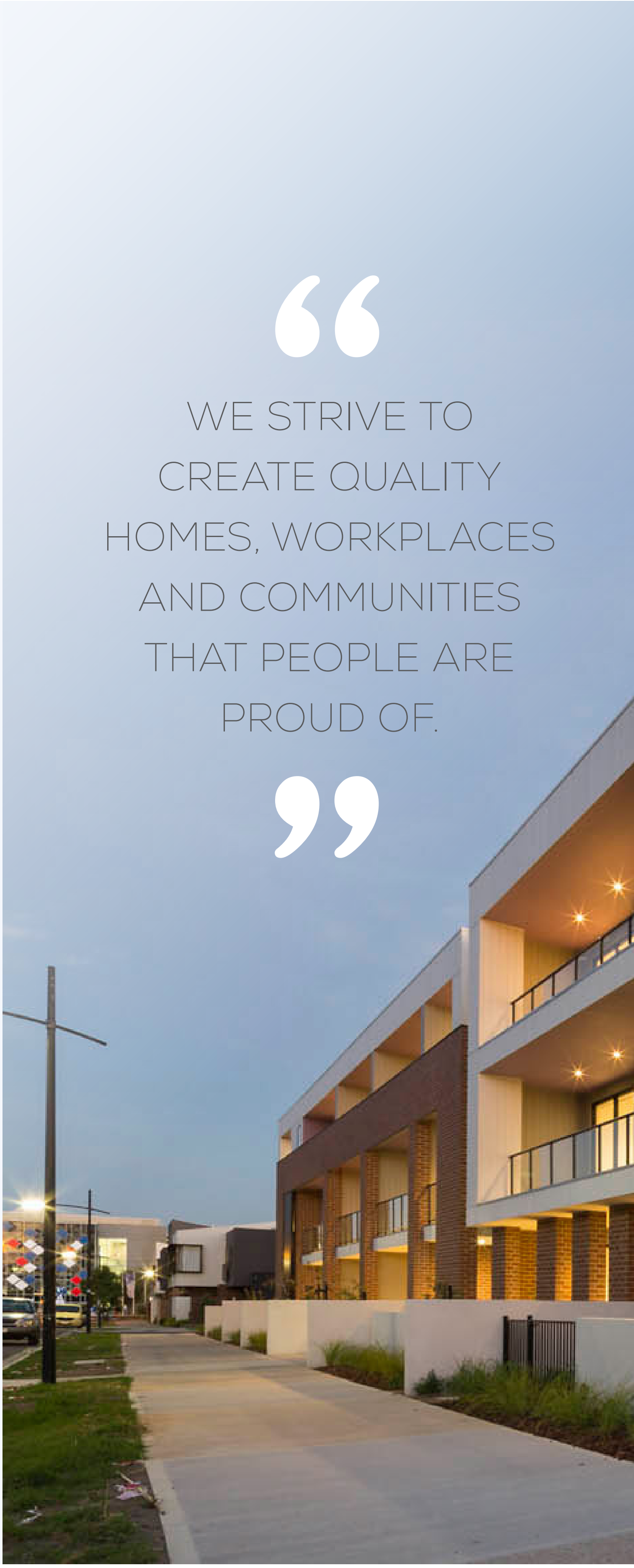
About Cedar Woods

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

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

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

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



"WE STRIVE TO CREATE QUALITY HOMES, WORKPLACES AND COMMUNITIES THAT PEOPLE ARE PROUD OF."

▲ Banbury Village, VIC

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LETTER FROM THE CHAIRMAN

A rebound year

While Financial Year 2020 was materially disrupted by events outside the Company's control, I am delighted to report that Financial Year 2021 was a sharp rebound year, firmly placing Cedar Woods on a pathway to pre COVID-19 earnings and beyond.

We are proud of Cedar Woods' reputation of being an innovative and diversified property company with a track record of strong financial performance and long-term value creation. We continue to deliver against this reputation, declaring full year dividends totalling 26.5 cents and delivering an impressive 31.9 per cent total shareholder return to our highly valued shareholders for the Financial Year 2021.

Ready for a new future

Cognisant of the fundamental changes reshaping the Australian property market, we have challenged ourselves to reset our view of the future, identify emerging opportunities and ensure the Cedar Woods business model is ready and able to capitalise on them.

We are seeing firsthand the rapid impact that technology and remote working is having on how Australians are choosing to live, work and play. Customer preferences are playing out at both a micro and macro level reshaping the way real estate and our cities will evolve in the post COVID-19 future.

Medium density housing demand is evidence of this change, with home buyers seeking a dedicated workspace along with their own, private open space to comfortably raise a family.

Bolstering the Board

Important to our strategic agenda, was the appointment of Mr Paul Say to the Company's Board of Directors as an independent Non-Executive Director on 3 May 2021. With over 40 years of experience in the commercial and residential property sector, Paul has bolstered the Cedar Woods Board with his strong corporate finance, capital allocation and investment management capability.

Based in New South Wales, Paul's skills and industry network will be highly beneficial to Cedar Woods as we pursue opportunities to grow our national portfolio on the east coast.

ESG Strategy

Cedar Woods' environmental and social credentials have been well established over many years of responsible development. We think about tomorrow, we deliver what we promise and we abide by our code of conduct and the Company's strong values. We seek not only to build sustainable communities for our customers but to contribute to a sustainable investment strategy for our shareholders.

In striving to be the best Australian property company, renowned for performance and quality, we have integrated environmental, social and governance (ESG) objectives into the policies and practices that govern our business through the development of Cedar Woods' first ESG strategy.

Our fit-for-purpose ESG strategy focuses on the matters that are most relevant to our operations, industry and stakeholders. At the heart of the strategy is our commitment to serve our customers exceptionally and transparently; invest in our employees and cultivate a diverse and inclusive work environment; work to strengthen the communities we create; and transition to more sustainable solutions that reduce climate-related risks.

This year marks a step-change in how Cedar Woods reports on ESG matters annually. This Annual Report outlines the strategy, initiatives and targets we have set for ourselves, as we commit to the continual improvement of our reporting.

Creating community connection

In reflecting on our ability to make a positive social impact, it was determined that Cedar Woods would adopt an additional corporate value that is immediately consistent with Our Purpose. We have articulated this new value as 'Creating Community Connection'. It recognises that each day our team makes decisions that bring people together, foster connection and enrich the lives of people through thoughtful placemaking.

During the year we were pleased to form a new national community partnership with The Smith Family – Australia's leading children's education charity. The partnership aims to assist disadvantaged Australian children get the most out of their education. The Smith Family and Cedar Woods share the same philosophies of developing and creating a better tomorrow whilst providing opportunities for people to thrive and grow.

Set to thrive

In closing, I reiterate to shareholders that your Board is committed to good corporate governance and the long-term value creation for shareholders.

I am honoured to Chair such an innovative Board and on behalf of them, I acknowledge the enormous commitment and ability of our professional team and their consultants to embrace these new urban challenges and build for the future.

I also take this opportunity to thank our loyal and longstanding shareholders for your support and we look forward to continuing to serve you.

At Cedar Woods, we have a clear view to the opportunities of the future, we are well positioned and prepared. Above all, we understand our purpose and are ready to advance our vision of diversity with discipline.

Sincerely,

William Hames
Chairman

> CEDAR WOODS HAS A CLEAR VIEW TO THE OPPORTUNITIES OF THE FUTURE, WE ARE WELL POSITIONED AND PREPARED.

▲ William Hames, Chairman

LETTER FROM THE MANAGING DIRECTOR

Capitalising on opportunities

Cedar Woods' diversified and quality portfolio drove the Company's strong performance across a year in which the demand for new housing was boosted by state and federal government stimulus.

Our long standing strategy positioned Cedar Woods well to harness the opportunities presented by a recovering economy that saw buyers active and showing a preference for Cedar Woods' product offering. This resulted in record presales at year end of $478 million (up 33 per cent), the delivery of net profit of $32.8 million (up 61 per cent) and 60 per cent growth in earnings per share for the 2021 Financial Year.

We experienced very strong sales conditions for housing lots, where the government owner occupier housing grants were predominantly targeted, with favourable conditions extending to townhouses as the year progressed.

It was pleasing to see that desire to enter the property market outlived the stimulus and new home buyers across the country remained keen to capitalise on record-low interest rates, forecast price growth and increasing rental yields. Strong sales conditions continue to prevail across the four states in which Cedar Woods' projects are located. In response, we are accelerating the release of new project stages to capture the consistent demand from new home buyers.

Conditions for apartments and offices were challenging for most of the financial year, as the ongoing closure of international borders significantly impacted migration and international students, whom are often apartment occupants. As strong demand for land and townhouses continued, conditions started to improve for apartments and offices towards the end of the financial year with investors starting to re-enter the property market.

Successfully navigating challenges

Operationally, the highly capable team at Cedar Woods navigated through snap lockdowns and the tightening supply of materials and labour caused by the ongoing implications of COVID-19 and a construction sector surge. This tightening is resulting in some cost pressures but to date the price growth of our products has generally exceeded any cost growth.

2021 saw us stay the course, executing our strategy to maintain broad customer appeal in varying market conditions. We continued our success in taking on complex, large scale projects, adding value through planning design and delivery and generating strong returns from multi-year projects. This remained the driver of our consistent shareholder returns.

Future fit

Over the year, we continued to build out Cedar Woods' pipeline of development projects with the acquisition of a 40.7 hectare site in South Maclean, south west of Brisbane and a strategic 21.7 hectare site in Melbourne's north, immediately adjacent to Cedar Woods' existing Mason Quarter project in Wollert.

We also continued to invest in our people, technology and corporate brand to support the Company's growth objectives. Our strong culture and systems have us well prepared to embrace the new challenges of Australia's urban landscape.

“OUR STRONG CULTURE AND SYSTEMS HAVE US WELL PREPARED TO EMBRACE THE NEW CHALLENGES OF AUSTRALIA’S URBAN LANDSCAPE.”

Underpinning growth

Backed by record presales and a pipeline of more than 8,800 lots/units Cedar Woods is making the most of the favourable market conditions. We are excited to be presenting a steady stream of quality product to the market from Greville, Fletcher’s Slip, Incontro, and Mason Quarter.

The future is certainly bright. Buyer confidence remains buoyant and the current positive market landscape is expected to endure for some time. Cedar Woods is well positioned to capitalise on these conditions as we release new stages across the Cedar Woods portfolio extending our sales momentum and underpinning the Company’s revenue growth in future years.

This next period looks to be both busy and rewarding for the talented Cedar Woods team. I would like to thank them for their relentless commitment to serve our customers exceptionally and transparently.

Sincerely,

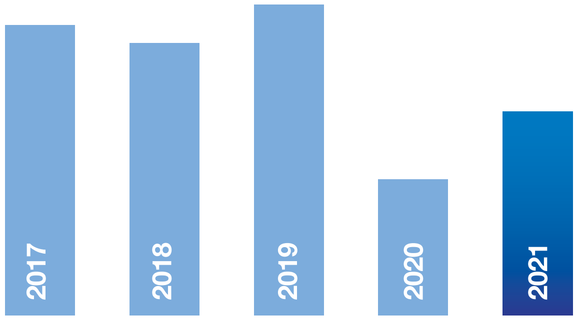
Nathan Blackburne
Managing Director

▲ Nathan Blackburne, Managing Director

FINANCIAL PERFORMANCE HIGHLIGHTS

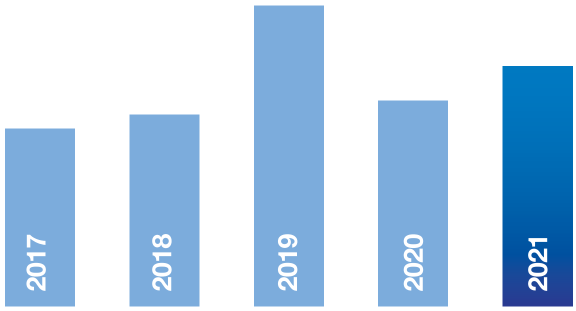
NET PROFIT
AFTER TAX

$32.8m



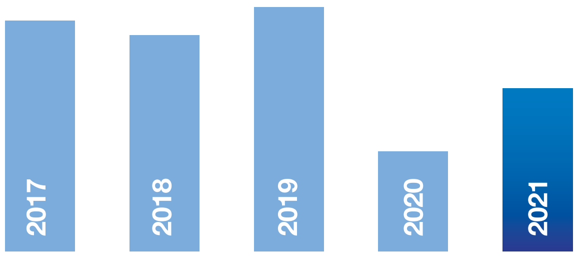
TOTAL
REVENUE

$299.8m



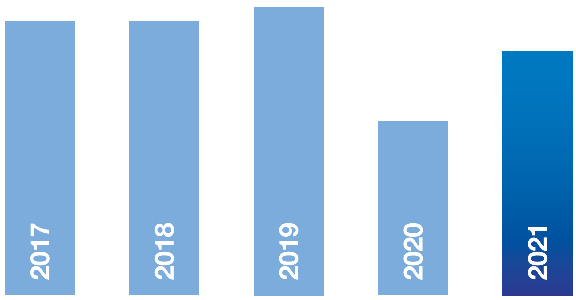
EARNINGS
PER SHARE

40.7c



DIVIDENDS
PER SHARE

26.5c



RETURN ON EQUITY

8.2%

Above FY2021 target return

TOTAL SHAREHOLDER RETURN

31.9%

Outperformed All Ordinaries of 30.2% and S&P ASX300 of 28.5%, underperformed Small Industrials of 33.0%

PRESALE CONTRACTS

$478m

Up $118m or 33%

NET BANK DEBT TO EQUITY

28.3%

At the lower end of target range of 20%-75%

OUR BUSINESS

OUR HISTORY

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

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

OUR PURPOSE, VISION & VALUES

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

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

OUR STRATEGY

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

Geography

Good geographic spread of well-located projects in our states.

Product Type

Range of housing lots, apartments, townhouses and commercial properties.

Price Point

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

VALUE CREATION MODEL

We deliver on our strategy via our value creation model.

Property Acquisitions

Disciplined approach to acquisitions:

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

Development

Research, design, planning and delivery:

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

Marketing & Sales

Integrated approach to optimise results:

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

STRATEGIC PRIORITIES

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

High Performance Culture

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

Financial Strength

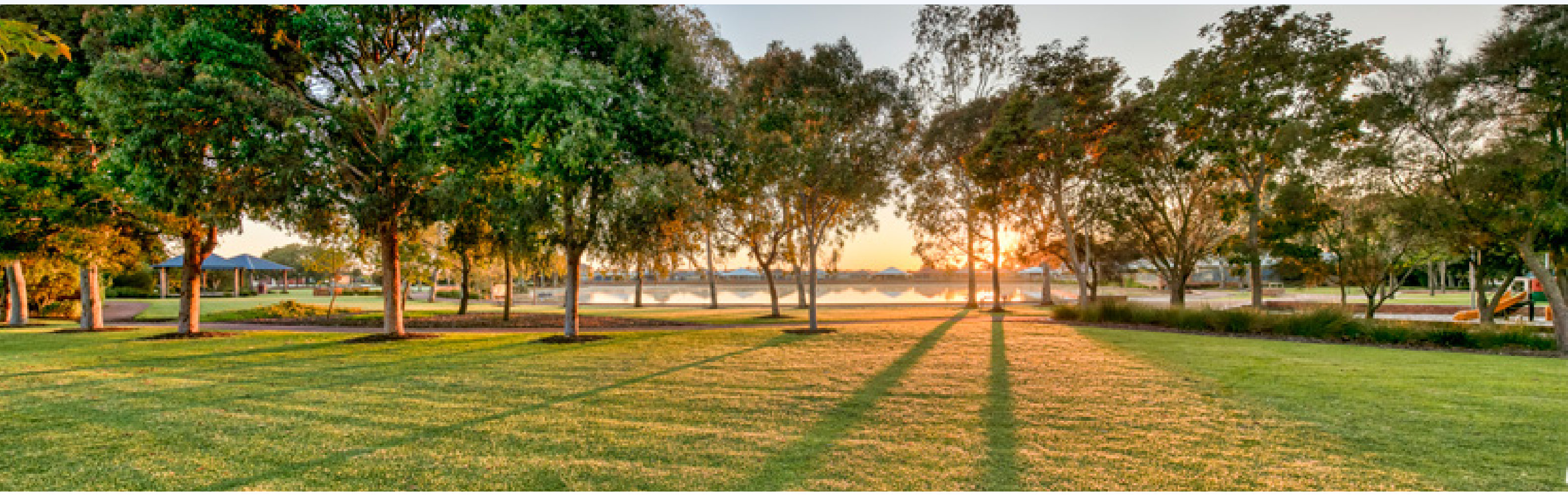
Optimising performance through disciplined capital management, a commercial focus, cost minimisation and maintaining a strong balance sheet.

Operational Excellence

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

Earnings Growth

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



▲ Rushmore Green, Bushmead WA

FINANCIAL AND OPERATING REVIEW

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

The following summarises the results of operations during the year and the financial position of the consolidated entity at 30 June 2021.

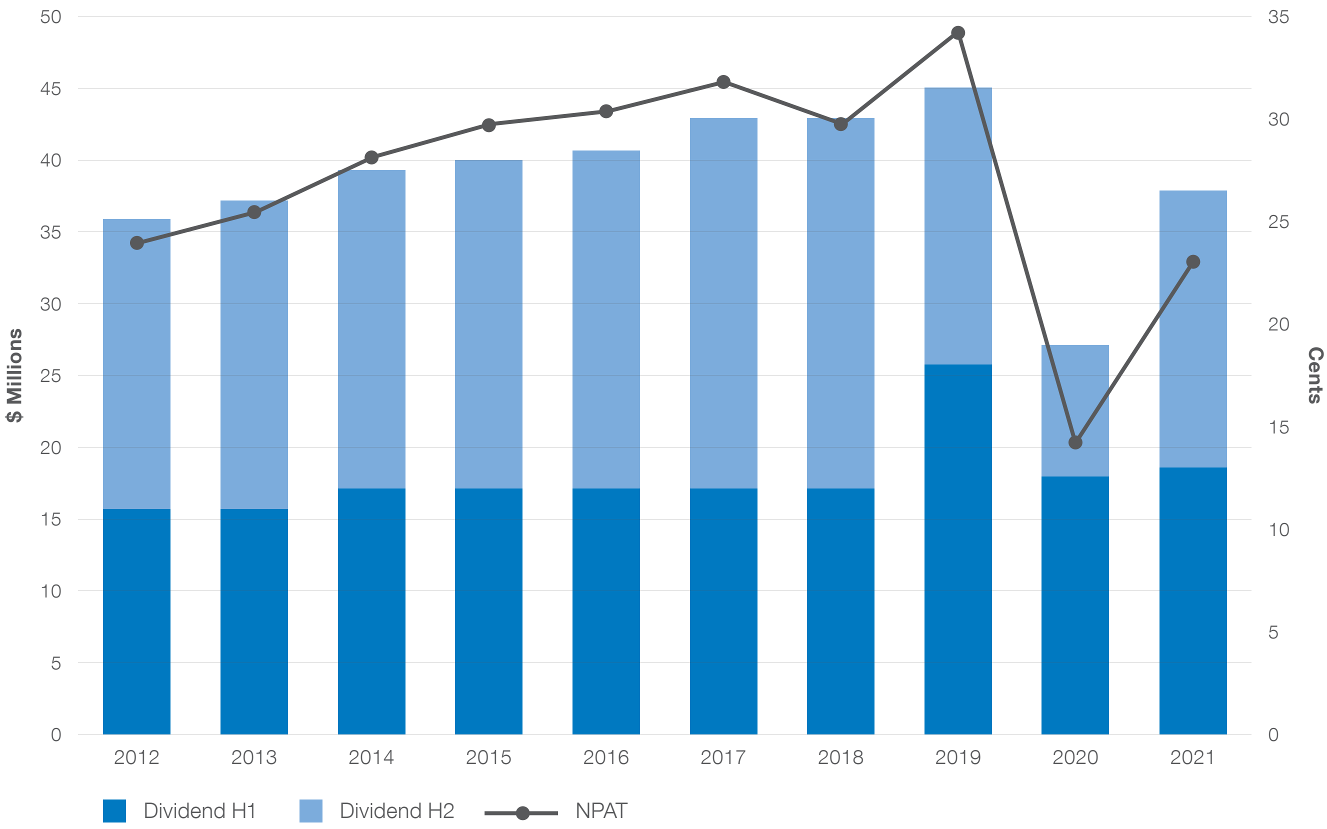
2021 FINANCIALS AT A GLANCE

- Revenue of $299,751,000 up 15.0 per cent on the prior year
- Net profit after tax of $32,834,000, up 61.1 per cent on the prior year
- Total dividends of 26.5 cents per share, up 39.5 per cent, generating a fully franked yield of 3.9 per cent at year end
- Earnings per share of 40.7 cents, up 60.2 per cent on the prior year
- Total shareholder return of 31.9 per cent

NET PROFIT AFTER TAX (NPAT) AND DIVIDENDS

In Financial Year 2021 (FY2021), the Company delivered a profit of $32.8 million. This was up 61.1 per cent on the COVID-19 impacted result in the prior year. This returned the Company to a trajectory of profit growth as delivered in eight out of the last ten years. Dividends declared for FY2021 were 26.5 cents per share, also up substantially on the 19.0 cents per share in the prior year.

NPAT AND DIVIDENDS DECLARED OVER THE LAST 10 YEARS



2021 FINANCIAL RESULTS SUMMARY

Year ended 30 June	2021 $'000	2020 *Restated $'000	% Change
Revenue	299,751	260,660	15.0
Net profit after tax (NPAT)	32,834	20,387	61.1
Total assets	651,800	644,055	1.2
Net bank debt	113,328	142,671	(20.6)
Shareholders' equity	400,361	376,801	6.3

Key performance indicators

Year ended 30 June		2021	2020 *Restated	% Change
Basic earnings per share	¢	40.7	25.4	60.2
Diluted earnings per share	¢	40.3	25.2	59.9
Dividends per share – fully franked	¢	26.5	19.0	39.5
Return on equity	%	8.2	5.4	2.8
Return on capital	%	9.8	6.1	3.7
Total shareholder return (1 year)	%	31.9	-2.4	34.3
Net bank debt to equity – 30 June	%	28.3	37.9	(9.6)
Net bank debt to total tangible assets (less cash)	%	17.6	22.3	(4.7)
Interest cover	x	12.1	5.9	6.2
Net tangible asset backing per share – historical cost	$	4.92	4.68	5.1
Shares on issue – end of year	'000	81,345	80,448	1.1
Stock market capitalisation at 30 June	$'000	545,824	421,547	29.5
Share price at 30 June	$	6.71	5.24	28.1

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

FINANCIAL YEAR OVERVIEW

Despite the ongoing pandemic, Cedar Woods started FY2021 with expectations of delivering higher earnings than the COVID-19 impacted result in FY2020. This outlook was supported by the then recently introduced federal and state government stimulus for purchasers of new housing and pre-sale contracts on hand at 30 June 2020 totaling $360 million, many of which settled early in the first half of FY2021. Sales performed well in the first half, particularly for land lots and townhouse product, and the Company delivered a first half result of $22.4 million net profit after tax with forward presales of $380 million at 31 December 2020. This gave the Board confidence to guide the market for a full year result of $29 million net profit after tax when it released the half year report in February 2021.

While the WA State Government's significant stimulus was no longer available for new home buyers in the third quarter of FY2021, and the Federal Government's stimulus had been reduced, sales results remained positive and project delivery programs remained largely on track for the financial year. In light of this and the operational savings achieved, the Board upgraded earnings guidance for the full year to $32 million net profit after tax when it released its third quarter update in April 2021.

While sales conditions nationally for land lots and townhouses were strong throughout the year, sales of apartments and office product, particularly in

Melbourne, were slow, although improving more recently. The impacts of the pandemic continued throughout the year with closed international borders, intermittent capital city lockdowns and various levels of social distancing restrictions in place from time to time. Closed international borders significantly reduced international students requiring accommodation and eliminated new migrants. Intermittent capital city lockdowns and various social distancing restrictions at times impacted buyer sentiment and the pace at which buildings could be constructed.

Full year net profit after tax of $32.8 million was achieved in FY2021 from total revenue of $299.8 million and a gross margin of 31 per cent. Gross margin improved from 29 per cent in FY2020 as a result of changes in product mix and some improvement in net prices. The Company had settlements from 19 projects in FY2021, each with different profit margins and the portion of settlements from each project impacting the overall gross margin for the Company.

The improved FY2021 profit result correspondingly impacted the Company's returns, with return on equity of 8.2 per cent and return on capital of 9.8 per cent exceeding the Company's budgeted targets for FY2021.

The one-year total shareholder return of 31.9 per cent outperformed the S&P ASX300 (28.5 per cent) and the All Ordinaries index (30.2 per cent), although underperformed the Small Industrials index (33.0 per cent). Over longer periods of, two years, three years and five years the Company's total shareholder return continues to outperform all of these major indices as well as a peer group average made up of five ASX listed residential property developers.

The combined impact of strong sales performance in FY2021 and the significant volume of higher value built form developments underway contributed to the Company's $478 million balance of contracted pre-sales at 30 June 2021, which is $118 million (or 33 per cent) higher than the same time in the prior year. These pre-sales are expected to settle over FY2022 and FY2023.

CAPITAL MANAGEMENT

The Company's history of disciplined capital management and continued focus on its strategic priority of Financial Strength continues to position it well to deal with the unpredictable economic environment that the COVID-19 pandemic presents.

At 30 June 2021, net bank debt stood at $113 million leaving approximately $94 million in undrawn headroom in the Company's long-term debt facilities to fund the development of the Company's existing property portfolio and make additional land acquisitions for growth. Following a significant number of settlements taking place in July 2021, facility headroom increased to more than $100 million at 31 July 2021.

Net bank debt-to-equity at 30 June 2021 was 28 per cent, at the lower end of the Company's target debt to equity range of 20 to 75 per cent. Net debt to total tangible assets less cash was 18 per cent at year end and corporate facility interest cover was 12 times, well in excess of minimum facility covenant of two times. The Company continued to operate within all of its facility covenants throughout FY2021.

The dividend reinvestment and bonus share plans were in operation for the FY2020 final dividend and FY2021 interim dividend raising $5 million in equity during the year. The dividend reinvestment and bonus share plans will continue to operate for the FY2021 final dividend to be paid in October 2021.

PORTFOLIO HIGHLIGHTS

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

During FY2021 Cedar Woods recorded price growth and strong sales rates across many of the projects within its portfolio including land lots, townhouses and apartments. The Company was able to manage its portfolio to take advantage of the strong conditions, bringing forward stock in markets with limited supply.

In Western Australia, following the stimulus sales peak, the Company replenished stock at several of its land estates to finish the year with strong presales. In Victoria, the Mason Quarter project recorded over 12 months of expected land sales within its first six months of selling. In Queensland, the Ellendale project recorded strong sales rates and price growth.

The Company's built form projects also performed well with strong price growth and sell out success across several stages including the Incontro townhouse project in Western Australia. The delivery of apartments also continued with the successful launch of Monarch apartments at Glenside, South Australia, the sellout success of Lincoln apartments at Williams Landing, Victoria and the completion of two other significant apartment projects in these states.

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

▲ Grace Apartments, Glenside SA

PROJECT PIPELINE CHART AS AT 30 JUNE 2020

Project Name	Corridor/Location	Project Type	Lot/Units Project	Lot/Units Remain	FY22	FY23	FY24	FY25	FY26	FY27
WESTERN AUSTRALIA - PERTH										
Mariners Cove, Mandurah	South	Residential Land and Townhouses	982	3						
Ariella, Brabham	North East	Residential Land	880	299						
The Brook at Byford	South East	Residential Land	428	119						
Rivergums, Baldivis	South	Residential Land	1,438	315						
Byford on the Scarp	South East	Residential Land	281	102						
Solaris, Forrestdale	South East	Residential Land	310	237						
Bushmead	East	Residential Land	946	554						
Millars Landing, North Baldivis	South	Residential Land	1,555	1,434						
Pinjarra	South	Residential Land	1,080	1,080						
Subiaco	Inner East	Townhouses and Apartments	131	131		★				
WESTERN AUSTRALIA - "JV" PROJECTS										
Cedar Woods Wellard (Emerald Park)	South	Residential Land	665	1						
Harrisdale Green	South East	Residential Land and Townhouses	465	180						
				4,455						
VICTORIA - MELBOURNE										
Carlingford, Lalor	North	Residential Land	580	3						
St A, St Albans	North West	Townhouses	254	76						
Jackson Green, Clayton South	South East	Townhouses and Apartments	413	128						
Jackson Green, Clayton South	South East	Huntington Apartments	166	166	★					
North Melbourne	North West of CBD	Townhouses	15	15		★				
Wollert	North	Residential Land	834	834		★				
Williams Landing	West	Residential Land, Townhouses, Apart-ments	2,348	182						
Williams Landing	West	Lincoln Apartments	69	69						
Williams Landing	West	101 Overton Road Strata Offices	74	13						
Williams Landing	West	Future Apartments / Offices / Townhouses	268	268						
Williams Landing	West	Commercial (17 hectares)		-						
				1,754						
QUEENSLAND - BRISBANE										
Greville, Wooloowin	Inner North	Townhouses and Apartments	281	281		★				
Ellendale, Upper Kedron	North West	Residential Land	889	455						
South Maclean	South	Residential Land	516	516			★			
				1,252						
SOUTH AUSTRALIA - ADELAIDE										
Glenside	Inner South East	Townhouses and Apartments	906	844						
Botanica Apartments, Glenside	Inner South East	Apartments	77	5						
Grace Apartments, Glenside	Inner South East	Apartments	44	44	★					
Fletcher's Slip, Port Adelaide	North West	Townhouses and Apartments	502	502	★					
				1,395						
TOTAL GROUP				**8,856**						

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

CORPORATE OBJECTIVES AND PROGRESS ON STRATEGY

Cedar Woods' primary purpose is to create value for shareholders through the development of vibrant communities and deliver consistent growth in net profit and earnings per share. This year, the Company reported a full year net profit after tax of $32.8 million and total fully franked dividends of 26.5 cents.

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

The experience of dealing with the COVID-19 pandemic over the last eighteen months has reinforced the Board's and Management's view that the Company's strategy is appropriate for current and future economic conditions. Diversity of product type has ensured the Company has significant product offering available to purchasers seeking to take advantage of government stimulus measures. Further, with differing conditions in each state from time to time, the benefit of its geographical diversity is realised.

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

DELIVERING ON STRATEGIC PRIORITIES

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

High Performance Culture

A focus on maintaining a high performing and high-spirited work environment continued in FY2021, evidenced by strong employee engagement results.

Enhanced staff training and career development programs were implemented, helping to build the Company's future workforce and adapt their skills to align with new marketing and selling tactics that are being deployed across the business. In addition, SuperCedar Awards were introduced to encourage and reward employees who are living the corporate values, with the inaugural awards presented to staff in June 2021.

During FY2021 approximately 10 per cent of existing staff members were promoted to more senior roles, continuing the Company's culture of people development and internal promotions.

Operational Excellence

Over the past 24 months, the Company has progressed the implementation of its Digital and Technology Strategy. This has so far delivered superior cyber security, workforce mobility and productivity with new systems providing a strong platform to scale up the business. The vision to craft systems for the Company that can serve as another form of competitive advantage is now well progressed, with other transformation projects also underway such as the integration of human resources software and additional initiatives in digital marketing to improve customer experience and create a more powerful platform for lead generation and sales.

Sustainability, efficiency and quality continue to drive project design across the portfolio. The Company refreshed its Environment Social and Governance (ESG) strategy during the year and will continue to review its sustainability practices in FY2022 with the intention to further reducing environmental and climate change impacts across its operations.

During the year, Cedar Woods announced a national partnership with The Smith Family – Australia's leading children's education charity.

The partnership is providing support for young Australians from disadvantaged backgrounds through primary and secondary education. The shared vision of Cedar Woods and The Smith Family in developing and creating a better tomorrow, whilst providing opportunities for young people to grow and thrive, forms the basis of what the Company hopes will be a strong, long-lasting partnership.

Supporting local community groups remains an important part of the Company's core values. The Company's Neighbourhood Grants Scheme provides funds for small community groups such as sporting clubs, special interest groups and emergency services around the country, funding and supporting activities that play important roles in creating and maintaining community spirit.

Financial Strength

During the year the Company completed the annual review of its $205 million corporate finance facility and extended the terms to 30 January 2024 for the three-year debt ($165 million) and to 30 January 2026 for the five-year debt ($40 million). The facility is provided by three of the 'big-4' banks and provides long tenure and security of funding with the consistent compliance of facility covenants.

Earnings Growth

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

Margin improvements were recorded on many of the Company's projects through a combination of price growth, due to favourable market conditions, and diligent cost management. Price increases were recorded in a number of the Company's projects in all four states with some increases exceeding 10 per cent. In Western Australia, the Company benefitted from long-term civil construction contracts struck in 2019 to hedge against cost increases. Other states also benefitted from a sharp focus on cost management.

During FY2021, Cedar Woods unconditionally acquired more than 800 lots through acquisitions in South Maclean in South East Queensland and Wollert in Victoria. The Company has also entered into conditional contracts to purchase another four land holdings in South East Queensland, Victoria and Western Australia with the potential to add a further 1,200 lots to the portfolio if contract conditions are satisfied. An additional unconditional acquisition of 225 lots at Frasers Rise, Victoria was secured in July 2021. The Company expects to make further announcements in relation to the conditional acquisitions during FY2022.

Cedar Woods has recruited additional acquisition resources to support this activity and intends to sustain its growth focus into the future.

MARKET OUTLOOK

The residential property market remains resilient following the end of the Federal Government's Homebuilder program and the tapering of state government stimulus over the second half of FY2021. The positive conditions and stimulus programs drove peak sales activity across the nation and have resulted in stock shortages in many residential growth corridors.

National Australia Bank has forecast strong median price growth averaging 18.5 per cent across all capital cities in 2021 followed by 3.6 per cent growth in 2022. The median house price forecast suggests continued price growth within the Company's projects.

According to the Australian Bureau of Statistics, lending increased by 116 per cent to investors and 73 per cent to first home buyers over the 12 months to May 2021. Investor demand is being driven by falling vacancy rates and rising rental yields in capital cities excluding Melbourne and Sydney. The first home buyer market is being driven by a combination of low interest rates, improving employment conditions and the remaining government stimulus programs. The strength in investor and first home buyer demand has sustained the new housing market despite a closed national border.

The Company expects upon resumption of Australia's migration program, a surge of new migrants will result in a boost to demand for new housing nationwide which could be sustained for several years.

The government stimulus gave rise to significant construction activity nationally and this in turn has resulted in some materials and labour shortages, as well as increasing costs. The Company expects building costs to continue to increase through FY2022 and will be adjusting product pricing where possible to maintain margins. The strength of demand for new housing has made price increases possible at many of Cedar Woods' projects. To date, Cedar Woods' building contractors have been able to secure material supplies to maintain construction programs.

COMPANY OUTLOOK

National property market conditions remain buoyant and Cedar Woods starts FY2022 in a strong position with $478 million in presales expected to settle over FY2022 and FY2023. Subject to the ability of federal and state governments to effectively manage COVID-19, the Company is targeting continued growth in earnings.

Cedar Woods remains well placed for the medium term with more than 8,800 undeveloped lots/units in its development pipeline across four states, maintaining the ability to respond quickly to improved market conditions.

A number of new projects are expected to contribute to earnings from FY2023, including Mason Quarter, Fraser Rise and Aster apartments in Victoria, Monarch apartments in South Australia, Incontro in Western Australia, and Greville in Queensland. Conditionally contracted acquisitions could add a further 1,200 lots to the project pipeline and further acquisitions are anticipated to supplement the Company's portfolio in future years.

RISKS

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

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

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

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

The COVID-19 pandemic has caused major disruption to the economy and business globally and within Australia, including the business conducted by the Company. The ongoing pandemic remains a material risk to the Company insofar as it impacts upon economic activity, employment and migration to Australia and hence population growth, which are major drivers of consumer confidence and housing demand, as well through impacts to the supply chain by causing delays to completion of projects and settlements as well as impacting the availability and cost of materials. In recent times federal and state governments have recognised the contribution of the residential housing industry to the economy and have introduced significant stimuli which has reduced the economic impact of the pandemic on the Company and the industry.

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

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

While the Company has no material exposures to ESG risks, aside from those related to COVID-19 mentioned above, the ESG report starting on page 22 provides further details on how the Company is managing ESG risks.

BOARD MATTERS

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

In May 2021, The Board was pleased to announce the appointment of Mr Paul Say as an independent Non-Executive Director. With over 40 years of experience in the commercial and residential property sector, Mr Say brings strong corporate finance, capital allocation and investment management capability to the Cedar Woods Board. Located in NSW, Mr Say holds strong networks across the property and finance sectors.

Mr Say also joined the Audit & Risk Management Committee and the Remuneration & Nominations Committee. Following a transitionary period, Mr Robert Brown stepped down from the Audit & Risk Management Committee and the Remuneration & Nominations Committee, leaving these committees fully comprised of independent directors

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

William Hames
Chairman

Nathan Blackburne
Managing Director

ESG REPORT

INTRODUCTION

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

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

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

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

INTEGRATED APPROACH

The link between our values and ESG objectives

Achieving our vision, purpose and strategic priorities while upholding our corporate values is facilitated by our commitment to robust risk management; unwavering commitment to our stakeholders; culture of integrity, fairness and diversity; and reduction of contributors to climate change in our business and throughout our projects.

KEY ESG OBJECTIVES & STRATEGIC RESPONSES TABLE

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

ESG Matter	Strategic Response
Governance	
Leadership and Management	• Board and Committees • Executive Management • Risk Management
Spotlight on Ethics	• Code of Conduct • Ethics and Responsible Business Practices • Modern Slavery
Digital and Technology Strategy	• Digital Transformation • Customer Centric Brand Strategy • Cyber Security
Society	
Shareholders and Investors	• Value Creation • Transparency
Our People	• High Performance Culture • Health and Wellbeing Program • Opportunity, Diversity and Inclusion • COVID-19 Response • Work, Health and Safety • Retention and Career Progression
Customers	• Customer Engagement • Digital Transformation • Product Value
Communities	• Community Connection • Our Broader Community - Smith Family Partnership • Design Quality and Liveability • Diversity and Inclusiveness • Activation and Sponsorship • Heritage
Suppliers	• Fair and Ethical Procurement • Modern Slavery • Performance • Work, Health and Safety
Government and Regulators	• Land and Built Form Delivery • Economic Impact • Community Engagement • Collaborative Partnerships

Environment	
Climate-related Risk (Policy, Legal, Technology, Market and Reputation)	• Financial Impact Assessment • Risk Assessment • Adaption and Mitigation
Climate-related Opportunity	
Resource Efficiency	• Corporate Carbon Footprint • Energy Efficiency • Water Efficiency
Energy Source	• Renewable Energy
Products, Services and Market	• Customer Focus
Resilience	• Credentials and Capability • Interdependencies

▲ Grace Apartments, Glenside SA

GOVERNANCE - FY2021 HIGHLIGHTS

Taskforce on Climate-related Financial Disclosures (TCFD)
recommendations incorporated into risk management framework

ESG Strategy
adopted to improve Board oversight

On-going digital transformation
in data analytics, automation and digital marketing.

Staff training
on ethical conduct and modern slavery

New east-coast based Director appointed

Annual review of policies

Implementing roadmap for best-practice in
cyber security

Updated Corporate Plan to guide growth

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

Leadership and Management

Board of Directors

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

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

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

Executive Management

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

Risk Management

Among its many responsibilities, the Board / Audit and Risk Committee oversees risk management, with a focus on more significant risks, including ESG risks. It has adopted a Risk Management Policy Framework which incorporates a range of tools to assist in the identification, management, and monitoring of risks in the business. All major decisions are guided by a comprehensive risk assessment, using the framework, together with risk mitigation strategies, where necessary.

Risk Management Framework

Strategic Repsonse	
Corporate Governance Framework	Corporate Plan and Supporting Strategies
Audit and Risk Management Committee	Strong Financial Management
Remuneration and Nomination Committee	Risk Management Framework
Risk Management Policy	Risk Register

FY2021 Highlights

During FY2021 the Remuneration and Nominations Committee and the Board considered succession planning after the retirement of Ron Packer at the 2020 AGM and in May 2021 appointed Paul Say as an independent, non-executive director. Paul also joined the two Board committees.

The senior management team was strengthened by the establishment of the newly created key roles of National Acquisitions Manager and HR Business Partner. Management refreshed the corporate plan and two meetings were held with the Board to specifically address the 5-year corporate strategy.

The Audit & Risk Management Committee reviewed and revised the Company's Risk Framework and performed deep dives into cyber-related, financial and environmental risks. The Company refreshed a number of corporate policies including the Conflict of Interest Policy and IT Security policies. The environmental strategy was refreshed with regard to the disclosure requirements of the Task Force on Climate Change Disclosures (TCFD).

Spotlight on Ethics

Code of Conduct

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

Ethics and Responsible Business Practices

Conducting business with the utmost honesty, integrity and respect is integral the Company's ESG priorities. The Company's values include, 'Do what we say we will do' – for all of our stakeholders. This is built on the values of trust, reliability, dependability, honesty and reputation which form the basis of how employees conduct business.

Modern Slavery

Interactions with key suppliers and business partners adhering to our policy and processes that address our approach to identifying modern slavery risk and outline steps for mitigating modern slavery and human trafficking in our operations.

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

FY2021 Highlights

The Company reviewed its purpose, vision and values and introduced a 5th value 'We create community connection' to recognise the important role it has in nurturing communities at its developments.

The Company assessed its operations and supply chain for modern slavery risk and provided its first Modern Slavery report and conducted training for staff throughout the business on this important ethical issue.

Digital and Technology Strategy

Digital Transformation

The Company has substantially progressed its Digital and Technology Strategy which provides a a high level of resilience and ability to quickly respond to the immediate workplace risks posed by COVID-19, mainly through pursuing a "cloud first" approach allowing all users to work remotely. The vision is embed into our ESG Strategy systems that provide a source of advantage for the Company.

Customer Centric Brand Strategy

We devote significant resources to executing our Customer Centric Strategy and leveraging the solid foundations we have built. Our customer focus drives us to build systems and processes that enhance customer engagement through a strong understanding of their journey with the Company. We continue to build our digital capability by embedding leading digital talent and systems to increase operational efficiency and productivity. Our automation will provide platforms that capture and analyse data and lead to better insight and informed decision making.

Cyber Security

Investors, employees, and customers trust the Company with their data, so we safeguard their private information with the highest level of care and diligence. We maintain a comprehensive data protection, privacy and cybersecurity program, which effectively manages and protects the Company's Personally Identifiable Information and sensitive corporate information.

Strategic Repsonse	
Digital & Technology Strategy	IT Security Policy
Cyber Security strategy	IT Acceptable Use Policy

FY2021 Highlights

Cedar Woods is committed to the reduction of paper use to support the environment through reducing the use of carbon, water, energy and native forests involved in paper production. The company has implemented a number of initiatives to reduce the amount of paper being printed across the business by nearly 60%. The last 12 months has seen the introduction of electronic expense systems, a focus on digital marketing material over print and promoting the use of Microsoft Teams to collaborate on documents to achieve this.

SOCIETY – FY2021 HIGHLIGHTS

Smith Family Partnership

Cedar Woods joins the Smith Family to make a difference in the lives of disadvantaged children

87%

Participation in staff survey

Awards

UDIA WA Environmental excellence
Bushmead

UDIA WA Judges Choice Award
Hamptons Edge

Urban Developers Award (VIC) Development of the Year
Jackson Green

Creating Community Connection

New Corporate Value

Over $150m

total development spend and over

1,000 jobs

created in the economy

19 internal promotions

We are people developers

Maintaining strong stakeholder relationships is fundamental to Cedar Woods' long-term sustainable success. We have identified the following major stakeholder groups for our business and the related strategic initiatives:

Shareholders and Investors Strategy

Value creation

We create long-term value for our shareholders.

Transparency

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

Strategic Repsonse	
Shareholder returns	Continuous disclosure policy
Shareholder and Investor relations	

FY2021 Highlights

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

Our People

High Performance Culture

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

We undertake an annual internal survey to gauge staff engagement and views. Engagement represents the level of enthusiasm and connection staff have with the Company. It's a measure of how motivated people are to put in extra effort and a sign of how committed they are to stay.

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

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

Health and Wellbeing Program

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

Opportunity, Diversity, and Inclusion

As a national property developer, we are committed to a positive, diverse and inclusive workplace which encourages strong and productive relationships. The Company is committed to providing access to equal opportunity at work, based on fostering a corporate culture that embraces and values diversity and inclusion and allows people to feel safe when trying new things.

COVID-19 Response

The challenge of COVID-19 demanded an extra level of agility and resilience. The team came together, supported each other and demonstrated the value of partnership and collective purpose. The Company has invested heavily in technology. As a result, the national transition to remote working was managed smoothly and efficiently, with everyone adapting quickly.

Work, Health and Safety

By prioritising the health and safety of our employees and contractors, the Company builds a culture of trust and accountability. Our health and safety policies and practices also take into consideration the protection of the surrounding community. Senior management are accountable for the health and safety performance across the Company's portfolio of projects. Cedar Woods' Board also receives regular reporting on the Company's health and safety performance.

Retention and Career Progression

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

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

FY2021 Highlights

The proportion of women employees currently sits at 52 per cent. The number of women in senior management is currently at 32 per cent. The number of women on the Board is two out of six, or 33 per cent.

We are cognisant that we need to promote and recruit more women to senior positions, which is reflected in our employee development and recruitment programs.

We were pleased that in our most recent survey 87 per cent of our people completed the employee survey. Staff engagement is currently 71 per cent. Survey results saw a high level of interest in additional training on: people management; mental health and wellness; and emotional intelligence. This saw the commencement of the Company's 'Health and Wellbeing' program.

Cedar Woods recognises that many of its staff require working arrangements that are outside of a traditional work structure. Over 20 per cent of the workforce is working under the flexible working arrangements policy allowing people to benefit from flexible working hours and working from home.

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

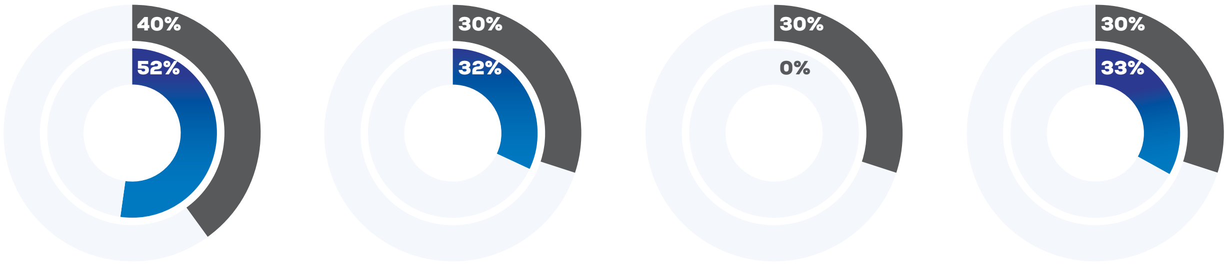
Cedar Woods Advance, our career progression program was introduced during 2021, providing staff with the opportunity to constructively manage their career advancement with the support of the company. There were 19 internal promotions during the financial year.

SuperCedar Awards were introduced to encourage and reward employees who are living our corporate values, with the inaugural awards presented to staff in June 2021.

▲ Greville Apartments, Wooloowin QLD

Metrics and Targets

Gender Diversity



Proportion of women employed in the whole organisation

Proportion of women in senior management positions

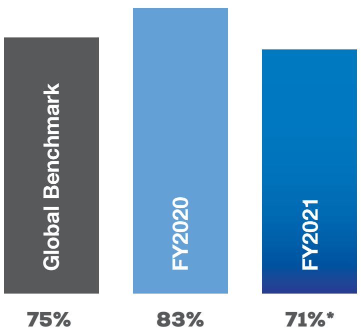
Proportion of women in executive positions

Proportion of women on the Board

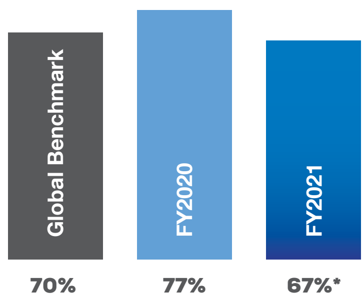
Long term objective %

FY21 Actuals %

Staff Engagement



Staff Retention



*COVID-19 impacted

▲ Williams Landing, Vic

Our Customers

Customer Engagement

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

Digital Transformation

Digital Transformation will see the launch of more comprehensive and contiguous marketing platforms that are designed for customer data collection during their engagement with our business, along the entire customer journey.

Product Value

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

Strategic Repsonse
National Marketing and Communication Strategy
Community Development Programs
Customer Inclusion Initiatives (affordability, disability, community diversity, transition to retirement)
Data driven decision making approach to Company's operational model
Customer Service Offering

FY2021 Highlights

Feedback received from our customers from customer surveys have indicated high net promoter scores. In FY2022 we will implement a national net promoter score methodology and program across our portfolio, with the aim of a nationally consistent approach to NPS surveys and data collection.

Our customer relationship management (CRM) system continues to be refined to enhance data analytics and learn more about our customers' requirements.

We have embarked on a digital strategy to more effectively capture and manage our leads and enquiries, and a corporate marketing strategy to better co-ordinate national marketing initiatives.

Feedback received from our community engagement provides us vital feedback to help further improve our products.

▲ Bushmead Sales Office, Bushmead WA


Hamptons Edge at Mariners Cove, Dudley Park WA

Our Communities

Community Connection

Included in our highlights, the Company recently adopted the new Community Value, 'Creating Community Connection', recognising that our projects and decisions bring people together, foster connections that enrich the lives of people through the places we create.

Our Broader Community – The Smith Family Partnership

This year the Company formed a national community partnership with The Smith Family – Australia's leading children's education charity. Our partnership aims to assist disadvantaged Australian Children get the most out of their education.

Design Quality and Liveability

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

Diversity and Inclusiveness

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

Activation and Sponsorship

We create value for our customers through their purchase of land or built form product. We create value for our communities through our direct provision of amenities, infrastructure public spaces and jobs. We continue to build on this foundation by implementing resident onboarding initiatives and community grants for local businesses and resident associations.

Heritage

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

Strategic Repsonse	
Company Purpose, Values and Vision	Affordable and Diverse Housing
Smith Family Partnership	Community Sponsorship
Awards	Respecting culture and heritage

FY2021 Highlights

The Company adopted a new corporate value, 'Creating Community Connection' recognising that each day our team makes decisions that bring people together, foster connections that enrich the lives of people through the places we create.

We have committed to directly supporting 100 students through The Smith Family's Learning for Life program, which is delivered across 91 communities around Australia. The Learning for Life program provides school students and their families with financial assistance for education essentials such as uniforms, school supplies and excursions; tailored personal support from a Smith Family team member; and access to extra out-of-school learning and mentoring programs. Sharing a common goal, The Smith Family and Cedar Woods are committed to developing and creating a better tomorrow, whilst providing opportunities for young people to thrive.

We work hard to ensure that the planning, urban design and architectural responses of our projects lead to a high quality liveable built environment that is responsive to the environment and community needs. A measure of our success is how our projects rate in industry awards, measured against our peers. This year the Company won three prestigious awards:

- UDIA WA Environmental excellence – Bushmead
- UDIA WA Judges Choice Award – Hamptons Edge
- Urban Developers Award (VIC) Development of the Year – Jackson Green

In FY2022 we aim to develop a national target for affordable housing products and include SDA in at least 30 per cent of our apartment developments.

Since its inception, the Company's Neighbourhood Grants program has donated more than half a million dollars to support a range of community projects, organisations and clubs that operate in the localities of our projects.

$50,000

donated to local community groups in FY2021

Proud partnership with The Smith Family

The Smith Family everyone's family

▲ Williams Landing Football Club, Williams Landing Vic

Our Suppliers

Fair and Ethical Procurement

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

Modern Slavery

The Commonwealth Modern Slavery Act requires companies to publish annual Modern Slavery Statements. The Company is committed to implementing effective systems and controls to ensure Modern Slavery is not taking place in any of our supply chains.

Performance

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

Work, Health and Safety

By prioritising the health and safety of our employees and contractors, the Company builds a culture of trust and accountability. Our WH&S policies and practices also consider the protection of the surrounding community. Senior management is accountable for the health and safety performance across the Company's portfolio of projects. Cedar Woods' Board also receives regular reporting on the Company's health and safety performance.

Strategic Repsonse	
Supplier onboarding process	Contractor Quality and Financial Reviews
Modern Slavery Policy	Occupational Work, Health and Safety Policy and Procedures
Code of Conduct	Stakeholder and industry events

FY2021 Commentary

During the year we completed our first Modern Slavery report under the Modern Slavery Act 2018. The report is available on our website at www.cedarwoods.com.au/Our-Company/Social-Responsibility. During the year, suppliers representing 80 per cent of our year to date expenditure, as at the date of the review, were assessed for modern slavery risk. Employees responsible for procurement were trained in order to help us meet our obligations.

We continually engage with our suppliers through our procurement and contract management process. Twice each year we assess our suppliers on a range of metrics that define the quality of their services. Our most recent review of our suppliers' performance resulted in 98 per cent passing or exceeding the required benchmark.

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

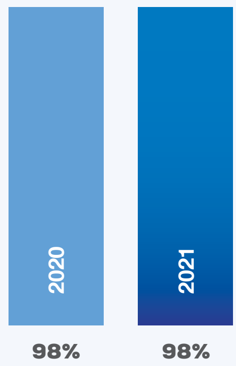
Tragically, in May 2021 the Company was informed that a supplier to one of the Company's contractors working on the St. A site in Melbourne, Victoria was fatally injured whilst supplying product to the contractor in question. This is the first fatality at a Company owned site in its operating history. The investigation into the circumstances of this tragedy is ongoing with the full support of the Company and the contractor. Based on the Company's understanding of the events, it believes it has fully complied with its safety obligations. The safety and wellbeing of our people, contractors and their suppliers always remains Cedar Wood's first priority and we will continue with uncompromising focus on the safety of our workforce and contractors.

Metrics and Targets

Supplier quality review score

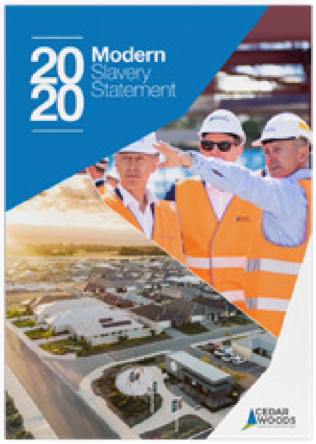
BENCHMARK

98% of suppliers pass biennial reviews.



Modern Slavery

The first Modern Slavery Statement is produced.



▲ The Rivergums, Baldivis WA

Government and Regulators

Land and Built Form Delivery

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

Economic Impact

Importantly, we create value for government and regulators by generating private sector investment and jobs, which is an essential part of the nation's COVID-19 recovery strategy. We create further value through payment of fees and taxes.

Community Engagement

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

Collaborative Partnerships

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

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

FY2021 Highlights

The 2021 financial year saw the Company spend over $150 million in development spend, on all projects nationally.

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

On this basis, Company development spend contributed to the creation of over 1,000 jobs, nationally, with 497

FTE jobs in Victoria, 315 FTE jobs in Western Australia, 217 FTE jobs in South Australia and 31 FTE jobs in Queensland.

In early 2021, Cedar Woods welcomed the news that its bid to develop land around the Swanbourne (WA)

train station progressed to Stage 2 under the Western Australian State Government's Market Led Proposal (MLP) process. The MLP policy provides an innovative opportunity for the State to work with the private sector to

create jobs and stimulate the local economy. Cedar Woods achieved 'first mover' advantage in a process to select a developer for a best practice transit-oriented development on land around the Swanbourne train station.

The Company holds membership with the following industry and business associations:

- Urban Development Institute of Australia
- Property Council
- Housing Industry Association

ENVIRONMENT – FY2021 HIGHLIGHTS

State Award
for Environmental Excellence at Bushmead (WA)

7
Transit-Oriented Projects
With a new acquisition at Wollert 'Mason Quarter' (VIC) setting the context for the future train station

500,000
trees planted at Bushmead

721 lots
sold with energy and water efficiency guidelines

Ellendale (QLD) recognised for Excellence in Land Management

Jackson Green TOD (VIC)
wins 'Transit Oriented Development of the Year'

$114,000
spent on rainwater tank rebates

$1.2 million
spent on water-wise landscaping packages

CLIMATE RELATED FINANCIAL DISCLOSURES

Cedar Woods acknowledges that the physical risks of climate change, along with the challenge of transitioning to a lower carbon world, present a material risk.

For these reasons, the Company is developing a climate change adaptation strategy, consistent with the Financial Stability Board's Taskforce on Climate-Related Financial Disclosure (TCFD) for addressing climate change-related risks and opportunities. This strategy seeks to quantify the impacts of climate change on the Company's 'Value Creation Model', reflect the property development sector, and identify strategies to adapt to and mitigate against the impacts of climate change. Furthermore, it will manage associated risk and identify metrics against which the Company will report on progress and achievements.

Climate-Related Risk Assessment and Opportunities

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

The following observations and assumptions are noted:

- While the Commonwealth Government has committed to meeting the broad Paris Agreement emission targets, there is little guidance on how the targets will be met. There is no formal direction as to what form climate change policy will take and the effect it will have on the property development industry.
- The property development sector is strongly regulated, with various mitigation and adaption measures already being implemented at State levels, including:
  a. Sea Level Rise and Coastal Erosion: State government coastal planning policies make provision for the latest data on sea level rise and storm surge; mapping of low-lying areas; and establishes the need for coastal process assessments to determine the need for coastal protection and defence initiatives.
  b. Changes in temperature and extreme heat events: minimum requirements for the design, construction and performance of residential buildings are set by the Australian Building Codes Board. Buildings are classified on a star-based scale under the National House Energy Rating Scheme (NatHERS). For commercial buildings, the Building Energy Disclosure Act

requires commercial buildings above a certain floorspace to meet energy efficient requirements through the National Australian Built Environment Rating System (NABERS) certification scheme. Other relevant elements of building design, considering climate change, are energy efficiency and water sensitive design.

c. Bushfire: The state governments update bushfire risk mapping and have various land use planning requirements relating to fire mitigation (exclusion zones) and adaption (use of fire-retardant materials in building construction). These policy measures are undergoing increasing scrutiny in light of recent catastrophic bushfire disasters across the country.

d. Storms, cyclones and flooding: The Commonwealth and State governments update rainfall and runoff guidelines (looking at rainfall intensity) flood mapping and identification of cyclone zones where appropriate construction standards are required.

- The discussion on the following pages on risk relates to both climate change scenarios (>1.5°C or >2°C). It is difficult to respond to the various climate change scenarios as they relate more to a scientific assessment of climate projections and the contribution the property sector makes to those projections. The assessment below has a broad universal application.
- The need for effective mitigation and adaptation strategies through the property sector needs to be driven from the top, through policy and regulatory change, perhaps assisted by guidance and initiatives of industry bodies, rather than relying on the diverse and varying initiatives of individual companies.
- Cedar Woods' climate-related risk assessment is focussed on project outcomes and more significantly relate to a combination of direct delivery impacts (loss of native bushland) and the on-going impacts of urban development (associated travel and household emissions over the 40-year lifecycle of buildings). At this stage, a low priority has been given to corporate operational impacts.
- The highest levels of perceived risk in the analysis below are in the areas of: Policy risk – bushfire (transitional risk); Water scarcity (transitional risk) and Construction costs (including cost of delays) due to severe weather (acute risk)

Board and management oversight of climate related risks

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

Major business proposals brought to the Board are accompanied by comprehensive due diligence incorporating risk analysis, including, where relevant, climate-related risks. Climate-related issues are also considered when reviewing the Corporate Plan, annual budgets and business plans. In the future, climate related performance targets will form part of the corporate balanced scorecard and individual performance metrics of staff.

The Executive Team has developed the sustainability strategy 'Future Proof' and is responsible for its delivery. Each member of the Executive Team has specific responsibilities related to sustainability, including initiatives related to climate related risks and opportunities.

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

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

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

Existing and emerging regulatory requirements related to climate change (e.g. bushfire regulations) are incorporated into overall risk management, risk registers and risk reporting.

Risk Assessment

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

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

CLIMATE-RELATED OPPORTUNITIES

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

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

The TCFD recommends the formulation of specific metrics and quantifiable targets to assess and manage relevant climate-related risks and opportunities. These will be developed as part of the Company's newly adopted ESG Strategy and reported against in FY2022 reporting.

Resource Efficiency

Corporate Carbon Footprint

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

Energy Efficiency

Cedar Woods helps households enhance energy efficiency and reduce energy costs. In our land development estates we facilitate climate responsive subdivision lot layout. In the building processes which follow, we influence energy efficiency through our design guidelines and 'Sustainable Living Guide'.

Water Efficiency

Increasing innovation is being applied to water sensitive urban design through project initiatives which retain stormwater for reuse and achieve reduction in mains water consumption. Third-pipe reticulation is used to distribute recycled water in most land estates in Victoria.

FY2021 Highlights

The past year has seen a significant change in working habits through our response to COVID-19. In particular, widespread work-from-home arrangements, reduced in-person meetings and almost no interstate travel, has significantly cut work-related travel and associated costs. Future carbon footprint mapping may identify further initiatives that cut carbon emissions and contribute to the Company's cost-efficiency measures.

Many of our energy and water initiatives are realised at the building stage. FY2021 was dominated with lot sales, where we influence buildings through recommended best practice criteria through Design Guidelines, or by providing rebate incentives for renewable energy options, energy efficiency measures or rainwater tanks. We facilitate a climate responsive subdivision lot layout, where the potential benefit is experienced once buildings are constructed.

Managing the total water cycle consistent with Better Urban Management Guidelines is fundamental to every Cedar Woods project. Design Guidelines promoting water efficiency apply to all residential lot sales. Over $1.2 million was paid in the financial year to lot purchasers for water-wise landscaping packages across land estates.

Energy Source

Renewable Energy

Innovative renewable power solutions are in the market and an increasing number of projects offer purchasers substantial savings in energy costs by participating in renewable energy schemes and income generation through the sale of surplus power back to the grid. All apartment projects in Victoria incorporate embedded networks and solar farms on roof tops.

FY21 Highlights

At Bushmead (WA), the project has achieved UDIA EnviroDevelopment (Energy) accreditation through a range of initiatives including climate responsive solar design; provision of renewable energy options; high-efficiency fixtures and appliances; and initiatives to manage peak load demand. Over $115,000 was paid in FY2021 to lot purchasers for photovoltaic solar cells at Bushmead.

Products / Services / Market

Customer Focus

Demand for Cedar Woods' products is primarily driven by location and price but there is growing customer preference for water and energy efficient initiatives and other sustainability benefits as part of housing packages.

FY2021 Case Study

Monarch Apartments at Glenside (SA) highlights growing purchaser preference for more sustainable lifestyles. Located just over two km from the Adelaide CBD residents benefit from high frequency public transport and a five minute walk into the capital centre. Already the winner of numerous awards in Masterplanned Development, Residential Development and Urban Renewal, the Monarch Apartments continue to build on sustainability credentials by offering residents:

- 7-Star NatHERS Energy Rating
- Double glazed windows
- Solar powered communal areas
- Electric car charging
- Dual water meters (remotely read) for each apartment
- Automated natural ventilation to corridors
- Bicycle parking with secure digital access control

Resilience

Credentials and Capability

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

Interdependencies

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

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

FY2021 Highlights

Cedar Woods continues its focus on urban infill in brownfield locations and connected to high-frequency public transport, including train stations or bus transit. For decades, Cedar Woods has refined its skills in delivering transit-oriented developments, evident by Jackson Green (VIC), winning the 2020 'Development of the Year – New Communities' in The Urban Developer Awards.

▲ Ellendale, Upper Kedron QLD

Jackson Green (VIC)

The Project will incorporate 151 townhouses and over 400 apartments across four buildings. A short distance to the Clayton train station, residents are connected to a great range of amenities including retail, medical and education, such as Monash University. Sustainability is at the heart of Jackson Green with 4,740m^2 of public open space, retained native vegetation, rainwater storage, kill switches and future proofing for solar. So far, all completed apartment buildings have achieved between 6.6 – 7.1 star energy ratings under NatHERS. The Huntington Apartments at Jackson Green includes the Ohmie Go Tesla3 car share, with a booking platform for residents to further reduce reliance on private cars.

Bushmead (WA)

Bushmead (WA) was winner of the 2020 UDIA (WA) Award for Environmental Excellence. The project includes Cedar Woods rehabilitating and managing 188ha of bushland for conservation. This year marks the planting of 500,000 trees as part of revegetation initiatives. It has achieved UDIA's 6-leaf EnviroDevelopment Accreditation.

Some of the reuse and recycle initiatives at Bushmead include:

- 100 per cent road base - 18,000m^3 - from recycled material, mainly crushed concrete
- Reclaimed and repurposed products used in parks and nature play areas
- Trees milled for seating, bollards, paths, boardwalks, and for use in nature play areas
- Retaining walls and decking made from recycled products
- All cleared vegetation mulched and re-used on-site

Stripped topsoil - 10,000m^3 - is respread on lots and Public Open Space.

Ellendale (QLD)

Ellendale (QLD) was recognised in the prestigious 2021 Australian Institute of Landscape Architects Awards, being awarded Excellence in Land Management. Cedar Woods has committed to retaining and rehabilitating 91ha of natural and open areas. Rehabilitation works included revegetation planting, translocation of significant plant species from development areas into rehabilitation areas, seed propagation from site, and fauna infrastructure such as nesting boxes, gliders poles and fauna underpasses to creating additional habitat and fauna movement pathways.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Cedar Woods Properties Limited ('the company' or 'Cedar Woods') and the entities it controlled (together 'the consolidated entity' or 'group') at the end of, or during, the year ended 30 June 2021.

a. Directors

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

William George Hames (Chairman)

Robert Stanley Brown (Deputy Chairman)

Ronald Packer (Independent Director, resigned 4 November 2020)

Valerie Anne Davies (Independent Director)

Jane Mary Muirsmith (Independent Director)

Paul Gilbert Say (Independent Director, appointed 3 May 2021)

Nathan John Blackburne (Managing Director)

The qualifications, experience and other details of the directors in office at the date of this report appear on pages 48 to 50 of this report.

b. Principal activities

The principal continuing activities of the consolidated entity over the course of the year ended 30 June 2021 were that of property developer and investor and no significant change in the nature of those activities took place during the year.

c. Dividends

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

	2021 $'000	2020 $'000
Final fully franked ordinary dividend for the year ended 30 June 2020 of 6.5 cents (2019 – 13.5 cents) per fully paid share, paid on 30 October 2020 (2019 – 25 October 2019)	5,175	10,653
Interim fully franked ordinary dividend for the year ended 30 June 2021 of 13.0 cents (2020 – 12.5 cents) per fully paid share, paid on 30 April 2021 (2020 – 24 April 2020)	10,322	10,056
	15,497	**20,709**

Since the end of the financial year the directors have recommended the payment of a final fully franked ordinary dividend of 13.5 cents (2020 - 6.5 cents per share) to be paid on 29 October 2021 out of retained profits at 30 June 2021.

d. Financial and operating review

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

e. Business strategies and prospects for future financial years

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

Cedar Woods is well positioned moving into FY2022 with strong pre-sales, modest debt, substantial funding capacity and a diverse portfolio of well-located developments.

f. Significant changes in the state of affairs

While the consolidated entity continues to be impacted by the social and political response to the COVID-19 pandemic, the company benefited from government stimulus provided to its residential home buyer customers. As a consequence of this and other factors, the consolidated entity's revenue and profit was significantly improved compared to the previous year. Further details can be found in the financial and operating review, commencing on page 13 of this annual financial report. There were no other significant changes in the state of affairs of the consolidated entity during the year.

g. Matters subsequent to the end of the financial year

In July 2021, the group settled on its contract to acquire a 40.7ha property in South Maclean, Queensland located 45km south of the Brisbane CBD for $14.7m, and completed due diligence and unconditionally contracted to acquire a 14.6ha site in Fraser Rise in Melbourne's west for $30.5m.

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

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected or may significantly affect:

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

h. Likely developments and expected results of operations

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

i. Environmental regulation

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

j. Information on directors

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

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

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

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

Mr Robert S Brown, MAICD, AIFS

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

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

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

Ms Valerie A Davies, FAICD

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

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

Ms Davies previous Board positions include HBF, Iluka Resources, ASG Group, and Integrated Group (now Programmed), Tourism Western Australia, Tourism Australia, Gold Corporation and the TAB (WA), as well as Screenwest and Fremantle Hospital & Health Service.

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

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

Ms Davies is a non-executive, independent Director.

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

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

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

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

She is Managing Director of Lenox Hill, a digital strategy and advisory firm and is a non-executive director of Australian Finance Group Limited (AFG), the Telethon Kids Institute and Chair of Healthdirect Australia.

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

Mrs Muirsmith is a non-executive, independent Director.

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

Mr Paul G Say FRICS, FAPI

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

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

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

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

Mr Say is a non-executive, independent Director.

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

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

- Managing Director, executive director

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

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

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

Mr Blackburne has a Bachelor of Business degree majoring in Valuations and Land Economics and is a Graduate of the Australian Institute of Company Directors. He is also a Graduate of Harvard Business School in Boston having completed their Advanced Management Program. Mr Blackburne is a member of the Presbyterian Ladies College Masterplanning, Design & Infrastructure Committee.

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

Company Secretary

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

k. Shares under option

No shares have been issued as a result of the exercise of options during the year and up to the date of this report.

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

Date options granted	Number under option	Exercise price	Expiry date
4 November 2020	16,232	zero	30 June 2023

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

l. Directors' interests in shares

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

Director	Interest in ordinary shares
William G Hames	10,491,103
Robert S Brown	7,818,633
Valerie A Davies	16,278
Jane M Muirsmith	18,001
Paul G Say	14,500
Nathan J Blackburne	83,951

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

m. Committees of the Board

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

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

n. Meetings of directors

The following table sets out the numbers of meetings of the company's directors (including meetings of committees of directors) held during the year ended 30 June 2021, and the numbers of meetings attended by each director:

	Board meetings	Meetings of Committees	
		Audit and Risk Management	Remuneration and Nominations
Number of meetings held:	**9**	**5**	**6**
W G Hames	9	1*	6*
R S Brown	9	3**	5***
R Packer****	3	3	2
V A Davies	9	5	6
J M Muirsmith	9	5	6
P G Say*****	2	-	1
N J Blackburne	9	5*	6*

* Not a member of this committee.

**Member of committee for 2 meetings

***Member of committee for 4 meetings

****Retired on 4 November 2020

*****Appointed on 3 May 2021

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

Dear Shareholders,

Consideration of remuneration matters for FY2021 has continued to be influenced by COVID-19. In the Financial and Operating Review section we detail how Cedar Woods operations have been further impacted by the pandemic. The company welcomed government support by way of stimulus, provided to the property sector.

These influences are reflected in the outcomes in the "balanced scorecard" in section r) of this report. The balanced scorecard sets out the company's FY2021 objectives and records performance against targets as assessed by the Board.

In seeking to align shareholders' expectations regarding incentives, pay and performance in these unprecedented times, we continue to engage with shareholders and proxy advisers to ensure best practice with all our stakeholders. Please find below the main remuneration outcomes for the year and further details are provided in the Remuneration Report.

Review of the executive remuneration framework	In FY2021 the Committee benchmarked executive remuneration levels and structures against the market thereby ensuring that remuneration levels and structures are competitive in an environment where the competition for talent continues to be very high around the country.
Fixed remuneration	For FY2021 the Managing Director's (MD's) and other executives' fixed remuneration was maintained at the same level as the previous year, the Committee taking the view that this was appropriate given the circumstances prevailing under the pandemic.
Short-term incentives ("STIs")	FY2021 STI opportunities were also maintained at the same levels as in the prior year. The company had updated and simplified its balanced scorecard of measures for determining the STI awards in the previous year and the scorecard underwent minimal changes in FY2021. Scorecard sections have been grouped into financial and non-financial categories, within the relevant strategic priority areas. Part of the Managing Director's STI is deferred into equity as detailed later in this report.
Long-term incentives ("LTIs")	The LTI plan continues to operate for the executives and has two vesting conditions: a) a three year service condition and b) two performance conditions measured over a three year period: 50 per cent of the LTI grant will be tested against a relative total shareholder return ("TSR") hurdle (measured against the S&P / ASX Small Industrials Index) and 50 per cent against earnings per share ("EPS") growth targets, set in the context of the corporate strategy. The relative TSR performance condition was chosen, as it offers a means of measuring changes in shareholder value, by comparing the company's return to shareholders against the returns of companies of a similar size and investment profile. The EPS performance condition was chosen, as it is a primary determinant of shareholder value, in a listed company context.
Non-Executive Director ("NED") fees	The potential maximum aggregate NED remuneration for FY2020 was $750,000, as approved by shareholders at the FY2014 AGM. Chair and NED fees were maintained at the same level as in FY20. Total NED fees paid for FY2021 were $564,585.

It was pleasing to note that shareholders voted overwhelmingly in favour of the FY2020 Remuneration Report at the 2020 Annual General Meeting, with 99.1 per cent of votes cast in favour.

I look forward to answering any questions you may have at our 2021 Annual General Meeting on 3 November.

Yours faithfully,

Valerie A Davies
Chair - Remuneration and Nominations Committee

DIRECTORS' REPORT – REMUNERATION REPORT

The directors present Cedar Woods' FY2021 Remuneration Report which sets out remuneration information for the directors and other key management personnel ("KMP") for the year ended 30 June 2021.

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

o. Introduction

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

The table below outlines the KMP of the company during the financial year ended 30 June 2021. Unless otherwise indicated, the individuals were KMP for the entire financial year. For the purposes of this report, the term "executive" includes the managing director and senior executives of the company.

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

Changes since last year

R Packer resigned at the 2020 AGM on 4 November 2020. P G Say was appointed on 3 May 2021.

Changes since the end of the reporting period

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

p. Remuneration governance

Role of the Remuneration and Nominations Committee

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

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

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

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

Use of remuneration advisors

In May 2021, the remuneration committee engaged BDO to review its existing remuneration policies and to provide recommendations on executive remuneration design. BDO's fee was $23,000 plus GST for these services.

BDO has confirmed that any remuneration recommendations have been made free from undue influence by members of the group's key management personnel. The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- BDO was engaged by, and reported directly to, the chair of the remuneration committee. The agreement for the provision of remuneration consulting services was executed by the chair of the remuneration committee under delegated authority on behalf of the board.
- The report containing the remuneration recommendations was provided by BDO directly to the chair of the remuneration committee; and
- BDO was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, to ensure the consultants remained independent, members of management were precluded from requesting services that would be considered to be a 'remuneration recommendation ' as defined by the *Corporations Act 2001.*

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

Clawback of remuneration

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

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

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

Remuneration Report approval at FY2020 Annual General Meeting ("AGM")

At the 2020 AGM, 99.1 per cent of eligible votes cast were in favour of the FY2020 Remuneration Report.

q. Executive remuneration policy and framework

The information contained within this section outlines the details pertaining to the executive remuneration policy and framework for FY2021.

(i) Principles and strategy

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

Remuneration strategy linkages to company purpose	
The Board ensures our approach to executive reward satisfies the following key criteria for good reward governance practices: • Competitiveness and reasonableness • Acceptability to shareholders • Alignment of executive remuneration to company performance • Transparency of the link between performance and reward	To attract, motivate and retain high performing individuals: • The remuneration offering rewards capability and experience • Reflects competitive reward for contribution to growth in shareholder wealth The framework is aligned to shareholders' interests by having: • STIs (cash & deferred) linked to current year performance and subject to clawback • LTIs linked to both long term external (relative total shareholder return ("TSR")) and internal (earnings per share ("EPS") growth) performance. LTIs are also subject to clawback.

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

Performance related outcomes are determined each year following the audit of the annual results. Outcomes may be adjusted up or down in line with over and under achievement against the target performance levels, at the discretion of the Board (based on a recommendation from The Committee).

(ii) Approach to setting remuneration

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

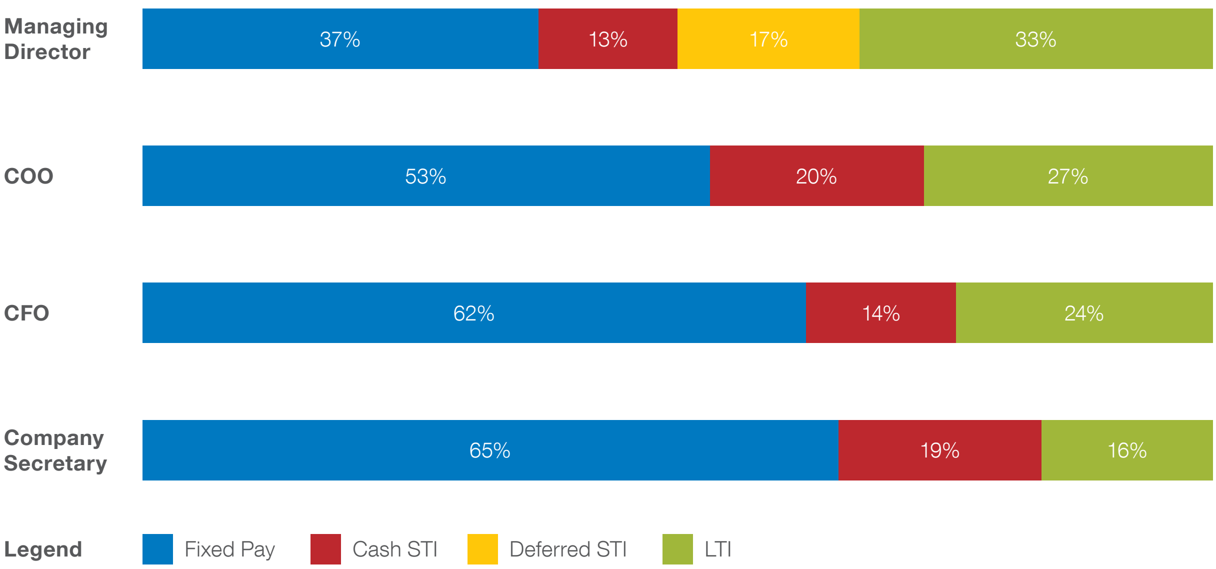
The approach is generally to position total remuneration competitively, having regard to direct industry peers, both listed and unlisted, and other Australian listed companies of a similar size and complexity.

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

The "at risk" components (STI's and LTI's) ensure a proportion of remuneration varies with performance of both the individual and the company.

The Committee will continue to review the level of fixed and 'at risk' pay in FY2022 with the objective of ensuring that executive remuneration continues to meet the expectations of shareholders and candidates in a market that is highly competitive for talent. In light of COVID-19, the Committee froze FY2021 KMP fixed remuneration and target STI at FY2020 levels.

The graphs below illustrate the remuneration mix based on maximum opportunities for FY2021.



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

(iii) Details of incentive plans

Short-term incentives (STI)

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

Managing Director

How is the STI delivered?	45% of the STI is delivered in cash and 55% of the STI is deferred by way of a grant of zero-price options under the Deferred Short Term Incentive (DSTI) Plan.
What STI's are available and what are the performance conditions?	The STI awarded is based on the Committee's assessment of the company's overall performance using the Balanced Scorecard system referred to in section r) Executive remuneration outcomes for FY2021 below. Subject to board discretion, in order for any STI to be payable, the following hurdles (triggers) must be achieved: • NPAT trigger: NPAT to equal or exceed 90% of the budget • Safety trigger: No reportable incident resulting in serious injury under the relevant Occupational Health & Safety Act in CWP premises or sites as a result of failure of the company's Work, Health & Safety system. A performance rating of up to 150% of the STI opportunity is available to reward personal performance when it exceeds expectations, at the Board's discretion.
How is performance assessed?	On an annual basis, after consideration of performance against set balanced scorecard objectives, the Chairman of the Board and Chair of the Committee recommends to the Board the amount of STI to be paid to the MD. Based on the recommendation of the Remuneration & Nominations Committee, the Board exercised discretion with respect to the FY2021 balanced scorecard result, taking into account: • The impact of COVID-19 and government stimulus on the property sector and the Company • Short term results in the context of historical results and the longer term outlook • Stakeholders' expectations in the current economic environment Based on the Board's determination of overall performance, the MD received 75% of his STI opportunity in FY2021 (FY2020 – 40%). For details refer to r) Executive remuneration outcomes for FY2021 below.
What happens in the event of change of control	If a Change of Control Event occurs prior to the vesting of an award, unless the Board determines otherwise, a pro-rata number of the MD's unvested awards will vest immediately based on the proportion of the period that has passed at the time of the relevant change of control event, and the extent to which any applicable performance conditions have been satisfied (or are estimated to have been satisfied) at that time, unless the change of control event occurs after the end of the performance period (the first year), in which case full vesting of unvested awards will occur, to the extent to which any applicable performance conditions have been satisfied (or are estimated to have been satisfied) at that time.

Other executives

How is the STI delivered?	Cash
What STI's are available and what are the performance conditions?	Each executive has a target STI opportunity depending on the accountabilities of the role and impact on organisational performance. The STI plan provides as follows: a. Up to 50% of the bonus based on personal performance, with the actual percentage awarded based on the executive's overall rating measured against personal objectives as determined in the annual performance review. Meeting expectations generally provides for a performance rating between 80% and 100%. Performance ratings of up to 150% of the personal component are available to encourage and reward personal performance when it exceeds expectations. b. Up to 50% of the cash incentive awarded based on the Committee's assessment of the company's overall performance using the Balanced Scorecard system referred to in section r) Executive remuneration outcomes for FY2021 below. In order for any STI to be payable under the company component, the following hurdles (triggers) must be achieved: • NPAT trigger: NPAT to equal or exceed 90% of the budget • Safety trigger: No reportable incident resulting in serious injury under the relevant Occupational Health & Safety Act in CWP premises or sites as a result of failure of the company's Work, Health & Safety system.
How is performance assessed?	On an annual basis, for senior executives, the Committee will seek recommendations from the MD before making its determination. Based on the Company's and individuals' performance, no executive received more than 95% of their STI opportunity in FY2021 (FY2020 – 40%).
What happens if an Executive leaves Cedar Woods?	Executives who resign prior to the end of the financial year generally forego their STI entitlement. The Board has discretion in this regard.

Long-term incentives (LTI)

Key features of the LTI plan are as follows:

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

How is performance assessed and rewarded against these hurdles?

The awards are subject to two equally weighted performance conditions which operate independently, so that awards can be made under either or both categories.

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

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

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

The vesting schedule is as follows:

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

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

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

Where:

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

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

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

The vesting schedule for this component of the LTI in the FY20 Plan was as follows:

EPS compound annual growth rate	**Percentage of EPS-tested rights vesting**
<3%	Nil
3%	50%
Between 3% - 5%	Pro-rata between 50% and 100%
> = 5%	100%

	The vesting schedule for this component of the LTI in the FY21 Plan was as follows:	
	EPS compound annual growth rate	**Percentage of EPS-tested rights vesting**
	<10%	Nil
	10%	50%
	Between 10% - 20%	Pro-rata between 50% and 100%
	> = 20%	100%

At commencement of each three-year plan, the Committee will consider the appropriate EPS target range and the level of payout if targets are met. This may include setting any maximum payout under the LTI plan and minimum levels of performance to trigger payment of LTI. The EPS target range, once set, remains in place for the three-year performance period. The EPS target range was increased for the FY21 plan in view of the Covid-impacted result achieved in FY20, the objective to improve profits moving forward and the economic outlook.

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

Performance against STI balanced scorecard objectives

The table below provides a summary of the FY2021 balanced scorecard objectives and performance of the company against target outcomes as assessed by the Board. This performance measurement framework provides a close alignment to the company's overriding objective of providing long term value to shareholders and links to our value creation model as described on page 11.

Strategic Priority & Measure	Total	Metric	Outcome	Performance assessment
Financial Strength Annual performance and balance sheet strength	50%	Net Profit After Tax (NPAT)	NPAT of $32.8m exceeded the Company's budget	Achieved
		Settlements	Total settlements exceeded budget.	Achieved
		Revenue	Reported revenue was below budget	Not achieved
		Return on Equity	Return on equity was 8%, above budget	Achieved
		Return on Capital	Return on capital was 10%, above budget	Achieved
		Borrowings	Borrowings maintained within target debt/equity range of 20 – 75% and finance facilities extended and maintained within covenants	Achieved
		Cost reduction program	Identified cost savings exceeded an internal benchmark	Achieved
Earnings Growth Measures of future financial health of the Company	20%	Presales	Presales of $440m at 30 June exceed prior year level of $360m	Achieved
		New projects	The company successfully acquired 2 new projects, equalling target, assisting the replenishment of the project pipeline.	Achieved
		Project cost overruns	Project development costs overruns exceeded an internal benchmark	Not achieved

Strategic Priority & Measure	Total	Metric	Outcome	Performance assessment
Operational Excellence Measures of customer and investor satisfaction and risk management	20%	Strong customer net promoter score	Based on surveys the Company exceeded its customer net promoter score targets	Achieved
		Investor perception	Based on post roadshow surveys and feedback the Company is perceived well in the investor community	Achieved
		Product quality	The company measures the quality in the supply chain according to an in house rating system and met internal benchmarks	Achieved
		Risk management program	Risks managed under the company's risk management framework with some risks elevated as a result of COVID-19	Partially achieved
		Compliance with the work, health and safety system	WHS risks monitored and there was no reportable incident resulting in serious injury as a result of any failure of the Company's WHS system	Achieved
High Performance Culture Manage leadership pool and strive for strong staff engagement and team improvements	10%	Employee engagement	Based on staff survey, staff highly engaged in their roles exceeded internal benchmark	Achieved
		Retention of executives and senior management	The retention rate was below an internal benchmark	Not achieved
		Gender and diversity target	Gender diversity meets target overall however the Company is seeking to improve gender diversity in senior positions	Partly achieved

The following table outlines the proportion of maximum STI earned and forfeited by executives in relation to FY2021 and the maximum STI that was available.

	Proportion of maximum STI earned and forfeited in FY2021			
	MD	COO	CFO	Company Secretary
Total earned $	315,975	104,000	52,250	33,000
Total earned of target %	75%	80%	95%	82.5%
Total forfeited of target %	25%	20%	5%	17.5%
Total forfeited of target $	105,325	26,000	2,750	7,000
Target STI opportunity $	421,300	130,000	55,000	40,000
Total earned of maximum %	50%	64%	76%	66%
Total forfeited of maximum %	50%	36%	24%	34%
Total forfeited of maximum $	315,975	58,500	16,500	17,000
Maximum STI opportunity $	631,950	162,500	68,750	50,000

For the Managing Director, 45% of the STI earned is payable in cash ($142,189) and 55% of the STI earned ($173,786) was deferred into zero price options under the DSTI plan. For the other executives the STI is payable in cash.

Terms and conditions of the share-based payment arrangements

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

Incentive Plan	Grant date	Number of options	Performance period	Service period	Vesting date	Performance hurdle	Value per option at grant date	% Vested
FY2021 – Managing Director	TBA	TBA	1/7/20 to 30/6/21	1/7/20 to 30/6/22	31/8/2022	Balanced scorecard score	$TBA	N/A
FY2020 – Managing Director	4/11/2020	16,232	1/7/19 to 30/6/20	1/7/19 to 30/6/21	31/8/2021	Balanced scorecard score	$5.54	N/A

The 2021 grant of options to the Managing Director under the DSTI is subject to shareholder approval at the 2021 AGM.

Performance against LTI objectives

The following table shows the maximum LTI opportunities that were granted to KMP during FY2021.

	LTI awards in FY2021			
	MD	COO	CFO	Co Sec
Value granted (max LTI opportunity) $	**689,400**	**212,100**	**120,000**	**40,000**

The LTI awards earned will vest on 31 August 2023 subject to the vesting conditions.

Terms and conditions of the share-based payment arrangements

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

Incentive Plan	Grant date	Performance period	Vesting date	Value at start of performance period	Performance hurdle	Value per share right at grant date	Performance achieved	% Vested
FY2018 - Executives	25/08/2017	1/7/17 to 30/6/20	31/08/2020	$5.16	EPS Growth	$4.62	No	30.3%
					Relative TSR	$2.68	Partial	
FY2018 - MD	9/11/2017	1/7/17 to 30/6/20	31/08/2020	$5.16	EPS Growth	$4.92	No	30.3%
					Relative TSR	$2.81	Partial	
FY2019 - Executives	14/09/2018	1/7/18 to 30/6/21	31/08/2021	$6.08	EPS Growth	$5.21	No	31.7%
					Relative TSR	$3.01	Partial	
FY2019 - MD	13/11/2018	1/7/18 to 30/6/21	31/08/2021	$6.08	EPS Growth	$4.62	No	31.7%
					Relative TSR	$2.59	Partial	
FY2020 - Executives	24/09/2019	1/7/19 to 30/6/22	31/08/2022	$5.71	EPS Growth	$6.17	to be determined	n/a
					Relative TSR	$4.45		
FY2020 - MD	6/11/2019	1/7/19 to 30/6/22	31/08/2022	$5.71	EPS Growth	$6.18	to be determined	n/a
					Relative TSR	$4.51		
FY2021 - Executives	27/08/2020	1/7/20 to 30/6/23	31/08/2023	$5.40	EPS Growth	$4.59	to be determined	n/a
					Relative TSR	$2.37		
FY2021 - MD	4/11/2020	1/7/20 to 30/6/23	31/08/2023	$5.40	EPS Growth	$5.07	to be determined	n/a
					Relative TSR	$2.92		

The number of share rights granted to key management personnel under the LTI scheme during FY2021 is shown in the table below. The number of rights granted has been determined by dividing the FY2021 LTI grant opportunity by the market value of shares at the beginning of the performance period, which is the volume weighted average price of the company's shares over the first five trading days in FY2021 ($5.40). The market value of the shares is not discounted.

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

Reconciliation of share rights held by KMP

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

Name & grant dates	Balance at start of year Number	Granted during year Number	Vested Number	Vested%	Forfeited Number	Forfeited %	Balance at end of year (unvested) Number	Max. value yet to vest *
Executive director								
N J Blackburne								
4 Nov 2020**	-	127,666	-	-	-	-	127,666	$510,026
6 Nov 2019**	120,735	-	-	-	-	-	120,735	$272,257
13 Nov 2018**	46,875	-	-	-	-	-	46,875	$60,703
22 Aug 2017**	36,434	-	11,050	30.3	25,384	69.7	-	-
Senior executives								
P Archer								
27 Aug 2020	-	39,277	-	-	-	-	39,277	$136,684
24 Sep 2019	37,145	-	-	-	-	-	37,145	$82,648
14 Sep 2018	17,270	-	-	-	-	-	17,270	$25,991
22 Aug 2017	16,473	-	4,996	30.3	11,477	69.7	-	-
L M Hanrahan								
27 Aug 2020	-	22,222	-	-	-	-	22,222	$77,333
24 Sep 2019	21,015	-	-	-	-	-	21,015	$46,758
14 Sep 2018	8,224	-	-	-	-	-	8,224	$12,377
22 Aug 2017	3,488	-	1,057	30.3	2,431	69.7	-	-
P S Freedman								
27 Aug 2020	-	7,407	-	-	-	-	7,407	$25,776
22 Aug 2017	7,752	-	2,351	30.3	5,401	69.7	-	-

* The LTI awards granted in FY2021 vest on 31 August 2023 subject to the vesting conditions. The maximum value of the deferred shares yet to vest has been determined based on the grant date fair value of the rights, adjusted to the anticipated vesting outcomes.

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

Performance of shareholder return metrics

In FY2021, the company delivered a profit of $32.8 million, an increase of 61 per cent over the prior year.

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

Returns to shareholders over 1, 3 and 5 years (%, annualised)	**1 year**	**3 years**	**5 years**
EPS growth	60.2	(8.9)	(5.9)
Share price growth	28.1	5.2	9.1
Dividend growth (declared dividend)	39.5	(4.1)	(1.4)
Dividend growth (paid dividend)	(25.0)	(13.4)	(7.0)
CWP TSR (change in share price and dividends)	31.9	10.5	14.9
S&P Small Industrials Index (XSIAI) TSR	33.0	9.4	10.8

The total shareholder return in FY2021 was 31.9 per cent which underperformed the S&P Small Industrials Index total return of 33.0 per cent over the same period. However, the returns over 3 & 5 years compare favourably to the returns of the S&P Small Industrials Index. Returns over 3 & 5 years also compare favourably to listed peers in the property sector.

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

	2021	**2020**	**2019**	**2018**	**2017**
Profit for the year ($'000)	32,834	20,387	48,644	42,603	45,445
Basic earnings per share (cents)	40.7	25.4	60.9	53.9	57.6
Dividends per share (cents)	26.5	19.0	31.5	30.0	30.0
Increase (decrease) in share price (%)	28.1	(8.1)	(1.0)	10.6	19.8

Executive remuneration for the years ended 30 June 2021 and 30 June 2020

When determining the remuneration mix for executives, the Remuneration and Nominations committee used the target STI and LTI opportunities contained in the tables on pages 61 and 62, which differ from the amounts calculated in the table below. In the below table, the actual cash bonuses are shown, and the share based payment is calculated in accordance with AASB 2 *Share Based Payments*.

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

Name	Financial year	Short-term benefits			Post employment		Long term benefits		Performance related
		Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Share based payment # $	Long Service Leave $	Total $	%
Executive Director									
N J Blackburne	**2021**	**736,273**	**142,189**	**12,961**	**23,698**	**436,908**	**9,790**	**1,361,819**	**43%**
	2020	737,407	75,834	11,045	23,699	138,265	37,665	1,023,916	21%
Other KMP									
P Archer	**2021**	**403,306**	**104,000**	**5,099**	**21,694**	**82,861**	**7,067**	**624,027**	**30%**
	2020	403,997	52,000	5,223	21,003	34,110	10,114	526,447	16%
L M Hanrahan	**2021**	**285,000**	**52,250**	**7,406**	**25,000**	**45,656**	**5,154**	**420,466**	**23%**
	2020	285,000	22,000	6,981	25,000	15,915	9,168	364,064	10%
P S Freedman	**2021**	**154,081**	**33,000**	**550**	**23,611**	**9,152**	**2,793**	**223,187**	**19%**
	2020	186,839	16,000	550	24,980	4,158	5,025	237,552	8%
Total	**2021**	**1,578,660**	**331,439**	**26,016**	**94,003**	**574,577**	**24,804**	**2,629,499**	
	2020	1,613,243	165,834	23,799	94,682	192,448	61,972	2,151,979	

Equity-settled share-based payments relate to the component of the fair value of awards from the 2018, 2019, 2020 and 2021 LTI plans and 2020 and 2021 DSTI plans attributable to the year measured in accordance with AASB 2 *Share Based Payments*. The DSTI was introduced during FY2020, with the first grant approved at the 2020 AGM on 4 November 2020. Comparatives have been restated to ensure consistency with the disclosure requirements of AASB2.

Cash salary and fees include annual leave accrual.

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

Name	Financial year	Short-term benefits			Post employment		Long term benefits		Performance related
		Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Share based payment vested # $	Long Service Leave $	Total $	%
Executive Director									
N J Blackburne	**2021**	**736,273**	**142,189**	**12,961**	**23,698**	**57,902**	**9,790**	**982,813**	**20%**
	2020	737,407	75,834	11,045	23,699	97,571	37,665	983,221	18%
Other KMP									
P Archer	**2021**	**403,306**	**104,000**	**5,099**	**21,694**	**26,179**	**7,067**	**567,345**	**23%**
	2020	403,997	52,000	5,223	21,003	60,043	10,114	552,380	20%
L M Hanrahan	**2021**	**285,000**	**52,250**	**7,406**	**25,000**	**5,539**	**5,154**	**380,349**	**15%**
	2020	285,000	22,000	6,981	25,000	9,005	9,168	357,154	9%
P S Freedman	**2021**	**154,081**	**33,000**	**550**	**23,611**	**12,319**	**2,793**	**226,354**	**20%**
	2020	186,839	16,000	550	24,980	30,018	5,025	263,412	17%
Total	**2021**	**1,578,660**	**331,439**	**26,016**	**94,003**	**101,939**	**24,804**	**2,156,861**	
	2020	1,613,243	165,834	23,799	94,682	196,637	61,972	2,156,167	

LTI vested is based on the market value of securities at the date of vesting. In FY2021, shares vested under the FY18-20 LTI plan.

s. Executive contracts

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

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

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

Mr Blackburne's total remuneration package for FY2021 was as follows:

- Fixed remuneration of $766,000 per annum
- Target STI opportunity of $421,300, Maximum STI opportunity of $631,950 (45% in cash, 55% in DSTI)
- Target & Maximum LTI opportunity $689,400.
- The target STI and LTI opportunity represent 22% and 37% respectively of the total target remuneration. The maximum STI opportunity represents 30% of the maximum remuneration.

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

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

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

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

t. NED fee arrangements

Determination of fees and maximum aggregate NED fee pool

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

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

Remuneration of NEDs is determined by the Board, after receiving recommendations from the Committee, within the maximum aggregate amount approved by the shareholders from time to time (currently set at $750,000 as approved at the 10 November 2014 annual general meeting). The total of NED fees paid in FY2021 was $564,585.

Fee policy

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

	2021 $	2020 $
Chair	174,000	174,000
Deputy Chair	137,000	137,000
Other NEDs	94,000	94,000
Committee Chair	15,000	15,000
Committee member	Nil	Nil

NED remuneration for the years ended 30 June 2021 and 30 June 2020

The table below outlines fees paid to NEDs for FY2021 and FY2020 in accordance with statutory rules and applicable accounting standards.

		Short-term benefits	Post-employment	
Name	**Financial year**	**Board and committee fees $**	**Superannuation $**	**Total $**
W G Hames	**2021**	**158,904**	**15,096**	**174,000**
	2020	158,904	15,096	174,000
R S Brown	**2021**	**113,699**	**10,801**	**124,500**
	2020	138,813	13,187	152,000
R Packer	**2021**	**29,605**	**2,813**	**32,418**
	2020	70,302	23,698	94,000
V A Davies	**2021**	**99,543**	**9,457**	**109,000**
	2020	99,543	9,457	109,000
J M Muirsmith	**2021**	**99,543**	**9,457**	**109,000**
	2020	99,543	9,457	109,000
P G Say	**2021**	**14,308**	**1,359**	**15,667**
	2020	-	-	-
Total	**2021**	**515,602**	**48,983**	**564,585**
	2020	567,105	70,895	638,000

u. Additional statutory disclosures

Equity instrument disclosures relating to KMP

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

2021	**Number of shares at the start of the year**	**Received on vesting of rights (LTI)**	**Other changes during the year**	**Number of shares at the end of the year**
NEDs				
W G Hames *	10,348,698	-	247,162	10,595,860
R S Brown	7,821,633	-	-	7,821,633
V A Davies	15,785	-	493	16,278
J M Muirsmith	10,734	-	7,267	18,001
P G Say	-	-	14,500	14,500
R Packer #	167,859	-	(167,859)	-
Executive director				
N J Blackburne	72,901	11,050	-	83,951
Senior executives				
P Archer	30,088	4,996	1,096	36,180
L M Hanrahan	12,777	1,057	-	13,834
P S Freedman	72,862	2,351	1,043	76,256

* Includes 2,014,439 (2020 – 2,014,439) shares over which W G Hames has voting rights and a first right of refusal to purchase.

R Packer ceased to be a Director on 4 November 2020, with his holding at the date of resignation disclosed as a reduction in his holding.

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

Other transactions with key management personnel

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

	2021 $	2020 $
Amounts recognised as expense		
Architectural fees	-	6,000
Settlement fees	364,085	196,658
	364,085	**202,658**
Amounts recognised as inventory/ investment property		
Architectural fees	289,651	127,755
	289,651	**127,755**
Total amounts recognised in year	653,736	330,413
Aggregate amounts of assets at balance date relating to the above types of other transactions with directors of Cedar Woods or their related entities:		
Inventory	289,651	123,155
Investment property	-	4,600
	289,651	**127,755**

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

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

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

Property settlement charges were paid to Westland Settlement Services Pty Ltd, a company associated with the family of Mr R S Brown. The charges were based on normal commercial terms and conditions. At the estates where Westland Settlement Services was engaged, the number of lots that settled in FY2021 was significantly higher than that of the previous year and as a result the value of transactions with Westland Settlement Services Pty Ltd increased.

There are no aggregate amounts payable to directors of Cedar Woods at balance date. An amount of $1,202 was payable to related entities (Westland Settlement Services Pty Ltd) at balance date. There are no other amounts payable to related entities at balance date relating to the above types of other transactions.

v. Independent audit of remuneration report

The remuneration report has been audited by PricewaterhouseCoopers (PwC). See page 139 of this annual financial report for PwC's report on the remuneration report.

w. Retirement, election and continuation in office of directors

Ms V A Davies and Mr P G Say retire at the forthcoming Annual General Meeting, and being eligible offer themselves for re-election.

x. Insurance of officers

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

y. Non-audit services

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

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out in note 39 in the other information section of this report.

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

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

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

z. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of this directors' report and is set out on page 72.

aa. Rounding of amounts

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

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

N J Blackburne
Managing Director
25 August 2021

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Cedar Woods Properties Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and

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

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

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
25 August 2021

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

FINANCIAL STATEMENTS

These financial statements are consolidated financial statements for the group consisting of Cedar Woods Properties Limited and its subsidiaries. A list of major subsidiaries is included in note 29.

The financial statements are presented in the Australian currency. Cedar Woods Properties Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:
Ground Floor,
50 Colin Street
WEST PERTH WA 6005.

The financial statements were authorised for issue by the directors on 25 August 2021. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

	Note	2021 $'000	2020 *Restated $'000
Continuing operations			
Revenue	1	299,751	260,660
Cost of sale of land and buildings		(196,887)	(184,083)
Cost of providing development services		(10,786)	(1,628)
Gross profit		**92,078**	**74,949**
Project operating costs		(22,358)	(23,067)
Administration expenses		(21,491)	(21,044)
Other expenses		(504)	(455)
Other income		2,851	1,520
Operating profit		**50,576**	**31,903**
Finance costs	2	(3,049)	(2,245)
Share of net loss of joint ventures accounted for using the equity method	30(iii)	(24)	(174)
Profit before income tax		**47,503**	**29,484**
Income tax expense	3	(14,669)	(9,097)
Profit for the year	22	**32,834**	**20,387**
Total comprehensive income for the year		**32,834**	**20,387**
Total comprehensive income attributable to members of Cedar Woods Properties Limited		**32,834**	**20,387**
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	4	40.7 cents	25.4 cents
Diluted earnings per share	4	40.3 cents	25.2 cents

* See note 40 for details regarding the restatement as a result of a change in accounting policy.

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

CONSOLIDATED BALANCE SHEET
As at 30 June 2021

	Note	2021 $'000	2020 *Restated $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	5,386	2,691
Trade and other receivables	6	6,355	8,478
Contract assets	1(ii)	4,801	3,329
Inventories	7	194,083	157,836
Deferred development costs	8	5,460	3,523
Current tax asset		-	787
Total current assets		**216,085**	**176,644**
Non-current assets			
Receivables	6	7,046	2,123
Inventories	7	378,821	401,314
Deferred development costs	8	-	11,010
Investments accounted for using the equity method	9	-	1,576
Property, plant and equipment	10	8,048	7,700
Right-of-use assets	11	1,290	1,906
Investment properties	12	39,635	40,701
Lease incentives	13	865	1,076
Other financial assets		10	5
Total non-current assets		**435,715**	**467,411**
Total assets		**651,800**	**644,055**
LIABILITIES			
Current liabilities			
Trade and other payables	14	21,633	26,022
Other financial liabilities	16	42,927	32,075
Current tax liabilities		6,906	-
Contract liabilities	1(ii)	5,396	3,894
Lease liabilities	17	898	815
Provisions	18	1,360	1,310
Total current liabilities		**79,120**	**64,116**
Non-current liabilities			
Borrowings	15	118,714	145,362
Other financial liabilities	16	50,919	49,741
Lease liabilities	17	650	1,436
Provisions	18	215	210
Deferred tax liabilities	19	1,821	6,389
Total non-current liabilities		**172,319**	**203,138**
Total liabilities		**251,439**	**267,254**
Net assets		**400,361**	**376,801**

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2021

	Note	2021 $'000	2020 *Restated $'000
EQUITY			
Contributed equity	20	133,119	127,781
Reserves	21	1,305	568
Retained profits	22	265,937	248,452
Total equity		**400,361**	**376,801**

* See note 40 for details regarding the restatement as a result of a change in accounting policy.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2021

	Note	Contributed equity $'000	Reserves $'000	Retained profits * Restated $'000	Total $'000
Balance at 1 July 2019		**125,979**	**427**	**248,754**	**375,160**
Profit for the year		-	-	20,387	20,387
Total comprehensive income for the year		-	-	**20,387**	**20,387**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	20	1,632	-	-	1,632
Transfers from reserves to retained profits		-	(20)	20	-
Dividends provided for or paid	28	-	-	(20,709)	(20,709)
Employee share scheme	20, 21	170	161	-	331
		1,802	141	(20,689)	(18,746)
Balance at 30 June 2020		**127,781**	**568**	**248,452**	**376,801**
Balance at 1 July 2020		**127,781**	**568**	**248,452**	**376,801**
Profit for the year		-	-	32,834	32,834
Total comprehensive income for the year		-	-	**32,834**	**32,834**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	20	5,247	-	-	5,247
Transfers from reserves to retained profits		-	(148)	148	-
Dividends provided for or paid	28	-	-	(15,497)	(15,497)
Employee share scheme	20, 21	91	885	-	976
		5,338	737	(15,349)	(9,274)
Balance at 30 June 2021		**133,119**	**1,305**	**265,937**	**400,361**

* See note 40 for details regarding the restatement as a result of a change in accounting policy.

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

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 June 2021

	Note	2021 $'000	2020 * Restated $'000
Cash flows from operating activities			
Receipts from customers (incl. GST)		330,618	280,459
Other income		1,083	830
Payments to suppliers and employees (incl. GST)		(75,591)	(71,707)
Payments for land and development		(198,972)	(208,952)
Interest received		398	389
Borrowing costs paid		(4,418)	(5,865)
Income taxes paid		(11,531)	(11,913)
Net cash inflows (outflows) from operating activities	24	**41,587**	**(16,759)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		36	10
Proceeds from capital return from joint venture		1,625	975
Payments for investment properties		(398)	(361)
Payments for property, plant and equipment		(1,584)	(1,230)
Net cash outflows from investing activities		**(321)**	**(606)**
Cash flows from financing activities			
Proceeds from (repayment of) borrowings		(27,405)	26,345
Principal elements of lease payments		(933)	(660)
Dividends paid	28	(10,233)	(19,071)
Net cash (outflows) inflows from financing activities		**(38,571)**	**6,614**
Net increase (decrease) in cash and cash equivalents		2,695	(10,751)
Cash and cash equivalents at the beginning of the year		2,691	13,442
Cash and cash equivalents at the end of the year	5	**5,386**	**2,691**

* See note 40 for details regarding the restatement as a result of a change in accounting policy.

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

NOTES TO THE FINANCIAL STATEMENTS

These are the consolidated financial statements of Cedar Woods Properties Limited and its subsidiaries. A list of major subsidiaries is included in note 29.

The notes are set out in the following main sections:

A Key numbers:

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

B Financial risks:

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

C Group structure:

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

D Unrecognised items:

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

E Further information:

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

SECTION A: KEY NUMBERS

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

PROFIT OR LOSS INFORMATION

1. Revenue

(i) Disaggregation of revenue from contracts with customers

	2021 $'000	2020 $'000
Timing of revenue recognition		
At a point in time		
Sale of land and buildings	280,577	252,152
Development services	13,554	2,583
Over time		
Rent from properties	5,620	5,925

(ii) Assets and liabilities related to contracts with customers

	2021 $'000	2020 $'000
Current contract assets		
Commissions relating to property sales	4,801	3,329
Total contract assets	**4,801**	**3,329**
Costs to fulfil a contract that were included in the contract asset balance at the beginning of the period		
Commissions relating to property sales	657	1,503

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

	2021 $'000	2020 $'000
Current contract liabilities		
Customer rebates	5,396	3,894
Total contract liabilities	**5,396**	**3,894**
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Customer rebates	3,184	4,424

(iii) Transaction price allocated to remaining performance obligations

The transaction price allocated to partially unsatisfied performance obligations at 30 June 2021 is set out below:

	2021 $'000	2020 $'000
Within one year	341,539	256,559
More than one year	145,322	113,504
Total	486,861	370,063

2. Expense items

Profit before income tax expense includes the following specific expenses:

	Note	2021 $'000	2020 $'000
Finance costs			
Interest and finance charges		4,476	6,028
Interest - leases		68	91
Interest – other financial liabilities		2,770	2,578
Unrealised financial instrument (gains) losses		(68)	(116)
Less: amount capitalised	(i)	(4,197)	(6,336)
Finance costs expensed		**3,049**	**2,245**

(i) Capitalised borrowing costs

Where qualifying assets have been financed by the entity's corporate facility, the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's corporate facility during the year, in this case 1.55% (2020 – 2.0%) per annum. Where qualifying assets are financed by specific facilities, the applicable borrowing costs of those facilities are capitalised.

	Note	2021 $'000	2020 *Restated $'000
Net loss on disposal of property, plant and equipment		98	186
Loss allowance of trade receivables	6	174	19
Employee benefits expense		13,691	12,380
Superannuation		1,143	1,110
Depreciation of property, plant and equipment	10	1,106	1,077
Depreciation of investment properties	12	980	990
Depreciation of right-of-use assets	(ii), 11	848	823
Other lease expenses			
Expense relating to short-term leases	(ii)	33	23
Expense relating to leases of low value assets that are not shown above as short-term leases	(ii)	-	6
Other			
Write-down of inventory		524	285

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

(ii) Lease costs included in profit before income tax

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

3. Income tax

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

(i) Income tax expense

	Note	2021 $'000	2020 $'000
Current tax		19,230	7,303
Deferred tax		(4,561)	1,794
Income tax expense attributable to profit		**14,669**	**9,097**
Deferred income tax (revenue) expense included in income tax expense comprises:			
(Increase) decrease in deferred tax assets	19	(805)	762
(Decrease) increase in deferred tax liabilities	19	(3,756)	1,032
		(4,561)	1,794

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

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

	2021 $'000	2020 *Restated $'000
Profit before income tax	47,503	29,484
Tax at the Australian tax rate of 30% (2020 – 30%)	14,251	8,845
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Subsidiary company loss	11	9
- Interest revenue	5	37
- Employee share scheme	293	97
- Share of net loss of joint venture	7	52
- Other income	(22)	-
- Permanent differences arising from capital gains	113	40
- Sundry items	11	17
	418	252
Income tax expense	**14,669**	**9,097**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

4. Earnings per share

	2021	2020 * Restated
Basic earnings per share (cents)	40.7	25.4
Diluted earnings per share (cents)	40.3	25.2
Net profit attributable to the ordinary owners of the company ($'000)	32,834	20,387
Weighted average number of ordinary shares used as the denominator in the calculation of earnings per share	80,753,378	80,352,925
Weighted average number of ordinary shares used as the denominator in the calculation of diluted earnings per share	81,457,949	80,873,241

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

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

BALANCE SHEET INFORMATION

5. Cash and cash equivalents

	2021 $'000	2020 $'000
Cash at bank and in hand	5,386	2,691
	5,386	**2,691**

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

Cash at bank includes cash held in day to day bank transaction accounts and deposit accounts earning interest from 0 to 0.4% (2020 - 0 to 1.55%) per annum depending on the balances.

The Group's exposure to interest rate risk is discussed in note 26 Financial risk management. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

6. Trade and other receivables

	Notes	2021 $'000	2020 $'000
Current			
Trade receivables	(ii)	4,692	6,418
Less: Loss allowance	(i), (ii)	(323)	(149)
Other receivables	(ii)	721	796
Prepayments		1,265	1,413
		6,355	**8,478**
Non-Current			
Trade receivables	(ii)	1,632	-
Other receivables	(iii)	5,411	2,120
Loans – employee share scheme (discontinued)	38	3	3
		7,046	**2,123**

(i) Credit risk

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

(ii) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days. The group's accounting policies for trade and other receivables are outlined in note 39(h).

(iii) Other non-current receivables

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

7. Inventories

	Notes	2021 $'000	2020 $'000
Total Inventory			
Current inventory	(i), (ii)	194,083	157,836
Non-current inventory	(i), (ii)	378,821	401,314
Aggregate carrying amount		**572,904**	**559,150**

	2021 $'000	2020 $'000
Current		
Property held for resale		
- at cost	37,624	31,716
- at valuation 30 June 1992 *	13	56
- capitalised development costs	156,446	126,064
	194,083	**157,836**

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

	2021 $'000	2020 $'000
Non-Current		
Property held for resale		
- at cost	280,172	275,541
- at valuation 30 June 1992 *	-	19
- capitalised development costs	93,378	120,462
- at net realisable value	5,271	5,292
	378,821	**401,314**

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

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

Refer to note 15 for information on current assets pledged as security by the parent entity or its controlled entities.

(ii) Accounting for inventory

Refer to note 39(i) for the recognition and classification of inventory.

8. Deferred development costs

	2021 $'000	2020 $'000
Current		
Deferred development costs	5,460	3,523
	5,460	**3,523**
Non-Current		
Deferred development costs	-	11,010
	-	**11,010**

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

9. Investments accounted for using the equity method

	Notes	2021 $'000	2020 $'000
Unlisted securities			
Shares in joint ventures	(i)	-	1,576
		-	**1,576**

(i) Cedar Woods Wellard Limited

The consolidated entity owns a 32.5% (2020: 32.5%) interest in Cedar Woods Wellard Limited, a property development company incorporated in Australia. Refer to note 30.

During the year ended 30 June 2021, capital returns from the joint venture reduced the carrying amount to nil and other income of $73,000 has been recognised in relation to capital returns exceeding the carrying amount.

10. Property, plant and equipment

	2021 $'000	2020 * Restated $'000
Plant and Equipment at Cost		
At start of the year	11,491	10,659
Additions	1,602	1,300
Disposals	(229)	(468)
At end of the year	12,864	11,491
Accumulated depreciation on Plant and Equipment		
At start of the year	3,791	2,927
Disposals	(81)	(213)
Charge for the year	1,106	1,077
At end of the year	4,816	3,791
Net book value	**8,048**	**7,700**

(i) Non-current assets pledged as security

Refer to note 15 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

11. Right-of-use assets

	Note	2021 $'000	2020 $'000
Buildings			
At start of the year		1,866	2,405
Effect of exercising extension options		104	209
Remeasurements		(38)	-
Additions		156	36
Depreciation	(i)	(808)	(784)
At end of the year		1,280	1,866
Equipment			
At start of the year		40	79
Effect of exercising extension options		10	-
Depreciation	(i)	(40)	(39)
At end of the year		10	40
		1,290	**1,906**

Depreciation expense on leases is included in Administration expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

12. Investment properties

	Note	2021 $'000	2020 $'000
Non-current assets – at cost			
Opening balance at the start of the year		40,701	41,642
Capitalised expenditure		118	66
Depreciation		(980)	(990)
Impairment of capitalised lease costs		(204)	(17)
Closing balance at the end of the year		39,635	40,701
Represented by:			
Completed investment property	(i),(ii),(iii),(iv)	39,635	40,701
Closing balance at the end of the year		**39,635**	**40,701**

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

	2021 $'000	2020 $'000
Rental income	5,354	5,277
Direct operating expenses from property that generated rental income	(3,704)	(3,224)
Impairment of lease incentives and capitalised lease costs	(10)	(54)
Bad debts recovered	-	8

(ii) Fair value of investment property

The fair value of the Williams Landing Shopping Centre which makes up completed investment property at 30 June 2021 is $83.6m, based on an external valuation (2020 – management valuation of $68.5m). The investment property includes land surrounding the shopping centre for future development which is on the same title, contributing $20.6m to the total valuation. The 2020 management valuation applies a market capitalisation rate to the net rent for the shopping centre and a market rate per square metre to the area of the future development land.

(iii) Leasing arrangements

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

	2021 $'000	2020 $'000
Within one year	4,499	4,476
Later than one year but not later than 5 years	17,999	18,550
Later than 5 years	17,097	19,103
	39,595	**42,129**

(iv) Non-current assets pledged as security

Refer to note 15 for information on non-current assets pledged as security by the parent entity or its controlled entities.

13. Lease incentives

	2021 $'000	2020 $'000
Lease incentives	2,120	2,805
Amortisation of lease incentives	(1,249)	(1,106)
Impairment of lease incentives	(6)	(623)
	865	**1,076**

(i) Non-current assets pledged as security

Refer to note 15 for information on non-current assets pledged as security by the parent entity or its controlled entities.

14. Trade and other payables

	2021 $'000	2020 $'000
Trade payables	7,372	9,526
Accruals	13,984	16,075
Other payables	277	421
	21,633	**26,022**

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

15. Borrowings

	2021 $'000	2020 $'000
Non-Current		
Bank loans – secured (Corporate facilities)	90,000	116,750
Bank loan – secured (Williams Landing Shopping Centre facility)	29,193	29,193
Facility fees capitalised (amortised over the period of facility)	(1,024)	(842)
Amortisation of facility fees	545	261
	118,714	**145,362**

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

(i) Security for borrowings

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

Bank loans totalling $90,000,000 provided by three major banks (2020 - $116,750,000) are secured by first registered mortgages over some of the consolidated entity's land holdings, and first registered charges, guarantees and indemnities provided by Cedar Woods and applicable subsidiary entities. Cedar Woods has provided first registered charges over its assets and undertakings in relation to the corporate loan facility (see below).

The Williams Landing Shopping Centre facility is secured by a first registered mortgage over the Williams Landing Shopping Centre disclosed in investment properties at note 12.

(ii) Financing arrangements

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

	2021 $'000	2020 $'000
Corporate facilities		
Total facilities (loan and guarantees)	205,000	205,000
Used at balance date (loan and guarantees)	(110,997)	(137,106)
Unused at balance date	94,003	67,894
Williams Landing Shopping Centre facility		
Total facility	30,000	30,000
Used at balance date	(29,193)	(29,193)
Unused at balance date	807	807
Total Facilities	235,000	235,000
Used at balance date	(140,190)	(166,299)
Unused at balance date	**94,810**	**68,701**

The consolidated entity has total corporate finance facilities of $205,000,000 (2020 - $205,000,000), provided by three major banks. The consolidated entity extended its corporate facility in February 2021 following its annual review. The facility tenure remains comprised of three and five year debt as follows:

- $165,000,000 (approximately 80%) of the facility expiring January 2024; and
- $40,000,000 (approximately 20%) of the facility expiring January 2026.

The conditions of the facilities impose certain covenants including interest cover, loan-to-valuation ratio and leverage ratio (net debt to EBITDA). The interest on the corporate loan facilities is variable and at 30 June 2021 was an average rate of 1.55% (2020 – 1.59%) per annum. The corporate facilities include bank guarantee facilities of $40,000,000 (2020 - $25,000,000) subject to similar terms and conditions, which were drawn to a total amount of $20,997,000 at 30 June 2021 (2020 - $20,356,000).

The consolidated entity has a facility of $30,000,000 (2020 - $30,000,000) in place for the Williams Landing Shopping Centre investment property. The conditions of the facility impose certain covenants including loan-to-valuation ratio and interest cover ratio. During the 2020 year the facility was extended to June 2023. The interest on the Williams Landing Shopping Centre loan facility is variable and at 30 June 2021 was an average rate of 1.96% (2020 – 1.74%) per annum.

Details of the group's exposure to risk arising from current and non-current borrowings are set out in note 26. Financial risk management.

16. Other financial liabilities

	Notes	2021 $'000	2020 $'000
Current			
Due to vendors of properties under contracts of sale		42,853	31,570
Other payables	(i)	-	505
Interest rate hedge contracts	(ii)	74	-
		42,927	**32,075**
Non-current			
Due to vendors of properties under contract of sale		50,901	49,592
Other payables		5	-
Interest rate hedge contracts	(ii)	13	149
		50,919	**49,741**

(i) Fair value adjustment

During the prior year the group re-assessed its cash flows associated with the other payables, resulting in a fair value adjustment through profit or loss.

(ii) Instruments used by the group

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

Interest rate hedge contracts

The group's policy is to protect part of the loans from exposure to fluctuations in interest rates. Accordingly, the consolidated entity has entered into interest rate hedge contracts under which part of the consolidated entity's projected borrowings are protected for the period from 1 July 2021 to 30 June 2023. The group uses a combination of caps and collars to hedge interest rates.

The caps effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at certain levels between 1.00% - 1.50% (2020 – 1.00% to 1.95%). The collars effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at 1.50% and apply a floor to interest rates of 0.87% (2020 – 1.50% and apply a floor to interest rates of 0.87%).

Interest rate hedge contracts currently in place cover approximately 46% (2020 – 38%) of the variable loans outstanding at balance date, with terms expiring in 2022 and 2023. The group is not applying hedge accounting to these derivatives. The gain or loss from re-measuring the derivative financial instruments at fair value is recognised in profit or loss.

17. Lease liabilities

	2021 $'000	2020 $'000
Lease liabilities		
At start of the year	2,251	2,666
Effect of exercising extension options	114	209
Remeasurements	(38)	-
Additions	156	36
Interest	68	91
Principal and interest repayments	(1,003)	(751)
At the end of the year	**1,548**	**2,251**

Comprising:

	2021 $'000	2020 $'000
Current lease liabilities	898	815
Non-current lease liabilities	650	1,436
	1,548	**2,251**

The total cash outflow for leases in 2021 was $1,003,000 (2020 - $751,000 excluding GST). As at 30 June 2021, potential future cash outflows of $3,291,000 (2020 - $3,395,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

18. Provisions

	Notes	2021 $'000	2020 $'000
Current			
Employee benefits	(i)	1,360	1,310
		1,360	**1,310**
Non-current			
Employee benefits		215	210
		215	**210**

(i) Movements in current employee benefits

	2021 $'000	2020 $'000
Carrying amount at start of year	1,310	1,073
Provided during the period	855	850
Payments	(805)	(613)
Carrying amount at end of year	**1,360**	**1,310**
Current leave obligations expected to be settled after 12 months	673	624

19. Deferred tax

(i) Assets

	Notes	2021 $'000	2020 * Restated $'000
The balance comprises temporary differences attributable to:			
Inventory		2,782	2,196
Special Unit in the BCM Apartment Trust		1,745	1,858
Provision for customer rebates		1,619	1,168
Property, plant and equipment		595	808
Provision for employee benefits		824	682
		7,565	6,712

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

(i) Assets (continued)

	Notes	2021 $'000	2020 * Restated $'000
Other			
Derivative financial instruments		23	43
Borrowing costs		46	49
Right-of-use assets		77	107
Receivables		97	45
Share issue expenses		4	6
Other sundry items		56	94
Sub-total other		303	344
Total deferred tax assets		7,868	7,056
Set-off of deferred tax assets pursuant to set-off provisions		(7,868)	(7,056)
Net deferred tax assets		-	-
Deferred tax assets at the start of the year		7,056	7,816
Increase (decrease) in deferred tax assets credited (debited) to income tax expense	3	805	(762)
Increase in deferred tax assets credited to equity		7	2
Deferred tax assets at the end of the year		7,868	7,056
Deferred tax assets expected to be recovered within 12 months		4,881	3,947
Deferred tax assets expected to be recovered after more than 12 months		2,987	3,109
		7,868	**7,056**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

Movements * Restated	Inventory $'000	Provision for customer rebates $'000	Special Unit in the BCM Apartment Trust $'000	Property, plant & equipment $'000	Provision for employee benefits $'000	Other $'000	Total $'000
At 1 July 2019	2,572	1,858	1,744	588	744	310	7,816
(Charged) credited							
- to profit or loss	(376)	(690)	114	220	(62)	32	(762)
- directly to equity	-	-	-	-	-	2	2
At 30 June 2020	2,196	1,168	1,858	808	682	344	7,056
(Charged) credited							
- to profit or loss	586	451	(113)	(213)	142	(48)	805
- directly to equity	-	-	-	-	-	7	7
At 30 June 2021	**2,782**	**1,619**	**1,745**	**595**	**824**	**303**	**7,868**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

(ii) Liabilities

	Notes	2021 $'000	2020 * Restated $'000
The balance comprises temporary differences attributable to:			
Amounts recognised in profit or loss			
Inventory		5,768	7,622
Deferred development costs		1,638	3,923
Prepayments		1,522	1,134
Property, plant and equipment		251	-
Investment Property		239	430
		9,418	13,109
Other			
Lease incentives		260	323
Revaluation reserve		1	16
Other sundry items		10	(3)
Sub-total other		271	336
Total deferred tax liabilities		9,689	13,445
Set off of deferred tax assets pursuant to set-off provisions		(7,868)	(7,056)
Net deferred tax liabilities		**1,821**	**6,389**
Deferred tax liabilities at the start of the year		13,445	12,413
(Decrease) increase in deferred tax liabilities (credited) debited to income tax expense	3	(3,756)	1,032
Deferred tax liabilities at the end of the year		9,689	13,445
Deferred tax liabilities expected to be settled within 12 months		5,498	5,320
Deferred tax liabilities expected to be settled after more than 12 months		4,191	8,125
		9,689	**13,445**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

Movements	**Inventory $'000**	**Deferred development costs $'000**	**Prepayments $'000**	**Investment Property $'000**	**Property, plant & equipment $'000**	**Other $'000**	**Total $'000**
At 1 July 2019	7,671	3,371	647	324	-	400	12,413
Charged (credited)							
- to profit or loss	(49)	552	487	106	-	(64)	1,032
At 30 June 2020	7,622	3,923	1,134	430	-	336	13,445
Charged (credited)							
- to profit or loss	(1,854)	(2,285)	388	(191)	251	(65)	(3,756)
At 30 June 2021	**5,768**	**1,638**	**1,522**	**239**	**251**	**271**	**9,689**

20. Equity

	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Movement in ordinary share capital				
Start of the year	**80,447,826**	**80,117,767**	**127,781**	**125,979**
Shares issued pursuant to the dividend reinvestment plan:				
Ordinary shares issued on 30 April 2021 at $6.69	575,465	-	3,850	-
Ordinary shares issued on 30 October 2020 at $5.61	252,065	-	1,414	-
Ordinary shares issued on 25 October 2019 at $6.73	-	243,401		1,638
Shares issued pursuant to the bonus share plan:				
Ordinary shares issued on 30 April 2021	26,087	-		-
Ordinary shares issued on 30 October 2020	10,027	-		-
Ordinary shares issued on 25 October 2019	-	25,398		-
Transaction costs arising on share issues	-	-	(17)	(6)
Shares issued under employee share scheme:				
Ordinary shares issued on 27 August 2020	33,376	-	91	-
Ordinary shares issued on 28 August 2019	-	61,260	-	170
	897,020	**330,059**	**5,338**	**1,802**
End of the year	**81,344,846**	**80,447,826**	**133,119**	**127,781**

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

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

(i) Dividend reinvestment plan

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

(ii) Bonus share plan

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

The dividend reinvestment plan and bonus share plan were in place during the 2021 financial year and in operation for the 2020 final dividend and the 2021 interim dividend.

(iii) Employee share scheme

Details of the company's employee share scheme can be found in note 38 and in the remuneration report on pages 57 and 58 to 60 of this financial report.

21. Reserves

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

	Notes	2021 $'000	2020 $'000
Composition			
a) Asset revaluation reserve (pre-1992)		3	38
b) Employee share plan reserve		1,302	530
Balance at the end of the year		**1,305**	**568**
Movements			
a) Asset revaluation reserve			
Balance at the beginning of the year		38	49
Transfer to retained profits	22	(35)	(11)
Balance at the end of the year		3	38
b) Employee share plan reserve			
Balance at the beginning of the year		530	378
Share-based payments expense		976	331
Transfer to equity	22	(91)	(170)
Transfer to retained profits		(113)	(9)
Balance at the end of the year		1,302	530

The asset revaluation reserve was used until 1992 to record increments and decrements on the revaluation of non-current assets. Refer to note 39(i).

The share-based payments reserve is used to recognise the grant date fair value of the rights issued to employees adjusted for those rights not expected to vest. Refer to note 38.

22. Retained profits

	Notes	2021 $'000	2020 * Restated $'000
Retained profits at the start of the year		248,452	248,754
Net profit attributable to members of Cedar Woods		32,834	20,387
Transfers from reserves	21	148	20
Dividends provided for or paid	28	(15,497)	(20,709)
Retained profits at the end of the year		**265,937**	**248,452**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

23. Categories of financial assets and financial liabilities

Notes 5, 6, 14, 15, 16 and 17 provide information about the group's financial instruments, including:

(i) Specific information about each type of financial instrument
(ii) Accounting policies
(iii) Information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The group holds the following financial instruments:

Financial Assets	Notes	Derivatives used for hedging $'000	Financial assets at amortised cost $'000	Total $'000
2021				
Cash and cash equivalents	5	-	5,386	5,386
Trade and other receivables*	6	-	12,136	12,136
Derivative financial instruments		10	-	10
Total		**10**	**17,522**	**17,532**
2020				
Cash and cash equivalents	5	-	2,691	2,691
Trade and other receivables*	6	-	9,188	9,188
Derivative financial instruments		5	-	5
Total		**5**	**11,879**	**11,884**

* Excluding prepayments and contract assets.

Financial Liabilities	Notes	Derivatives used for hedging $'000	Liabilities at amortised cost $'000	Total $'000
2021				
Trade and other payables	14	-	21,633	21,633
Borrowings	15	-	118,714	118,714
Derivative financial instruments	16	87	-	87
Other financial liabilities	16	-	93,759	93,759
Lease liabilities	17	-	1,548	1,548
Total		**87**	**235,654**	**235,741**
2020				
Trade and other payables	14	-	26,022	26,022
Borrowings	15	-	145,362	145,362
Derivative financial instruments	16	149	-	149
Other financial liabilities	16	-	81,667	81,667
Lease liabilities	17	-	2,251	2,251
Total		**149**	**255,302**	**255,451**

CASH FLOW INFORMATION

24. Cash Flow information

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

	2021 $'000	2020 *Restated $'000
Profit after income tax	32,834	20,387
Depreciation and amortisation	2,933	2,876
Amortisation of lease incentives and legal fees	624	373
Write down of assets – investment property and lease incentives	10	46
Write down of inventory	524	286
Write down or loss on sale of non-current assets	98	186
Fair value (gain) loss on financial liabilities	(30)	123
Fair value loss on derivative financial instrument	(68)	(117)
Non-cash share-based payments expense	976	322
Share of loss in equity accounted investment	24	174
Other income	(73)	-
Changes in operating assets and liabilities		
Increase in provisions for employee benefits	55	322
Increase (decrease) in contract liabilities	1,502	(1,918)
(Decrease) in provisions	-	(3,021)
(Increase) in inventories	(14,278)	(77,307)
Decrease (Increase) in other deferred development costs	9,073	(3,295)
(Increase) decrease in deferred tax assets	(812)	762
Increase (decrease) in current income tax payable	7,699	(4,614)
(Decrease) increase in deferred tax liability	(3,756)	1,032
Decrease in capitalised borrowing costs	284	261
(Increase) in trade receivables	(2,740)	(2,840)
(Increase) in contract assets	(1,472)	(1,185)
(Decrease) in trade creditors	(4,411)	(4,968)
Increase in other financial liabilities	12,591	55,356
Net cash inflows (outflows) from operating activities	**41,587**	**(16,759)**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

(i) Net debt reconciliation

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

	2021 $'000	2020 $'000
Cash and cash equivalents	5,386	2,691
Borrowings – repayable after one year	(118,714)	(145,362)
Net debt	**(113,328)**	**(142,671)**
Cash and cash equivalents	5,386	2,691
Gross debt – variable interest rates	(118,714)	(145,362)
Net debt	**(113,328)**	**(142,671)**

	Other Assets	Liabilities from financing activities		
	Cash $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt as at 1 July 2019	**13,442**	**-**	**(118,756)**	**(105,314)**
Cash flows	(10,751)	-	(26,345)	(37,096)
Other non-cash movements	-	-	(261)	(261)
Net debt as at 30 June 2020	**2,691**	**-**	**(145,362)**	**(142,671)**
Cash flows	2,695	-	27,435	30,130
Other non-cash movements	-	-	(787)	(787)
Net debt as at 30 June 2021	**5,386**	**-**	**(118,714)**	**(113,328)**

SECTION B: FINANCIAL RISKS

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

SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

25. Significant estimates and judgements

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

a) Inventory - classification

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

b) Inventory - valuation

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

Management make informed estimates drawing on historical and recent experience, expert advice from consultants, third party valuations and economic and property market forecasts. In the current period, estimates have considered the impact of the ongoing COVID-19 pandemic, in particular on customer demand and its effect on future sales rates and prices as well as cost of materials.

If approvals are not received when anticipated or forecasts of project yield, sale prices or future costs are significantly inaccurate, the recoverable amount of inventory may be significantly impaired. Refer also to note 39 (i).

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

FINANCIAL RISK MANAGEMENT

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

26. Financial Risk Management

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

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

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

The group holds the following financial instruments:

	2021 $'000	2020 $'000
Financial assets		
Cash and cash equivalents	5,386	2,691
Trade and other receivables*	12,136	9,188
Derivative financial instruments	10	5
	17,532	**11,884**
Financial liabilities		
Trade and other payables	21,633	26,022
Other financial liabilities	93,759	81,667
Borrowings	118,714	145,362
Lease liabilities	1,548	2,251
Derivative financial instruments	87	149
	235,741	**255,451**

* Excluding prepayments and contract assets

a) Market risk

i. Price risk

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

ii. Cash flow and fair value interest rate risk

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

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

The consolidated entity reviews the potential impact of variable interest rate changes and considers various interest rate management products in the context of prevailing monetary policy of the Reserve Bank and economic conditions. Accordingly, the consolidated entity has entered into interest rate swap, cap and collar contracts under which a part of the consolidated entity's projected borrowings are protected for the period from 1 July 2021 to 30 June 2023.

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

iii. Instruments used by the group

Interest rate swaps effectively fix interest rates applicable to bank bills issued with duration of 1 month (BBSY Bid). The group did not have any swaps in place at 30 June 2021 (2020 – swaps in place with an effective fixed interest rate of 2.07% per annum). Interest rate caps effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at certain levels between 1.00% - 1.50% (2020 – 1.00% - 1.95%). Interest rate collars effectively cap interest rates applicable to bank bills issued with duration of 3 months (BBSY Bid) at 1.50% and apply a floor to interest rates of 0.87% (2020 – 1.50% and apply a floor to interest rates of 0.87%).

The consolidated entity's policy is to limit a significant proportion of its borrowings to a maximum fixed rate using interest rate swaps or caps to achieve this when necessary. Hedge contracts currently in place cover 46% (2020 - 38%) of the variable loan outstanding at balance date of $119,193,000 (2020 - $145,943,000), with terms expiring in 2022 and 2023.

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

	2021			2020		
	Interest bearing - variable $'000	Non-interest bearing $'000	Total $'000	Interest bearing - variable $'000	Non-interest bearing $'000	Total $'000
Receivables						
*Trade and other receivables**	-	12,133	12,133	-	9,185	9,185
Employee share loans	-	3	3	-	3	3
	-	**12,136**	**12,136**	-	**9,188**	**9,188**

* Excluding prepayments and contract assets.

	2021			2020		
	Interest bearing - fixed $'000	Interest bearing - variable $'000	Total $'000	Interest bearing - fixed $'000	Interest bearing - variable $'000	Total $'000
Interest bearing liabilities						
Bank loans	-	119,193	119,193	-	145,943	145,943
Other financial liabilities	93,754	-	93,754	81,162	-	81,162
	93,754	**119,193**	**212,947**	**81,162**	**145,943**	**227,105**

The weighted average interest rate at year end is 1.55% (2020: 1.59%)

An analysis by maturity is provided in 26(c)i. below.

iv. Summarised interest rate sensitivity analysis

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

b) Credit risk

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

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

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

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

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available credit facilities to manage the consolidated entity's financial commitments. The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. During the year forecasts involved scenario modelling including downside cases, conditional and potential acquisition scenarios and possible impacts from the ongoing COVID-19 pandemic and government response. Due to the dynamic nature of the underlying businesses, the group aims at maintaining flexibility in funding by keeping committed credit lines available.

At 30 June 2021 the group had undrawn committed facilities of $94,810,000 (2020 - $68,701,000) and cash of $5,396,000 (2020 - $2,691,000) to cover short term funding requirements. Refer to 15(ii) for details. The Company continued to operate within all of its facility covenants throughout FY2021.

i. Maturities of financial liabilities

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

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

Group – at 30 June 2020	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Non-derivatives					
Non-interest bearing	26,527	-	-	26,527	26,527
Fixed rate	31,994	16,334	37,774	86,102	81,162
Variable rate	-	122,798	30,717	153,515	145,362
Derivatives	-	136	13	149	149
Total	**58,521**	**139,268**	**68,504**	**266,293**	**253,200**

d) Fair value measurement

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

i. Fair value hierarchy

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

The following table presents the group's financial liabilities measured and recognised at fair value at 30 June 2021 and 30 June 2020:

As at 30 June 2021	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets					
Derivatives used for hedging		-	10	-	10
Total assets		-	**10**	-	**10**
Liabilities					
Derivatives used for hedging	16	-	87	-	87
Total liabilities		-	**87**	-	**87**

As at 30 June 2020	**Notes**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets					
Derivatives used for hedging		-	5	-	5
Total assets		-	**5**	-	**5**
Liabilities					
Derivatives used for hedging	16	-	149	-	149
Total liabilities		-	**149**	-	**149**

ii. Valuation techniques used to determine fair values

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

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

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

CAPITAL MANAGEMENT

27. Capital management objectives and gearing

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

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

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

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

The gearing ratios were as follows:

	Notes	2021 $'000	2020 * Restated $'000
Total interest-bearing bank debt	15	118,714	145,362
Less: cash and cash equivalents	5	(5,386)	(2,691)
Net bank debt		113,328	142,671
Shareholders' equity		400,361	376,801
Gearing ratio		**28.3%**	**37.9%**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

The group's guideline is to target gearing generally within the range of 20-75% although periods where the gearing is outside of this range are acceptable, depending upon the timetable for acquisition payments and the construction and settlement of developments. The group operated comfortably within the target range during the income year.

a) Loan Covenants

Under the terms of the major borrowing facilities, the group has complied with covenants throughout the reporting period. Debt covenants are disclosed in note 15 and include requirements in relation to a maximum loan-to-valuation ratio, a maximum leverage ratio (net debt to EBITDA) and minimum interest cover ratio.

28. Dividends

a) Ordinary shares

	2021 $'000	2020 $'000
Fully franked based on tax paid at 30%		
Final dividend for the year ended 30 June 2020 of 6.5 cents (2019 – 13.5 cents) per fully paid share		
- Paid in cash	3,761	9,015
- Satisfied by shares under the dividend reinvestment plan	1,414	1,638
Interim dividend for the year ended 30 June 2021 of 13.0 cents (2020 – 12.5 cents) per fully paid share		
- Paid in cash	6,472	10,056
- Satisfied by shares under the dividend reinvestment plan	3,850	-
Total	**15,497**	**20,709**

b) Dividends not recognised at the year end

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 13.5 cents per fully paid ordinary share (2020 – 6.5 cents), fully franked based on the tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 29 October 2021 out of retained profits at 30 June 2021, but not recognised as a liability at year end is below:

	2021 $'000	2020 $'000
Dividends not recognised at year end	**10,982**	**5,229**

c) Franked Dividends

The franked portions of the final dividend proposed at 30 June 2021 will be franked from existing franking credits or from franking credits arising from the payment of income tax in the next financial year.

	2021 $'000	2020 $'000
Franking credits available for the subsequent financial year on a tax-paid basis of 30% (2020 – 30%)	**100,160**	**94,245**

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

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

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $4,707,000 (2020 - $2,241,000).

SECTION C: GROUP STRUCTURE

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

GROUP STRUCTURE

29. Subsidiaries

The group's operating subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares or units that are held directly by the group and the proportion of ownership interest held equals the voting rights held by the group. The subsidiaries are incorporated or established in Australia. The principal activities of all subsidiary entities are property development and/or investment in Australia.

The consolidated financial statements incorporate the assets, liabilities and results in accordance with the accounting policy described in note 39 (b).

Company	Notes	Equity Holding 2021	Equity Holding 2020
BCM Apartment Trust	(i)	-	50%
Champion Bay Nominees Pty Ltd	(ii)	50%	50%
Cedar Woods Properties Finance Pty Ltd		100%	100%
Cedar Woods Properties Harrisdale Pty Ltd		100%	100%
Cedar Woods Properties Investments Pty Ltd		100%	100%
Cedar Woods Properties Management Pty Ltd		100%	100%
Cedar Woods Property Sales Pty Ltd		100%	100%
Cranford Pty Ltd		100%	100%
Daleford Property Pty Ltd		100%	100%
Dunland Property Pty Ltd		100%	100%
Esplanade (Mandurah) Pty Ltd		100%	100%
Eucalypt Property Pty Ltd		100%	100%
Flametree Property Pty Ltd		100%	100%
Galaway Holdings Pty Ltd		100%	100%
Gaythorne Pty Ltd		100%	100%
Geographe Property Pty Ltd		100%	100%
Huntsman Property Pty Ltd		100%	100%
Jarrah Property Pty Ltd		100%	100%
Kayea Property Pty Ltd		100%	100%
Lonnegal Property Pty Ltd		100%	100%
Osprey Property Pty Ltd		100%	100%
Silhouette Property Pty Ltd		100%	100%
Terra Property Pty Ltd		100%	100%
Upside Property Pty Ltd		100%	100%
Vintage Property Pty Ltd		100%	100%
Williams Landing Home Improvement Pty Ltd		100%	100%
Williams Landing Home Improvement Trust		100%	100%
Williams Landing Shopping Centre Pty Ltd		100%	100%
Williams Landing Shopping Centre Trust		100%	100%
Williams Landing Town Centre Pty Ltd		100%	100%
Woodbrooke Property Pty Ltd		100%	100%
Yonder Property Pty Ltd		100%	100%
Zamia Property Pty Ltd		100%	100%

(i) The BCM Apartment Trust was wound up during the financial year. In the prior year, the forecast profits of BCM Apartment Trust were not expected to be sufficient to make a return to the other ordinary unit holder that ranked behind the consolidated entity for trust distributions. Accordingly, the consolidated entity did not recognise a non-controlling interest.

(ii) The net assets of Champion Bay Nominees Pty Ltd are not material to the consolidated entity.

30. Interests in joint arrangements

Set out below are the joint ventures of the group as at 30 June 2021. The principal place of business and country of incorporation (or origin) is Australia for all entities.

Name of entity	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
	2021 %	2020 %			2021 $'000	2020 $'000
Cedar Woods Wellard Limited	32.5	32.5	Joint Venture	Equity method	-	1,576

The consolidated entity owns a 32.5% (2020 – 32.5%) interest in Cedar Woods Wellard Limited, a property development company incorporated in Australia. Cedar Woods Wellard Limited is developing the Emerald Park residential estate at Wellard, WA. The directors have determined that they do not control Cedar Woods Wellard Limited as no one investor can direct the activities without the co-operation of the others.

During the year ended 30 June 2021, capital returns from the joint venture reduced the carrying amount to nil and other income of $73,000 has been recognised in relation to capital returns exceeding the carrying amount.

(i) Commitments and contingent liabilities in respect of the joint ventures

Cedar Woods Wellard Limited has no commitments for expenditure at 30 June 2021 (2020 - Nil) and has no contingent liabilities (2020 - Nil).

(ii) Summarised financial information for joint ventures

The following table provides summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Cedar Woods' share of those amounts.

Cedar Woods Wellard Limited	2021 $'000	2020 $'000
Current assets		
Cash	1,683	480
Other current assets	148	3,661
Total current assets	**1,831**	**4,141**
Total non-current assets	-	**2,801**
Total assets	**1,831**	**6,942**
Total current liabilities	**188**	**107**
Total liabilities	**188**	**107**
Net assets	**1,643**	**6,835**
Group's share in %	32.5%	32.5%
Group's share in $	534	2,221

(iii) Movements in carrying amounts – Cedar Woods Wellard Limited

	2021 $'000	2020 $'000
At start of the year	**1,576**	**2,725**
Share of loss after income tax	(24)	(174)
Capital return	(1,552)	(975)
At end of the year	-	**1,576**
Share of loss before income tax	(24)	(174)
Share of loss after income tax	(24)	(174)
Share of joint venture's revenue, assets, liabilities and contingent liabilities		
Revenue	2,528	448
Assets	595	2,256
Liabilities	(61)	(35)

31. Deed of Cross Guarantee

Cedar Woods Properties Limited and all subsidiaries listed at note 29 except for Champion Bay Nominees Pty Ltd and the BCM Apartment Trust are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.*

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

Set out below is a consolidated statement of profit or loss and comprehensive income, summary of movements in consolidated retained earnings and consolidated balance sheet for the closed group.

a) Consolidated statement of profit or loss and comprehensive income for the year ended 30 June, and summary of movements in consolidated retained profits

	2021 $'000	2020 * Restated $'000
Revenue from continuing operations	**298,822**	**258,282**
Cost of sales of land and buildings	(195,984)	(181,894)
Cost of providing development services	(10,786)	(1,628)
Other expenses from ordinary activities:	(44,290)	(44,337)
Other Income	2,869	1,631
Finance costs	(3,049)	(2,245)
Share of net loss of joint ventures accounted for using the equity method	(24)	(174)
Profit before income tax	**47,558**	**29,635**
Income tax expense	(14,669)	(9,097)
Profit for the year	**32,889**	**20,538**
Total comprehensive income for the year	**32,889**	**20,538**

b) Summary of movements in consolidated retained profits

	2021 $'000	2020 * Restated $'000
Retained profits at the beginning of the financial year	**248,397**	**248,548**
Profit for the period	32,889	20,538
Transfers from reserves	148	20
Dividends provided for or paid	(15,497)	(20,709)
Retained profits at the end of the financial year	**265,937**	**248,397**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

c) Consolidated balance sheet as at 30 June

The consolidated balance sheet of the closed group at 30 June 2021 is the same as the consolidated group.

32. Parent Entity Financial Information

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

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

	2021 $'000	2020 * Restated $'000
Balance sheet		
Current assets	45,299	33,555
Total assets	453,723	409,086
Current liabilities	(93,983)	(38,334)
Total liabilities	(184,404)	(155,716)
Net assets	**269,319**	**253,370**
Shareholders' equity		
Issued capital	133,119	127,781
Reserves	1,302	530
Retained profits	134,898	125,059
	269,319	**253,370**
Profit for the year	25,215	8,665
Total comprehensive income	**25,215**	**8,665**

* Refer to note 40 for details regarding the restatement as a result of a change in accounting policy.

i. Investments in subsidiaries and joint venture entities

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

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

ii. Tax consolidation legislation

Cedar Woods and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

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

The entities have also entered into a tax funding agreement under which the 100% subsidiaries fully compensate the parent for any current tax payable assumed and are compensated by the parent for any current tax receivable and deferred tax assets relating to unused tax losses that are transferred to the parent under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the 100% subsidiaries' financial statements.

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

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

SECTION D: UNRECOGNISED ITEMS

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

UNRECOGNISED ITEMS

33. Contingent liabilities

a) Bank guarantees

At 30 June 2021 bank guarantees totalling $20,997,000 (2020 - $20,356,000) had been provided to various state and local authorities supporting development and maintenance commitments.

34. Commitments

Capital commitments

At 30 June 2021 the consolidated entity had commitments under civil works, building construction and landscaping construction for development of its projects in the ordinary course of business. The total amount contracted for work yet to be completed for civil works was $22,363,000 (2020 - $6,577,000), for building construction was $103,073,000 (2020 - $63,945,000) and for landscaping construction was $3,748,000 (2020 - $1,481,000). This work will be substantially completed in the next 12 months.

35. Events occurring after the reporting period

In July 2021, the group settled on its contract to acquire a 40.7ha property in South Maclean, Queensland located 45km south of the Brisbane CBD for $14.7m, and completed due diligence and unconditionally contracted to acquire a 14.6ha site in Fraser Rise in Melbourne's west for $30.5m.

Refer to note 28(b) for details of the final dividend recommended by the directors, to be paid on 29 October 2021.

No other matters or circumstances have arisen since 30 June 2021 that have significantly affected or may significantly affect:

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

SECTION E: FURTHER INFORMATION

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

36. Related Party Transactions

a) Key management personnel compensation

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

	Consolidated	
	2021 $	2020 $
Short-term employee benefits	2,451,717	2,369,981
Post-employment benefits	142,986	165,577
Long-term employee benefits	599,381	254,420
	3,194,084	**2,789,978**

b) Group

The group consists of Cedar Woods Properties Limited and its controlled entities. A list of these entities and the ownership interests held by the parent entity are set out in note 29.

c) Parent entity

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

d) Transactions with other related parties

Cedar Woods Properties Management Pty Ltd and Cedar Woods Property Sales Pty Ltd derived management and selling fees totalling $720,988 (2020 - $115,485) from Cedar Woods Wellard Limited.

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

Property settlement charges were paid to Westland Settlement Services Pty Ltd, a company associated with the family of Mr R S Brown. The charges were based on normal commercial terms and conditions. At the estates where Westland Settlement Services was engaged, the number of lots that settled in FY2021 was higher than that of the previous year and as a result the value of transactions with Westland Settlement Services Pty Ltd increased.

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

	2021 $	2020 $
Amounts recognised as expense		
Architectural fees	-	6,000
Settlement fees	364,085	196,658
	364,085	**202,658**
Amounts recognised as inventory/ investment property		
Architectural fees	289,651	127,755
	289,651	**127,755**
Total amounts recognised in year	**653,736**	**330,413**
Aggregate amounts of assets at balance date relating to the above types of other transactions with directors of Cedar Woods or their related entities:		
Inventory	289,651	123,155
Investment property	-	4,600
	289,651	**127,755**

There are no aggregate amounts payable to directors of Cedar Woods at balance date.

e) Terms and conditions

Management and selling fees are derived according to management agreements in place between the parties. These are based on normal terms and conditions, at market rates at the time of entering into the agreements.

f) Outstanding balances arising from sales/purchases of goods and services

A balance of $1,202 was payable to a related entity (Westland Settlement Services Pty Ltd) at balance date (2020 - $4,560 payable to Hames Sharley).

37. Remuneration of Auditors

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

PricewaterhouseCoopers – Australian firm & Related network firms	2021 $	2020 $
Assurance services		
- Audit and review of the financial statements	289,872	268,091
- Other assurance services	3,060	-
Total fees for assurance services	292,932	268,091
Non-audit services		
- Taxation advice and reviews	113,545	26,520
- Other consulting services and reviews	49,780	-
Total fees for non-audit services	163,325	26,520
Total assurance and non-audit services	**456,257**	**294,611**

38. Employee Share Scheme

The current Long Term Incentive (LTI) plans effective from 1 July 2018 for FY2019, from 1 July 2019 for FY2020, and from 1 July 2020 for FY2021 will continue in FY2022.

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

Full details of the operation of the current LTI plan are set out in the remuneration report on pages 58 to 60 of this annual financial report.

The MD receives 45% of the STI in cash, with 55% deferred by way of a grant of zero-price options under the Deferred Short Term Incentive (DSTI) Plan. The STI including the DSTI is awarded based on the Remuneration and Nominations Committee's assessment of the company's overall performance using the Balanced Scorecard. Full details of the operation of the current DSTI plan are set out in the remuneration report on page 57 of this annual financial report.

39. Summary of Accounting Policies

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

a) Basis of preparation

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

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

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

ii. Historical cost convention

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

iii. New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2020:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 101 and AASB 108]*
- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3]*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]*
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.*

The group changed its accounting policy for intangible assets as a result of the IFRS Interpretations Committee agenda decision on configuration and customisation costs in a cloud computing environment, ratified by the International Accounting Standards Board in April 2021. The impact of the change in accounting policy is disclosed in note 40. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group.

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

v. Functional and presentation currency

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

b) Principles of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Cedar Woods (parent) as at 30 June 2021 and the results of all subsidiaries for the year then ended. Cedar Woods and its subsidiaries together are referred to in these financial statements as the consolidated entity or the group.

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

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

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

ii. Joint arrangements

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

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

Joint ventures - Interest in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet. Details of the joint ventures are set out in note 30.

iii. Equity method

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 39(p).

c) Segment reporting

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

d) Business combinations

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

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

e) Revenue and other income

i. Sale of land and buildings

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

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

ii. Sale of land and buildings – customer rebates

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

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

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

iii. Development services

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

iv. Lease income

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

v. Government grants

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

f) Income tax

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

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

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

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

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

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

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

g) Cash and cash equivalents

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

h) Trade and other receivables

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

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

i) Inventories

i. Property held for development and resale

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

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

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

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

j) Deferred development costs

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

k) Assets classified as held for sale

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

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

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

l) Property, plant and equipment

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

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

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

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

Intangible assets

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

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

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

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

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

- IT development and software – 3 to 5 years

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

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

m) Investments and other financial assets

i. Classification

The group classifies its financial assets in the following categories:

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

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

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

ii. Measurement

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

iii. Impairment

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

n) Investment property

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

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

o) Lease incentives

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

p) Impairment of assets

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

q) Trade and other payables

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

r) Leases

i. Group as a lessee

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

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

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

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

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

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

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

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

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

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

Critical judgements in determining the lease term

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

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

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

ii. Group as a lessor

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

s) Borrowings and borrowing costs

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

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

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

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

t) Derivatives

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

u) Provisions for customer rebates

Provision is made for the estimated liability arising from obligations in existence at balance date to customers for the provision of landscaping and fencing rebates and other incentives, to which customers are generally entitled within 12 months of balance date.

v) Other financial liabilities

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

w) Employee benefits

i. Short term obligations

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

ii. Other long-term employee benefit obligations

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

iii. Bonus plans

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

iv. Superannuation

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

x) Contributed equity

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

y) Dividends

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

z) Share based payments

Share based compensation benefits are provided to employees via the Deferred STI and LTI plans. Information relating to these schemes is set out in the remuneration report on pages 57 to 60.

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

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

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

aa) Earnings per share

i. Basic earnings per share

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

ii. Diluted earnings per share

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

iii. Rounding of amounts

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

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

ab) Goods and services tax (GST)

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

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

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

40. Changes in Accounting Policies

The group previously accounted for costs incurred in configuring or customising Software-as-a-Service (SaaS) arrangements as intangible assets, as the group considered that it would benefit from those costs to implement the SaaS arrangements over the expected term of the arrangements.

Following the IFRS IC agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangements* in March 2021, the group has reconsidered its accounting treatment and adopted the treatment set out in the IFRS IC agenda decision, which is to recognise those costs as intangible assets only if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred.

As a result of this change in accounting policy, the group has determined that costs totalling $3,498,000 relating to the implementation of SaaS arrangements would need to be expensed when they were incurred, as the amounts did not create separate intangible assets controlled by the group.

The change in policy has been applied retrospectively and comparative information has been restated. This had the following impact on the amounts recognised in the financial statements:

Statement of profit or loss and other comprehensive income (extract)*	2020 As originally presented $'000	Effect of change in accounting policy $'000	2020 Restated $'000
Gross profit	**74,949**	**-**	**74,949**
Administration expenses	(20,312)	(732)	(21,044)
Operating profit	**32,635**	**(732)**	**31,903**
Profit before income tax	**30,216**	**(732)**	**29,484**
Income tax expense	(9,317)	220	(9,097)
Profit for the year	**20,899**	**(512)**	**20,387**
Total comprehensive income for the year	**20,899**	**(512)**	**20,387**
Total comprehensive income attributable to members of Cedar Woods Properties Limited	**20,899**	**(512)**	**20,387**

* The table above shows the adjustments recognised for each individual line item for the year ended 30 June 2020. Line items that were not affected by the changes have not been included. As a result, the sub-totals disclosed cannot be recalculated from the numbers provided.

Balance sheet (extract)*	As originally presented $'000	Effect of change in accounting policy $'000	Restated $'000	As originally presented $'000	Effect of change in accounting policy $'000	Restated $'000
		30 June 2020			1 July 2019	
Non-current assets						
Intangible assets**	3,241	(2,692)	549	2,428	(1,960)	468
Total non-current assets	**470,103**	**(2,692)**	**467,411**	**400,667**	**(1,960)**	**398,707**
Total assets	**646,747**	**(2,692)**	**644,055**	**571,711**	**(1,960)**	**569,751**
Non-current liabilities						
Deferred tax liabilities	7,197	(808)	6,389	5,242	(588)	4,654
Total non-current liabilities	**203,946**	**(808)**	**203,138**	**141,003**	**(588)**	**140,415**
Total liabilities	**268,062**	**(808)**	**267,254**	**195,181**	**(588)**	**194,593**
Net assets	**378,685**	**(1,884)**	**376,801**	**376,530**	**(1,372)**	**375,158**
Retained profits	250,336	(1,884)	248,452	250,124	(1,372)	248,752
Total equity	**378,685**	**(1,884)**	**376,801**	**376,530**	**(1,372)**	**375,158**

* The table above shows the adjustments recognised for each individual line item as at 1 July 2019 and 30 June 2020. Line items that were not affected by the changes have not been included. As a result, the sub-totals disclosed cannot be recalculated from the numbers provided.

** Intangible assets are included within property, plant and equipment in the consolidated balance sheet.

Consolidated cash flow statement (extract)*	2020 As originally presented $'000	Effect of change in accounting policy $'000	2020 Restated $'000
Cash flows from operating activities			
Payments to suppliers and employees (incl. GST)	(70,439)	(1,268)	(71,707)
Net cash (outflows) inflows from operating activities	**(15,491)**	**(1,268)**	**(16,759)**
Cash flows from investing activities			
Payments for intangible assets**	(1,587)	1,268	(319)
Net cash outflows from investing activities	**(1,874)**	**1,268**	**(606)**

* The table above shows the adjustments recognised for each individual line item for the year ended 30 June 2020. Line items that were not affected by the changes have not been included. As a result, the sub-totals disclosed cannot be recalculated from the numbers provided.

** Payments for intangible assets are included within payments for property, plant and equipment in the consolidated cash flow statement.

41. Segment Information

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

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

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

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

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

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

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

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 73 to 131 are in accordance with the *Corporations Act 2001,* including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

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

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 29 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 31.

Note 39 (a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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

Nathan Blackburne
Managing Director

Perth, Western Australia
25 August 2021

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report

To the members of Cedar Woods Properties Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended, and

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

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information, and
- the directors' declaration.

Basis for opinion

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

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

Independence

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

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Our audit approach

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

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

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

Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $2.4 million, which represents approximately 5% of the Group's profit before tax • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The accounting processes are structured around a Group finance function at its head office in Perth. Our audit procedures were predominately performed at the Group head office, along with a number of development site visits being performed across the year.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: o Valuation of inventory • These are further described in the *Key audit matters* section of our report.

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of inventory *(Refer to note 7, 25(b) 39(i)) [$572,904,000]* As of 30 June 2021, the Group recognised total inventory of property held for sale of $573m, split between current inventory of $194m and non-current inventory of $379m. Inventory is stated at the lower of cost and net realisable value for each development project, as assessed at each reporting date. The cost of the inventory is calculated as the sum of land acquisition costs, development costs and borrowing costs capitalised for eligible projects. The Group's estimate of net realisable value is calculated based on the estimated selling price of the inventory, less the estimated costs of completion and selling costs. Each of these factors is impacted by assumptions about future market and economic conditions which inherently are subject to the risk of change. These assumptions include future sales prices, future sales rates, forecast development costs for completion, and in some cases escalation rates of sales and costs and total project yield. This was a key audit matter given the relative size of the inventory balance in the Consolidated Balance Sheet and the inherent subjectivity and significant judgements involved in the key assumptions and estimates used to calculate net realisable value.	We performed the following procedures, amongst others: • Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data, and the need for changes in them, that are appropriate for developing the inventory net realisable value in the context of the Australian Accounting Standards, • We obtained an understanding and evaluated the design of relevant controls in relation to inventory valuation, • We traced a sample of additions to the cost of projects (for e.g. land acquisition and development costs) to supporting documentation and assessed whether they were capitalised appropriately, • We recalculated a sample of the capitalisation of borrowing costs into inventory and assessed whether the borrowing costs were capitalised appropriately, and • We applied a risk-based assessment to determine those development projects where there was a greater risk that the carrying value of the inventory may be in excess of net realisable value. Our risk-based selection criteria incorporated our knowledge of the lifecycle of each project from current and prior years, site visits and our understanding of current economic conditions relevant to individual project locations as informed by publicly available property market reports. In addition to these risk conditions, we focussed on specific projects which are large contributors to revenue and profit in the year and projects which were subject to a write-down during the year.

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Key audit matter	How our audit addressed the key audit matter
	For the selected projects we performed a combination of one or more of the following audit procedures: • We discussed current project performance with the Development manager and/or State manager, including factors such as the key project risks, strategy, construction progress, market conditions during the year and the outlook going forward, and sales revenue expected over the life of the project, • We obtained the net realisable value assessment and cash flow analysis performed by management and evaluated the appropriateness of the significant assumptions, including: ○ comparing forecast sales value for each project to actual sales values known from the current period and comparable projects, ○ comparing forecast costs of the project to the relevant construction contracts (if applicable) or the construction contract proposal, ○ comparing management's forecast sales volumes, sales prices and cost escalation factors to internal and external data, and ○ assessing the mathematical accuracy of the cash flow analysis for a sample of calculations, and • Evaluated the reasonableness of the disclosures made in note 25(b), including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 53 to 71 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Cedar Woods Properties Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Helen Bathurst

Helen Bathurst
Partner

Perth
25 August 2021

SHAREHOLDERS' INFORMATION

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

INVESTORS' SUMMARY

Dividend and dividend policy

The final dividend for the 2021 financial year is 13.5 cents per share, fully franked. The dividend will be paid on 29 October 2021. The Company's dividend policy is to distribute approximately 50% of the full year net profit after tax. The Board has elected to temporary depart from this policy for FY2021 as it did in the prior year, with the total FY2021 dividends representing a payout ratio of 65%. This acknowledges both the result in FY2021 and the current outlook for growth in FY2022.

Shareholder discount scheme

The group operates a shareholder discount scheme which entitles shareholders to a 5% discount off the listed price of any residential lot, or 2.5% off the listed price of houses, apartments or strata commercial units at the group's developments. A summary of the main terms and conditions follows:

- For residential lots, shareholders must hold a minimum number of 1,000 shares for at least 6 months before purchasing a lot to qualify for the discount;
- For off the plan purchases of 'built-form' lots (such as townhouses, apartments or commercial units), shareholders must hold a minimum number of 1,000 shares at the time of purchasing a lot and hold the shares through to settlement of the lot to qualify for the discount;
- The number of shareholder discounts available will be limited in any sales release to two discounts, although the Company may extend this for a particular release; and
- The shareholder discount scheme does not apply to lots or dwellings at joint venture projects.

The above is a summary of the main conditions and shareholders should apply to the company or visit the website for the full terms and conditions.

Electronic payment of dividends

During 2021, the group transitioned to exclusively adopting electronic funds transfer for the payment of dividends. Accordingly, shareholders must nominate a bank, building society or credit union account for the payment of dividends by direct credit. Payments are electronically credited on the dividend payment date and confirmed by mailed advice. New shareholders receiving dividends for the first time should contact the company's share registrar, Computershare Investor Services Pty Ltd, by visiting www.computershare.com.au.

Dividend re-investment plan and Bonus share plan

The dividend re-investment plan and bonus share plan are operated from time to time as part of measures to manage the group's capital. Shareholders can change their participation status in the plans by completing an election form in accordance with the rules of each plan. The dividend re-investment plan and bonus share plan will be in operation for the final dividend for the 2021 financial year.

Shareholders' timetable

Dividend announcement	26 August 2021
Share register closes for dividend (Record date)	30 September 2021
Final dividend payment date	29 October 2021
First quarter update	October 2021
Annual General Meeting	3 November 2021
Half-year result announcement	February 2022
Interim dividend payment date	April 2022
Third quarter update	May 2022
Full year result and dividend announcement	August 2022

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 19 August 2021.

a) Distribution of ordinary shares

	Number of holders	Number of shares
1 – 1,000	1,340	550,443
1,001 – 5,000	1,394	3,704,973
5,001 – 10,000	413	3,048,800
10,001 – 100,000	447	11,308,401
100,001 and over	47	62,732,229
	3,641	**81,344,846**

There were 255 holders of less than a marketable parcel of shares.

b) Twenty largest shareholders of ordinary shares as disclosed in the share register

Name	Number of shares	Percentage of shares
JP Morgan Nominees Australia Pty Ltd	13,329,495	16.39
HSBC Custody Nominees (Australia) Limited	9,851,657	12.11
Citicorp Nominees Pty Ltd	5,217,105	6.41
Hamsha Nominees Pty Ltd (The Nowra Projects Unit Fund A/C)	5,040,216	6.20
National Nominees Limited	4,621,528	5.68
Westland Group Holdings Pty Ltd	4,433,029	5.45
Beach Corporation Pty Ltd	3,382,604	4.16
Joia Holdings Pty Ltd	1,745,789	2.15
Helen Kaye Poynton	1,677,095	2.06
Zero Nominees Pty Ltd	1,536,208	1.89
BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	1,274,509	1.57
Mr Paul Stephen Sadleir	1,127,283	1.39
Dr A Gerraty & Mrs P Gerraty (A & P Gerraty S/F A/C)	600,000	0.74
Leblon Holdings Pty Ltd (William Hames Super Fund A/C)	524,225	0.64
BNP Paribas Noms Pty Ltd (DRP)	513,349	0.63
Mr JH Tucker & Mrs KJ Tucker (Tucker Family Super Fund A/C)	475,002	0.58
HSBC Custody Nominees (Australia) Limited - A/C 2	440,595	0.54
BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd (DRP A/C)	433,074	0.53
Gold Plaza Pty Ltd	408,127	0.50
Gorn Super Pty Ltd (Gorn Pension Super Fund A/C)	401,184	0.49
	57,032,074	**70.11**

c) Substantial shareholders of ordinary shares

As disclosed in substantial shareholder notices lodged with the ASX at 19 August 2021.

Name	Number of shares	Percentage of shares[1]
William George Hames and related entities	9,314,668	12.90
Robert Stanley Brown and related entities	7,818,633	9.75
AustralianSuper Pty Ltd	7,099,709	8.79

[1] Percentage of issued capital held as at the date notice provided.

d) Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights

No voting rights.

Options

No voting rights.

e) Unquoted equity securities

Issued under employee incentive schemes:	Number on issue	Number of holders
Performance rights issued under the FY2019 long term incentive plan	155,596	24
Performance rights issued under the FY2020 long term incentive plan	261,808	26
Performance rights issued under the FY2021 long term incentive plan	294,243	29
Zero price options issued under the FY2020 deferred short term incentive plan	16,232	1

FIVE YEAR FINANCIAL PERFORMANCE

All figures in $'000 except where stated

Financial Year	2021	2020	2019	2018	2017
Financial Performance					
Revenue from operations	299,751	260,660	375,149	239,661	222,269
Earnings before interest and tax	50,552	31,729	72,014	65,168	67,446
Finance costs	3,049	2,245	3,072	4,020	2,947
Operating profit before tax	47,503	29,484	68,942	61,148	64,499
Income tax expense	14,669	9,097	20,298	18,545	19,054
Net profit after tax	32,834	20,387	48,644	42,603	45,445
Financial Position					
Total assets	651,800	644,055	571,711	601,516	505,624
Total liabilities	251,439	267,254	195,181	248,330	175,390
Shareholders' equity	400,361	376,801	376,530	353,186	330,234
Number of shares on issue – end of year ('000)	81,345	80,448	80,118	79,517	78,892
Basic earnings per share (cents)	40.7	25.4	60.9	53.9	57.6
Key Performance Measures					
Dividend per share, fully franked (cents)	26.5	19.0	31.5	30.0	30.0
EBIT Margin	16.9%	12.2%	19.2%	27.2%	30.3%
Interest cover (times)	12.1	5.9	8.6	8.5	13.9
Return on Equity	8.2%	5.4%	12.9%	12.1%	13.8%
Investment in inventory during year	198,972	208,952	245,814	191,633	161,588
Net tangible assets backing per share ($)	4.92	4.68	4.67	4.44	4.19
Net bank debt	113,328	142,671	105,314	109,134	78,940
Net bank debt to equity	28.3%	37.9%	28.0%	30.9%	23.9%
Share price – end of year ($)	6.71	5.24	5.70	5.76	5.21
Stock Market capitalisation at 30 June	545,824	421,547	456,671	458,015	411,026
Number of employees at 30 June	93	91	95	90	79

Returns to shareholders over 1, 3, & 5 years	1 Year	3 Year	5 Year
Earnings per share growth %	60.2	(8.9)	(5.9)
Share price growth %	28.1	5.2	9.1
Dividend growth % (paid dividend)	39.5	(4.1)	(1.4)
Total shareholder return %	(25.0)	(13.4)	(7.0)

CORPORATE DIRECTORY

A.B.N. 47 009 259 081

DIRECTORS

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

Robert Stanley Brown
MAICD, AIFS – Deputy Chairman

Valerie Anne Davies
FAICD

Jane Mary Muirsmith
BCom (Hons), FCA, GAICD

Paul Say
FRICS, FAPI

Nathan John Blackburne
BB, AMP, GAID – Managing Director

COMPANY SECRETARY

Paul Samuel Freedman
BSc, CA, GAICD

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTRY

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Level 11
172 St Georges Terrace
PERTH WA 6000

AUDITOR

PricewaterhouseCoopers
125 St Georges Terrace
PERTH WA 6000

SECURITIES EXCHANGE LISTING

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

ASX code CWP

ANNUAL GENERAL MEETING

Date Wednesday 3 November 2021
Time 10:00am WS