CDL Investments New Zealand Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

In thousands of dollars	Note	Group 2024	Group 2023
Property sales		46,049	28,063
Rental income		3,010	2,716
Revenue		**49,059**	**30,779**
Cost of sales		(19,274)	(10,926)
Gross profit		**29,785**	**19,853**
Other income		28	397
Administrative expenses	3, 4	(1,070)	(1,433)
Property expenses		(712)	(527)
Selling expenses		(1,291)	(720)
Other expenses	3, 4	(2,351)	(2,373)
Results from operating activities		**24,389**	**15,197**
Finance income	5	2,381	3,514
Finance costs	5	(9)	(12)
Net finance income		**2,372**	**3,502**
Profit before income tax		**26,761**	**18,699**
Income tax expense	6	(11,380)	(5,236)
Profit for the period		**15,381**	**13,463**
Total comprehensive income for the period		**15,381**	**13,463**
Profit Attributable to:			
Equity holders		15,381	13,463
Total comprehensive income attributable to:			
Equity holders		**15,381**	**13,463**
Basic and diluted earnings per share (cents per share)	13	5.28	4.64

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The accompanying notes form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

		Group		
In thousands of dollars	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2023		65,829	243,052	308,881
Total comprehensive income for the period				
Profit for the period		-	13,463	13,463
Total comprehensive income for the period		**-**	**13,463**	**13,463**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	13	1,489	-	1,489
Dividend to shareholders	13	-	(10,108)	(10,108)
Supplementary dividend	13	-	(211)	(211)
Foreign investment tax credits	13	-	211	211
Balance at 31 December 2023		**67,318**	**246,407**	**313,725**
Balance at 1 January 2024		67,318	246,407	313,725
Total comprehensive income for the period				
Profit for the period		-	15,381	15,381
Total comprehensive income for the period		**-**	**15,381**	**15,381**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	13	723	-	723
Dividend to shareholders	13	-	(10,177)	(10,177)
Supplementary dividend	13	-	(221)	(221)
Foreign investment tax credits	13	-	221	221
Balance at 31 December 2024		**68,041**	**251,611**	**319,652**

The accompanying notes form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited
Consolidated Statement of Financial Position
As at 31 December 2024

In thousands of dollars	Note	Group 2024	Group 2023
SHAREHOLDERS' EQUITY			
Issued capital	13	68,041	67,318
Retained earnings		251,611	246,407
Total equity		**319,652**	**313,725**
Represented by:			
NON CURRENT ASSETS			
Property, plant and equipment		70	114
Development property	8	222,077	203,034
Investment property	9	36,301	35,834
Investment in associate		2	2
Total non current assets		**258,450**	**238,984**
CURRENT ASSETS			
Cash and cash equivalents	12	32,803	2,159
Short term deposits		484	50,000
Trade and other receivables	11	7,517	6,578
Development property	8	29,368	21,507
Total current assets		**70,172**	**80,244**
Total assets		**328,622**	**319,228**
NON CURRENT LIABILITIES			
Deferred tax liabilities	10	4,354	284
Lease Liability		23	57
Total non current liabilities		**4,377**	**341**
CURRENT LIABILITIES			
Trade and other payables		2,154	3,820
Employee entitlements		151	138
Income tax payable		2,254	1,165
Lease Liability		34	39
Total current liabilities		**4,593**	**5,162**
Total liabilities		**8,970**	**5,503**
Net assets		**319,652**	**313,725**

For and on behalf of the Board

D JAMESON, DIRECTOR, 24 February 2025

J ELRICK, DIRECTOR, 24 February 2025

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The accompanying notes form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2024

In thousands of dollars	Note	Group 2024	Group 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from Customers		48,007	29,469
Interest Received		2,850	3,509
Cash was applied to:			
Payments to suppliers		(27,317)	(14,088)
Payments to employees		(1,286)	(1,280)
Deposits paid on unconditional contracts for development land	19	(663)	(662)
Purchase of development land		(23,720)	(20,407)
Income tax paid		(6,000)	(6,850)
Net cash outflow from operating activities		**(8,129)**	**(10,309)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Short term deposits		50,000	40,075
Cash was applied to:			
Development of investment property		(1,017)	(386)
Purchase of plant and equipment		(2)	(14)
Short term deposits		(484)	(50,000)
Net cash inflow/(outflow) from investing activities		**48,497**	**(10,325)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was applied to:			
Dividend paid		(9,454)	(8,619)
Principal repayment of lease liability		(49)	(44)
Supplementary dividend paid		(221)	(211)
Net cash outflow from financing activities		**(9,724)**	**(8,874)**
Net increase/(decrease) in cash and cash equivalents		30,644	(29,508)
Add opening cash and cash equivalents		2,159	31,667
Closing cash and cash equivalents	12	**32,803**	**2,159**

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The accompanying notes form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited
Consolidated Statement of Cash Flows - continued
For the year ended 31 December 2024

In thousands of dollars	Note	Group 2024	Group 2023
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit after taxation		15,381	13,463
Adjusted for non cash items:			
Depreciation of investment property		550	933
Depreciation of plant and equipment		8	7
Depreciation of right-of-use assets		39	34
Income tax expense	6	11,380	5,236
Interest Expense		9	12
Adjustments for movements in working capital:			
Increase in receivables		(939)	(4,251)
Increase in development property		(26,904)	(21,393)
Increase/(decrease) in payables		(1,653)	2,500
Cash consumed from operating activities		**(2,129)**	**(3,459)**
Income tax paid		(6,000)	(6,850)
Cash outflow from operating activities		**(8,129)**	**(10,309)**

The accompanying notes form part of, and should be read in conjunction with these financial statements.

MATERIAL ACCOUNTING POLICIES

REPORTING ENTITY

CDL Investments New Zealand Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is a FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The financial statements of the Company for the year ended 31 December 2024 comprises the Company and its subsidiary (together referred to as the "Group"). The registered office is located at Level 7, 23 Customs Street East, Auckland, New Zealand.

The principal activities of the Group are the development and sale of residential land properties and rental income from the ownership of development properties and investment properties comprising commercial warehousing and retail shops.

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issuance on 24 February 2025.

(b) Basis of preparation

The financial statements are presented in New Zealand Dollars ($), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand, unless otherwise indicated.

The financial statements have been prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of company policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2 – Accounting Estimates and Judgements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing these consolidated financial statements.

(d) Trade and other payables

Trade and other payables are stated at amortised cost.

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Material accounting policies - continued

(e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Depreciation on assets is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Building surfaces and finishes	30 years
Building services	20 - 30 years
Plant and equipment	3 - 10 years

No residual values are ascribed to building surfaces and finishes. Residual values ascribed to building core depend on the nature, location and tenure of each property. Depreciable values of 10% are ascribed to building core.

(f) Revenue

Revenue represents amounts derived from land and property sales, and is recognised when the customer obtains control of the property and is able to direct and obtain the benefits from the property. The customer gains control of the property when the Company receives full and final consideration for the property and the Company transfers over the Certificate of Title.

Rental income from investment properties under operating leases is recognised on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. Lease incentives granted are recognised as an integral part of the total rental income.

The Group grants settlement terms of up to 12 months on certain sections as part of the agreement for sale and purchase for unconditional sales. In some instances, the acquirers are permitted access to the residential sections for building activities prior to settlement. However, the acquirer does not obtain substantially all of the remaining benefits of the asset until final settlement of the land and the title has passed.

(g) New standards and interpretations not yet adopted

A number of amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted the amended standards in preparing the consolidated financial statements. The Group will be adopting the amended standards from 1 January 2025.

The Group is in the process of finalising the evaluation of impact from the following new and amended standards, including changes in the Presentation and Disclosure in Financial Statements in line with NZ IFRS 18. The Group does not expect material financial impact from these new and amended standards but note this may change the presentation and disclosures of the consolidated financial statements.

1. *Amendments to NZ IAS21 Lack of Exchangeability*
2. *Amendments to NZ IFRS 9 and NZ IFRS 7 Classification and Measurement of Financial Instruments*
3. *Annual Improvements to NZ IFRS Accounting Standards - Volume 11*
4. *NZ IFRS 18 Presentation and Disclosure in Financial Statements*
5. *IAFRS 19 Subsidiaries without Public Accountability: Disclosures*
6. *Amendments to NZ IFRS 10 and NZ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

(h) New currently effective standards

The Group adopted all amended standards that became effective during the reporting period, specifically FRS-44 New Zealand Additional Disclosures of Fees for Audit Firms' Services. However, these new standards did not have any impact on the financial position, performance and cash flows of the Group.

The Group has adopted the International Tax Reform – Pillar Two Model Rules – Amendments to NZ IAS 12 approved by the New Zealand External Reporting Board from the issuance date of 10 August 2023. The amendments provide a temporary mandatory exception from deferred tax accounting and require new disclosures in the annual financial statements in relation to the implementation of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Group has applied the exception with immediate effect. The mandatory exception applies retrospectively. The group has a presence in jurisdictions that have enacted or substantively enacted legislation in relation to the Pillar Two model rules. The ultimate parent of the group also being captured under the said rule in their country of operation. Refer to income tax note 6 for detail discussion.

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1. SEGMENT REPORTING

Operating segments
The operating segments of the Group consists of property operations, comprising the development and sale of residential land sections and rental income from investment properties.

The Group has determined that its chief operating decision maker is the Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

An operating segment is a distinguishable component of the Group:
- that is engaged in business activities from which it earns revenues and incurs expenses,
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions on resource allocation to the segment and assess its performance, and
- for which discrete financial information is available.

	Residential land development		Investment property		Group	
In thousands of dollars	2024	2023	2024	2023	2024	2023
External revenue	46,313	28,285	2,746	2,494	49,059	30,779
Earnings before interest, depreciation, amortisation & tax	22,255	13,698	2,731	2,473	24,986	16,171
Finance income	2,381	3,514	-	-	2,381	3,514
Finance costs	(9)	(12)	-	-	(9)	(12)
Depreciation and amortisation	(8)	(7)	(550)	(933)	(558)	(940)
Depreciation of right-of-use assets	(39)	(34)	-	-	(39)	(34)
Profit before income tax	24,580	17,159	2,181	1,540	26,761	18,699
Income tax expense	(6,852)	(4,805)	(4,528)	(431)	(11,380)	(5,236)
Profit after income tax	17,728	12,354	(2,347)	1,109	15,381	13,463
Cash & cash equivalents and short term bank deposits	33,287	52,159	-	-	33,287	52,159
Investment in associates	2	2	-	-	2	2
Other segment assets	259,032	229,456	36,301	35,834	295,333	265,290
Total assets	292,321	281,617	36,301	35,834	328,622	317,451
Segment liabilities	(2,362)	(2,277)	-	-	(2,362)	(2,277)
Tax liabilities	(2,229)	(1,449)	(4,379)	-	(6,608)	(1,449)
Total liabilities	(4,591)	(3,726)	(4,379)	-	(8,970)	(3,726)
Plant and equipment expenditure	2	57	-	-	2	57
Investment property expenditure	-	-	1,017	386	1,017	386
Residential land development expenditure	22,458	10,135	-	-	22,458	10,135
Purchase of land for residential land development	23,720	20,407	-	-	23,720	20,407

Geographical segments
Segment revenue is based on the geographical location of the segment assets. All segment revenues are derived in New Zealand.

Segment assets are based on the geographical location of the development property. All segment assets are located in New Zealand.

The Group has no major customer representing greater than 10% of the Group's total revenues.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- Determining the net realisable value of development property to identify any impairment.
- The impairment test for investment properties (refer to note 9 for key assumptions and estimates used).

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimation uncertainty
The Group is exposed to a risk of impairment to development properties should the carrying value exceed the net realisable value due to market fluctuations in the value of development properties. However, there is no indication of impairment as the net realisable value determined by an independent registered valuer exceeds the carrying value of development properties (see Note 8).

The valuer adopts the Sales Comparison Approach to determine rates per hectare/per square metre for block land holdings in addition to recent section sales to derive the gross realisation values. The net realisable values are determined from gross realisation values after deducting appropriate selling costs.

For residential land under development or is due to commence development in the short term, the valuer adopts the Residual Subdivision Approach. This approach considers the gross realisation values of the sections less costs associated with development including GST, sales commissions, legal fees, civil and development costs including Council contributions, professional fees, and contingency allowances. In addition, holding costs are deducted for the estimated timing of development and sell down periods.

In both valuation approaches, the valuer makes assumptions relating to section prices, sell down periods, consumer confidence, unemployment rates, interest rates, and external economic factors. These assumptions are sensitive to economic factors such as net migration, Official Cash Rate set by the Reserve Bank, inflation, residential market activity, and business confidence.

The Group is also exposed to a risk of impairment to investment properties should the carrying value exceed the recoverable amount due to market fluctuations in the value of investment properties. However, there is no indication of impairment as the recoverable amount determined by an independent registered valuer exceeds the carrying value of investment properties (see Note 9). In determining the recoverable amount, the valuer adopted primarily the income capitalisation approach with discounted cash flow and depreciated replacement cost approaches used to corroborate. The income capitalisation approach assessed market rent for each asset is capitalised in perpetuity from the valuation date at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location, and tenancy profile of the property together with current market investment criteria as evidenced by recent sales. The recoverable amount is sensitive to movements in the adopted capitalisation rate and the market rent.

Climate-related disclosure
The Group continues to assess the impact of climate change on its business and its tangible assets. Climate change poses significant risks and challenges for the land development industry (residential and commercial), as it affects the physical, operational, and financial aspects of land development. Extreme weather events, such as floods, storms, heatwaves, and droughts, can damage existing infrastructure, disrupt the supply chain, reduce the ability to conduct and complete works, and increase the insurance and development and acquisition costs. While property developers and landowners are increasingly cognisant of the climate-related impacts on their properties, the investment community have yet to price in the climate-related impacts on asset values. This means that the current market value of residential and commercial land may not reflect the potential losses or gains associated with their exposure to climate risks or their adoption of sustainability measures, decarbonisation initiatives, and sound environmental stewardship. While valuers have made no explicit adjustments to the recoverable amount of the selected properties in respect of climate change matters, it is anticipated that climate change may have a greater influence on valuations in the future as investment markets place a greater emphasis on climate change and a property's environmental resilience and credentials. Known climate risks are reflected in the adopted capitalisation and discount rates.

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3. ADMINISTRATIVE AND OTHER EXPENSES

The following items of expenditure are included in administrative and other expenses:

In thousands of dollars	Note	Group 2024	Group 2023
Fees incurred for services received from audit firm			
- Audit fees current year		104	91
- Out of scope audit fees relating to prior year		6	-
- Tax compliance		4	4
- Greenhouse gas reporting assurance		26	-
- Strategy support advisory services		-	74
Depreciation		597	974
Directors' fees	16	126	130
Rental payments		90	90

4. PERSONNEL EXPENSES

In thousands of dollars	Group 2024	Group 2023
Wages and Salaries	1,045	1,129
Employee related expenses and benefits	236	145
Increase in liability for long-service leave	5	6
	1,286	**1,280**

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using their expected remunerations and an assessment of likelihood the liability will arise.

5. NET FINANCE INCOME

In thousands of dollars	Group 2024	Group 2023
Finance income	2,381	3,514
Finance costs	(9)	(12)
Net finance income	**2,372**	**3,502**

Finance income comprises interest receivable on funds invested that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance costs comprises interest costs on lease liabilities that are recognised in the income statement.

6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	Group 2024	Group 2023
Current tax expense		
Current year	7,336	5,105
Adjustments for prior years	(26)	-
	7,310	5,105
Deferred tax expense		
Origination and reversal of temporary differences	4,070	131
	4,070	131
Total income expense in the statement of comprehensive income	11,380	5,236

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6. INCOME TAX EXPENSE - continued

Reconciliation of effective tax rate

In thousands of dollars	Group	
	2024	2023
Profit before income tax	26,761	18,699
Income tax using the company tax rate of 28% (2023: 28%)	7,493	5,236
Removal of deductibility of tax depreciation for industrial and commercial buildings	3,913	-
Over provided in prior years	(26)	-
	11,380	5,236
Effective tax rate (excluding off-one changes on tax depreciation impact)	28%	28%

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences relating to investments in subsidiaries are not provided for to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Removal of tax depreciation on commercial and industrial buildings
From the 2020/21 tax year, the Group has been depreciating its commercial and industrial buildings on a 2% diminishing value basis, following the reinstatement of tax depreciation for buildings with a useful life of 50 years or more as part of the government's COVID-19: Economic Response Package.

Effective from 1 April 2024, the tax depreciation rate reverted to 0%, impacting the tax value of buildings held from the 2024/25 tax year onwards. The Group recognises deferred tax on temporary differences at the tax rates expected to apply when these differences reverse, using the tax rates enacted or substantively enacted at the balance sheet date. The change in tax legislation effective from 1 April 2024 eliminates the tax base of commercial and industrial buildings, thereby creating a temporary difference that leads to a deferred tax liability. This liability is recognised unless the initial recognition exemption (IRE) under NZ IAS 12 applies, which precludes the recognition of deferred tax on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and is a non-cash item.

Deferred Tax on Buildings
The impact of the removal of tax depreciation on commercial and industrial buildings, which reduced the tax base to nil creating a significant taxable temporary difference for all the Group’s hotel assets and commercial buildings, classified as either Property, Plant and Equipment or investment properties, irrespective of their date of acquisition. The recognition of this temporary difference as a deferred tax liability depends on whether the buildings were acquired through business combination and whether the initial recognition exception (IRE) in NZ IAS 12 was previously applied.

The change in tax legislation effective from 1 April 2024 eliminates the tax base for these assets, thereby creating a temporary difference that leads to a deferred tax liability (DTL). As part of recognising the DTL, a one-off tax expense of $3.9m has been recognised within the year ended 31 December 2024.

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6. INCOME TAX EXPENSE - continued

Pillar 2
The ultimate parent of the Group operates in multiple jurisdictions, some of which have enacted or substantively enacted tax legislation to implement the Pillar Two Model Rules from a date commencing on or after 1 January 2024. As the Pillar Two Model Rules are not effective in New Zealand, for the current financial year, there is no current tax impact in the Group’s financial statements for the year ended 31 December 2024. The Group has applied a temporary mandatory exception from deferred tax accounting in respect of the Pillar Two Model Rules and will account for any top-up tax liabilities arising from the application of the rules as a current tax when it is incurred. Under the Pillar Two Model Rules, the Group will be required to pay a top-up tax if the effective tax rate per jurisdiction (calculated using the prescribed approach) is below the 15% minimum rate.

The group continues to monitor and evaluate the domestic implementation of the Pillar Two rules in the jurisdictions in which it operates. The group's potential exposure to Pillar Two taxes, based on legislation that is enacted or substantively enacted, is not expected to be material.

7. IMPUTATION CREDITS

In thousands of dollars	Group	
	2024	**2023**
Imputation credits available for use in subsequent periods	98,506	96,243

8. DEVELOPMENT PROPERTY

In thousands of dollars	Group	
	2024	**2023**
Expected to settle greater than one year	222,077	203,034
Expected to settle within one year	29,368	21,507
Development property	251,445	224,541

Development property is carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through profit or loss in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. No interest (2023: nil) has been capitalised during the year.

The Group’s inventory of development property is reviewed at each balance date to ensure its carrying amount is recorded at the lower of its cost and net realisable value. The net realisable value of the development property is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. The determination of net realisable value of inventory involves estimates taking into consideration prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling costs. An impairment loss is recognised in the income statement to the extent that the carrying value of development property exceeds its estimated net realisable value.

The fair value of development property held at 31 December 2024 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited. The fair value is determined to estimate the net realisable value. The net realisable value as determined by the independent registered valuer, exceeds the carrying value of development property.

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9. INVESTMENT PROPERTY

In thousands of dollars	Group			
	Freehold Land	Buildings	Work in Progress	Total
Cost				
Balance at 1 January 2023	659	36,331	-	36,990
Additions	-	-	386	386
Transfers between categories	-	386	(386)	-
Balance at 31 December 2023	659	36,717	-	37,376
Balance at 1 January 2024	659	36,717	-	37,376
Additions	-	-	1,017	1,017
Balance at 31 December 2024	659	36,717	1,017	38,393
Depreciation and impairment losses				
Balance at 1 January 2023	-	(609)	-	(609)
Depreciation charge for the year	-	(933)	-	(933)
Balance at 31 December 2023	-	(1,542)	-	(1,542)
Balance at 1 January 2024	-	(1,542)	-	(1,542)
Depreciation charge for the year	-	(550)	-	(550)
Balance at 31 December 2024	-	(2,092)	-	(2,092)
Carrying amounts				
Balance at 1 January 2023	659	35,722	-	36,381
Balance at 31 December 2023	**659**	**35,175**	**-**	**35,834**
Balance at 1 January 2024	659	35,175	-	35,834
Balance at 31 December 2024	**659**	**34,625**	**1,017**	**36,301**

Investment properties consist of commercial warehousing at Wiri in Auckland, retail shops at Prestons Park in Christchurch, and retail shops at Stonebrook in Rolleston which are fully operational. The fair value of investment properties held at 31 December 2024 was determined by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as $65.1 million (2023: $62.7 million). The fair value measurement was categorised as Level 3 (highest of the fair value hierarchy) based on the inputs to the valuation methodology used i.e. primarily the income capitalisation approach with discounted cash flow and depreciated replacement cost approaches used to corroborate.

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services, or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on the investment properties is computed by asset classes using the policy disclosed in Note (e). Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs. Gains and losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in the profit and loss.

Impairment
Annual reviews of the carrying amounts of investment properties are undertaken for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken. The cash generating units (CGU) are individual properties. The recoverable amounts of the investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell basis and were estimated using primarily the income capitalisation approach with discounted cash flow and depreciated replacement cost approaches used to corroborate.

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9. INVESTMENT PROPERTY – Impairment – continued

During the year, management identified two (2023: two) properties with a carrying value of $14.5 million (2023: $13.7 million) that had indicators of impairment. Average market capitalisation rates appropriate to the properties range from 6.25% to 7.25% (2023: 6.50% to 7.00%). Average market rent per square metre rates appropriate to the properties range from $318 to $396 (2023: $341 to $358). There is no impairment expense recognised in the period (2023: no impairment).

Operating leases
The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2024 was $2.7 million (2023: $2.5 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

In thousands of dollars	Group	
	2024	2023
Within 1 Year	2,745	2,665
More than 1 year but within 2 years	2,793	2,675
More than 2 years but within 3 years	2,835	2,722
More than 3 years but within 4 years	2,784	2,760
More than 4 years but within 5 years	1,947	2,668
After 5 years	708	2,553
	13,812	**16,043**

10. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

In thousands of dollars	Group					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Investment Property	-	-	(4,379)	(345)	(4,379)	(345)
Development Property	-	-	(81)	(81)	(81)	(81)
Employee Benefits	106	142	-	-	106	142
Net tax assets/(liabilities)	**106**	**142**	**(4,460)**	**(426)**	**(4,354)**	**(284)**

Movement in deferred tax balances during the year

In thousands of dollars	Group		
	Balance at 1 Jan 2023	Recognised in profit or loss	Balance at 31 Dec 2023
Investment Property	(156)	(189)	(345)
Development Property	(81)	-	(81)
Employee Benefits	84	58	142
	(153)	**(131)**	**(284)**

Movement in deferred tax balances during the year

In thousands of dollars	Group		
	Balance at 1 Jan 2024	Recognised in profit or loss	Balance at 31 Dec 2024
Investment Property	(345)	(4,034)	(4,379)
Development Property	(81)	-	(81)
Employee Benefits	142	(36)	106
	(284)	**(4,070)**	**(4,354)**

Refer note 6 for the deferred tax impact of the removal of tax depreciation on commercial and industrial buil

11. TRADE AND OTHER RECEIVABLES

In thousands of dollars	Group	
	2024	2023
Trade receivables	672	325
Other receivables and prepayments	6,845	6,253
Trade and other receivables	**7,517**	**6,578**

None of the trade and other receivables are impaired.

Trade and other receivables are stated at their cost less impairment losses. The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The allowance for doubtful debts on trade receivables are either individually or collective assessed based on number of days overdue. The Group takes into account the historical loss experience and incorporate forward looking information and relevant macroeconomic factors.

12. CASH AND CASH EQUIVALENTS

In thousands of dollars	Group	
	2024	2023
Bank balances	32,803	2,084
Call deposits	-	75
Cash and cash equivalents	**32,803**	**2,159**

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

13. CAPITAL AND RESERVES

Share capital

	Company			
	2024	2024	2023	2023
	Shares '000s	$000's	Shares '000s	$000's
Shares Issued 1 January	290,785	67,318	288,808	65,829
Issued under dividend reinvestment plan	1,039	723	1,977	1,489
Total shares issued and outstanding	**291,824**	**68,041**	**290,785**	**67,318**

All shares carry equal rights and rank pari passu with regard to residual assets of the Company and do not have a par value. At 31 December 2024, the authorised share capital consisted of 291,823,552 fully paid ordinary shares (2023: 290,784,833).

Dividend Reinvestment Plan
In 1998, the Company adopted a Dividend Reinvestment Plan pursuant to which shareholders may elect to receive ordinary dividends in the form of either cash or additional shares in the Company. The additional shares are issued at the weighted average market price for the shares traded over the first five business days immediately following the Record Date.

Accordingly, the Company issued 1,038,719 additional shares under the Dividend Reinvestment Plan on 16 May 2024 (2023: 1,977,136) at a strike price of $0.6961 per share issued (2023: $0.7530).

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13. CAPITAL AND RESERVES - continued

Dividends

The following dividends were declared and paid during the year 31 December 2024:

In thousands of dollars	Company	
	2024	2023
3.5 cents per qualifying oridnary share (2023: 3.5 cents)	10,177	10,108
	10,177	**10,108**

The following dividends were declared by the directors on 20 February 2025. The dividends have not been provided for and there are no income tax consequences. It is anticipated that a portion of the dividends declared will be paid by way of shares through the Dividend Reinvestment Plan.

In thousands of dollars	Company
	2024
3.5 cents ordinary dividend per qualitying oridnary share	10,214
3.5 cents total dividend per qualitying oridnary share	**10,214**

Basic and diluted earnings per share

The basic earnings per share and the diluted earnings per share are the same. The calculation of basic and diluted earnings per share at 31 December 2024 was based on the profit attributable to ordinary shareholders of $15,381,000 (2023: $13,463,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2024 of 291,477,000 (2023: 290,126,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars	Group	
	2024	2023
Profit for the period	15,381	13,463
Profit attributable to ordinary shareholders	**15,381**	**13,463**

Weighted average number of ordinary shares

	Company	
	2024	2023
	Shares '000s	Shares '000s
Issued ordinary shares at 1 January	290,785	288,808
Effect of 1,038,719 shares issued in May 2024	692	-
Effect of 1,977,136 shares issued in May 2023	-	1,318
Weighted average number of ordinary shares at 31 December	**291,477**	**290,126**

Earnings per share (basic & diluted)

	Group	
	2024	2023
Basic and Diluted Earnings per share (cents per share)	5.28	4.64

Supplementary dividend and foreign investment tax credit

The Company pays a supplementary dividend to portfolio non-resident investors to offset non-resident withholding tax payable on imputed dividends from the Company. Under the foreign investor tax credit (FITC) rules, the Company receives a tax credit equal to the supplementary dividend paid. The supplementary dividend is based on the amount of imputation credit attached to the dividend.

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14. FINANCIAL INSTRUMENTS

The Group only holds non-derivative financial instruments which comprise trade and other receivables, cash and cash equivalents, short term deposits, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

On initial recognition, a financial asset is classified as subsequently measured at: Amortised cost; FVOCI- debt investment; FVOCI- equity investment; or FVTPL. Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows: and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfer the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

In thousands of dollars	Note	Group	
		2024	2023
Financial Assets			
Cash and cash equivalents	12	32,803	2,159
Short term deposits		484	50,000
Trade and other receivables	11	7,517	6,578
Financial Liabilities			
Trade and other payables		2,154	3,820

Exposure to credit and interest rate risks arises in the normal course of the Group's business.

Credit risk
Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The key factor in managing risk is that the Certificate of Title is only transferred to the purchaser when all cash is received in full upon settlement.

The Group's exposure to credit risk is mainly influenced by its customer base. As such it is concentrated to the default risk of its industry. However, geographically there is no credit risk concentration as the Company spreads the risk by operating in three regions in the North Island and one region in the South Island.

Cash, cash equivalents, and term deposits are allowed only in liquid securities and only with counterparties (minimum rating of Moody's Aa3) that have a credit rating equal to or better than the Group. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the balance date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

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14. FINANCIAL INSTRUMENTS - continued

Interest rate risk
The Group has no debt (2023: nil) and is only exposed to movements in interest rates on short-term investments which is explained in the sensitivity analysis. Interest income is earned on the cash and cash equivalent balance and the short-term deposits balance.

Sensitivity analysis
The Group manages interest rate risk by maximising its interest income through forecasting its cash requirements and cash inflows. Over the longer-term, however, permanent changes in interest rates will have an impact on profit.

An increase of one percentage point in interest rates would have increased the Group's profit before income tax by $473,000 (2023: $641,000) in the current period. Conversely, a decrease of one percentage point in interest rates would have decreased the Group's profit before income tax by $473,000 (2023: $641,000) in the current period.

Effective interest and repricing analysis
In respect of income earning financial assets, the following tables indicate the effective interest rates at the balance sheet date and the periods in which they reprice.

In thousands of dollars		Group							
		2024				2023			
	Note	Effective interest rate	Total	6 months or less	6-12 months	Effective interest rate	Total	6 months or less	6-12 months
Cash and cash equivalents	12	0.00% to 4.25%	32,803	32,803	-	0.00% to 5.77%	2,159	2,159	-
Short term deposits		5.24% to 5.46%	484	75	409	5.79% to 6.05%	50,000	45,000	5,000
			33,287	32,878	409		52,159	47,159	5,000

Liquidity risk
Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. It is the Group's policy to provide credit and liquidity enhancement only to wholly owned subsidiaries.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis:

In thousands of dollars	Group					
	2024			2023		
	Balance Sheet	6 months or less	6-12 months	Balance Sheet	6 months or less	6-12 months
Trade and other payables	2,154	2,154	-	3,820	1,625	2,195
	2,154	**2,154**	**-**	**3,820**	**1,625**	**2,195**

Estimation of fair values
The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above tables.

(a) Cash, accounts receivable, accounts payable and related party receivables. The carrying amount for these balances approximate their fair value because of the short maturities of these items.

Capital management
The Group's capital includes share capital and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

14. FINANCIAL INSTRUMENTS – Capital management - continued

The Group is not subject to any external imposed capital requirements. The allocation of capital is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the Group's management of capital during the period.

15. CAPITAL AND LAND DEVELOPMENT COMMITMENTS

As at 31 December 2024, the Group had entered into contractual commitments for development expenditure and unconditional purchases of land. Development expenditure represents amounts contracted and forecast to be incurred in 2025 in accordance with the Group's development programme.

In thousands of dollars	Group	
	2024	**2023**
Development expenditure	24,269	19,743
Land purchases	13,261	6,620
	37,530	**26,363**

16. RELATED PARTIES

Identity of related parties
The Company has a related party relationship with its wholly owned subsidiary, CDL Land New Zealand Limited, as well as a fellow subsidiary of its parent (see Note 17), and with its Directors and executive officer.

Transactions with key management personnel
None of the Directors of the Company and their immediate relatives have control of the voting shares of the Company. Key management personnel include the Board comprising non-executive directors, executive director and executive officer.

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2024 was:

In thousands of dollars	Group	
	2024	**2023**
Non-executive directors	126	130
Executive director	86	413
Executive officer	482	-
	694	**543**

Non-executive directors receive director's fees only. The executive director and executive officer receive short-term employee benefits which include a base salary and an incentive plan. They do not receive remuneration or any other benefits as a director of the Company or its subsidiary.

Total remuneration of non-executive directors is included in "administrative and other expenses" (see Note 3) and total remuneration of executive director and executive officer is included in "personnel expenses" (see Note 4).

17. GROUP ENTITIES

Control of the Group
CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 65.31% (2023: 65.54%) of the Company and having one out of five of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 75.86% (2023: 70.79%) owned by CDL Hotels Holdings New Zealand Limited (computed on voting shares), which is a wholly owned subsidiary of Millennium & Copthorne Hotels Limited in the United Kingdom. The ultimate holding company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the year, CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, $431,000 (2023: $427,000) for shared office expenses incurred by the parent on behalf of the Group and reimbursed its parent for its portion of insurance premiums of $254,000 (2023: $199,000).

During 2024, CDL Investments New Zealand Limited issued no additional shares (2023: Nil) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan (see Note 13). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 190,591,297 (2023: 190,591,297).

18. CONTINGENT LIABILITIES

CDL Investments New Zealand Limited has a bank guarantee in place as a requirement of being listed on the New Zealand Stock Exchange. The maximum value of this guarantee is $75,000 (2023: $75,000).

19. SUBSEQUENT EVENTS

Post balance date, the purchase of 6.5 hectares of land for $13.3 million in Hamilton was settled during January 2025. The settlement will be recognised as an increase in land classified as development property in 2025.

On 20 February 2025, an ordinary dividend of 3.5 cents per qualifying share was declared by the Directors (see Note 13).

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Independent Auditor's Report

To the shareholders of CDL Investments New Zealand Limited (**Group**)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of CDL Investments New Zealand Limited (the **Company**) and its subsidiaries (the **Group**) on pages 1 to 20 present fairly in all material respects:

- the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of CDL Investments New Zealand Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ)(Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to tax compliance, taxation advisory and limited assurance services in respect of Green House Gas Emissions reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

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Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $2m determined with reference to a benchmark of the Group's total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Capitalisation and allocation of development costs	
Refer to Note 8 to the financial statements. The group's development property comprises land and development costs incurred to develop land into subdivisions and individual properties for sale. The development property portfolio represents 77% of total assets on the consolidated statement of financial position. The capitalisation and allocation of development costs is a key audit matter as determining whether to capitalise or expense costs relating to development of the land is subjective, as it depends on whether the costs enhance the land or maintain the current value. In addition, there is significant judgement in determining whether obligations exist for future costs and how to allocate capitalised development costs to individual properties or stages. The key judgements used in this determination are:	Our audit procedures included: • Evaluating the group's accounting policy for capitalisation of development costs using the criteria in the accounting standard. • Developing an understanding of the key controls over the cost capitalisation and allocation process. • Agreeing a sample of capitalised development costs to supporting documentation. For each selected transaction we: - considered the nature of the costs capitalised and evaluated whether they are eligible for capitalisation under the relevant accounting standard. - assessed the appropriateness of allocation to the individual project stages and land lots. • Agreeing a sample of land acquisitions to sales and purchase agreements, settlement document and cash payment. • Performing analytical procedures in relation development property costs of sales to assess that margins recognised between periods were appropriate, including considering alternative methods of allocation. • Performing a retrospective review of the forecast costs and cost of sales to ensure the reasonableness of forecast cost estimation.

The key audit matter	How the matter was addressed in our audit
• Whether costs are eligible for capitalisation under the relevant accounting standards • the allocation of capitalised costs to the individual projects, stages and land lots and the associated recognition of cost of sales • Whether a capitalised cost and the associated liability for future obligations should be recorded under the relevant accounting standard.	• Evaluating the reasonableness of the group's judgement to record liabilities for future obligations and that these have been appropriately measured and recorded in accordance with the applicable accounting standard. • Assessing disclosures included in the consolidated financial statements in respect of the development properties using our understanding obtained from our testing and against the requirements of the accounting standards. Our testing did not identify any material exceptions related to capitalised development costs, the allocation of those costs to individual project stages and the recognition of future development cost obligations.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report and Annual Climate Statement (prepared in accordance with the Aotearoa New Zealand Climate Standards). Other information in the Annual Report may include the Directors' Review, disclosures relating to Corporate Governance, Portfolio information, Financial Summary, and the other information included in the Annual Report. The Annual Climate Statement discloses information about the effects of climate change on the entity's business. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the Annual Report and Annual Climate Statement when they become available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have received the Directors' review and have nothing to report in regard to it.

The Annual Report and Annual Climate Statement are expected to be made available to us after the date of this Independent Auditor's Report and we will report the matters identified, if any, to those charged with governance.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
— implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
— assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Geoff Lewis.

For and on behalf of:

KPMG

KPMG
Auckland
24 February 2025