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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
Date & Time of Broadcast	14-Feb-2014 17:18:36
Announcement No.	00059

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Announcement by Subsidiary Company, CDL Investments New Zealand Limited, on Full Year Results for the Year Ended 31 December 2013
Description	Please see the attached announcement released by CDL Investments New Zealand Limited on 14 February 2014.
Attachments	CDLINZ_Results_FY2013.pdf Total size = **682K** (2048K size limit recommended)

Close Window

CDL Investments New Zealand Limited and its Subsidiary

Statement of Comprehensive Income

For the year ended 31 December 2013

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Revenue		38,298	26,341	-	-
Cost of sales		(17,997)	(11,384)	-	-
Gross Profit		**20,301**	**14,957**	**-**	**-**
Other income	2	54	114	-	-
Administrative expenses	3, 4	(195)	(180)	(127)	(112)
Property expenses		(457)	(588)	-	-
Selling expenses		(1,526)	(1,191)	-	-
Other expenses	3, 4	(727)	(755)	(269)	(349)
Results from operating activities		**17,450**	**12,357**	**(396)**	**(461)**
Finance income	5	1,100	568	25,638	569
Net finance income		**1,100**	**568**	**25,638**	**569**
Profit before income tax		**18,550**	**12,925**	**25,242**	**108**
Income tax expense	6	(5,146)	(3,622)	(61)	(40)
Profit for the period		**13,404**	**9,303**	**25,181**	**68**
Total comprehensive income for the period		**13,404**	**9,303**	**25,181**	**68**
Profit attributable to:					
Equity holders of the parent		13,404	9,303	25,181	68
Total comprehensive income for the period		**13,404**	**9,303**	**25,181**	**68**
Earnings per share					
Basic earnings per share (cents)	15	4.92	3.50		
Diluted earnings per share (cents)	15	4.92	3.50		

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

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CDL Investments New Zealand Limited and its Subsidiary

Statement of Changes in Equity

For the year ended 31 December 2013

Group

In thousands of dollars	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2012		46,106	51,877	97,983
Total comprehensive income for the period				
Profit for the period		-	9,303	9,303
Total comprehensive income for the period		**-**	**9,303**	**9,303**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	2,835	-	2,835
Dividends to shareholders	14	-	(3,653)	(3,653)
Supplementary dividends		-	(84)	(84)
Foreign investment tax credits		-	84	84
Balance at 31 December 2012		**48,941**	**57,527**	**106,468**
Balance at 1 January 2013		48,941	57,527	106,468
Total comprehensive income for the period				
Profit for the period		-	13,404	13,404
Total comprehensive income for the period		**-**	**13,404**	**13,404**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	3,558	-	3,558
Dividends to shareholders	14	-	(4,565)	(4,565)
Supplementary dividends		-	(113)	(113)
Foreign investment tax credits		-	113	113
Balance at 31 December 2013		**52,499**	**66,366**	**118,865**

Parent

In thousands of dollars	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2012		46,106	(13,935)	32,171
Total comprehensive income for the period				
Profit for the period		-	68	68
Total comprehensive income for the period		**-**	**68**	**68**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	2,835	-	2,835
Dividends to shareholders	14	-	(3,653)	(3,653)
Supplementary dividends		-	(84)	(84)
Foreign investment tax credits		-	84	84
Balance at 31 December 2012		**48,941**	**(17,520)**	**31,421**
Balance at 1 January 2013		48,941	(17,520)	31,421
Total comprehensive income for the period				
Profit for the period		-	25,181	25,181
Total comprehensive income for the period		**-**	**25,181**	**25,181**
Transactions with owners of the Company				
Shares issued under dividend reinvestment plan	14	3,558	-	3,558
Dividends to shareholders	14	-	(4,565)	(4,565)
Supplementary dividends		-	(113)	(113)
Foreign investment tax credits		-	113	113
Balance at 31 December 2013		**52,499**	**3,096**	**55,595**

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

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CDL Investments New Zealand Limited and its Subsidiary

Statement of Financial Position

As at 31 December 2013

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
SHAREHOLDERS' EQUITY					
Issued capital	14	52,499	48,941	52,499	48,941
Retained earnings/(accumulated losses)		66,366	57,527	3,096	(17,520)
Total Equity		**118,865**	**106,468**	**55,595**	**31,421**
Represented by:					
NON CURRENT ASSETS					
Property, plant and equipment	9	4	6	2	3
Development property	10	53,455	63,085	-	-
Related party debtors	21, 22	-	-	24,960	8,262
Investment in subsidiary	21, 22	-	-	13,266	13,266
Investment in associate	17	2	2	-	-
Total Non Current Assets		**53,461**	**63,093**	**38,228**	**21,531**
CURRENT ASSETS					
Cash and cash equivalents	13	33,159	23,899	17,096	9,825
Trade and other receivables	12	537	862	247	75
Income tax receivable	7	-	-	100	130
Development property	10	33,178	20,176	-	-
Total Current Assets		**66,874**	**44,937**	**17,443**	**10,030**
Total Assets		**120,335**	**108,030**	**55,671**	**31,561**
NON CURRENT LIABILITIES					
Deferred tax liabilities	11	132	220	-	-
Total Non Current liabilities		**132**	**220**	**-**	**-**
CURRENT LIABILITIES					
Trade and other payables	16	204	263	76	140
Employee entitlements		14	12	-	-
Income tax payable	7	1,120	1,067	-	-
Total Current Liabilities		**1,338**	**1,342**	**76**	**140**
Total Liabilities		**1,470**	**1,562**	**76**	**140**
Net Assets		**118,865**	**106,468**	**55,595**	**31,421**

For and on behalf of the Board

RL CHALLINOR, DIRECTOR, 14 February 2014

BK CHIU, MANAGING DIRECTOR, 14 February 2014

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

Statement of Cash Flows

For the year ended 31 December 2013

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		38,820	25,747	-	-
Interest received		954	481	473	528
Cash was applied to:					
Payment to suppliers		(20,227)	(8,920)	(466)	(410)
Payment to employees		(269)	(247)	-	(35)
Purchase of development land		(3,833)	-	-	
Income tax paid		(5,068)	(3,085)	(31)	(85)
Net Cash Inflow/(Outflow) from Operating Activities		10,377	13,976	(24)	(2)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Advances from subsidiary		-	-	113	84
Intercompany receipts		-	-	8,302	6,053
Proceeds from disposal of plant and equipment		3	-	-	-
Cash was applied to:					
Purchase of plant and equipment	9	-	(2)	-	(2)
Net Cash Inflow/(Outflow) From Investing Activities		3	(2)	8,415	6,135
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was applied to:					
Dividends paid		(1,007)	(818)	(1,007)	(818)
Supplementary dividend paid		(113)	(84)	(113)	(84)
Net Cash Outflow from Financing Activities		(1,120)	(902)	(1,120)	(902)
Net Increase in Cash and Cash Equivalents		9,260	13,072	7,271	5,231
Add Opening Cash and Cash Equivalents Brought Forward		23,899	10,827	9,825	4,594
Closing Cash and Cash Equivalents	13	33,159	23,899	17,096	9,825

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

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CDL Investments New Zealand Limited and its Subsidiary

Statement of Cash Flows - continued

For the year ended 31 December 2013

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
RECONCILIATION OF PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES					
Net Profit after Taxation		13,404	9,303	25,181	68
Adjusted for non cash items:					
Depreciation	9	2	4	1	1
Gain on disposal of plant and equipment	3	(3)	-	-	-
Income tax expense	6	5,146	3,622	61	40
Intercompany dividend	5, 22	-	-	(25,000)	-
Adjustments for movements in working capital:					
(Increase)/Decrease in receivables		325	(795)	(172)	(42)
(Increase)/Decrease in development properties		(3,372)	4,997	-	-
Increase/(Decrease) in payables		(57)	(70)	(64)	16
Cash generated from operating activities		**15,445**	**17,061**	**7**	**83**
Income tax paid		(5,068)	(3,085)	(31)	(85)
Cash Inflow/(Outflow) from Operating Activities		**10,377**	**13,976**	**(24)**	**(2)**

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

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SIGNIFICANT 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 an issuer in terms of the Financial Reporting Act 1993.

The financial statements includes separate financial statements of CDL Investments New Zealand Limited as an individual entity and the consolidated entity comprising the Company and its subsidiary (together referred to as the "Group") as at and for the year ended 31 December 2013.

The principal activity of the Group is the development and sale of residential land properties.

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, Financial Reporting Act 1993 and 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 profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issuance on 14 February 2014.

(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.

The financial statements have been prepared on the historical cost 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 amount recognised in the financial statements are described in Note 23 - Accounting Estimates and Judgements.

(c) Changes in accounting policies

The accounting policies have been applied consistently to all periods presented in these financial statements.

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

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

(e) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, 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.

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.

Accounting for finance income and expense is discussed in accounting policy m(ii).

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Significant accounting policies - continued

(f) **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. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation on assets is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Plant and equipment	3 - 10 years

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss account on the date of retirement or disposal.

(g) **Development property**

Property held for future development is stated at the lower of cost and net realisable value. The net realisable value is determined by independent valuers. 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. Revenue and profit are not recognised on development properties until the legal title passes to the buyer when the full settlement of the purchase consideration of the properties occurs.

(h) **Trade and other receivables**

Trade and other receivables are stated at their cost less impairment losses.

(i) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(j) **Impairment**

The carrying amounts of the Group's assets other than income tax receivable and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy j(i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) **Calculation of recoverable amount**

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the Group's receivables with short duration is not discounted.

(ii) **Reversals of impairment**

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) **Employee long-term service benefits**

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.

Significant accounting policies - continued

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

(ii) Finance income and expense

Finance income and expense comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, and dividend income that are recognised in the profit or loss.

Finance income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entity's right to receive payments is established.

Interest attributable to funds used to finance the acquisition, development or construction of property held for sale is capitalised gross of tax relief and added to the cost of the property during the period when active development takes place.

(n) Income tax

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.

(o) Revenue

Revenue represents amounts derived from:

- Land and property sales: recognised on the transfer of the related significant risk and rewards of ownership which is when legal title passes to the buyer and full settlement of the purchase consideration of the property occurs.

(p) Operating segment reporting

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.

(q) Investments in subsidiaries

In the separate financial statements of the Company, investment in subsidiaries are stated at cost less any impairment, which is recorded through profit or loss.

(r) Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. They are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associate from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

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Significant accounting policies - continued

(s) New standards adopted and interpretations not yet adopted

The following new standards and amendments to standards are not yet effective for the year ended 31 December 2013, and have not been applied in preparing these consolidated financial statements:

- *NZ IFRS 9 - Financial Instruments (effective yet to be decided)*
- *NZ IFRIC 12 - Service Concession Arrangements (effective after 1 January 2014)*
- *NZ IAS 19 - Employee Benefits (effective after 1 January 2015)*
- *NZ IAS 27 - Separate Financial Statements (effective after 1 January 2014)*
- *NZ IAS 32 - Financial Instruments : Presentation (effective after 1 January 2014)*
- *NZ IAS 36 - Impairment of Assets (effective after 1 January 2014)*
- *NZ IAS 39 - Financial Instruments : Recognition and Measurement (effective after 1 January 2014)*

The adoption of these standards is not expected to have a material impact on the Group's or Company's financial statements.

(t) Comparatives

Certain comparatives have been reclassified to conform to the current year's presentation.

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1. SEGMENT REPORTING

Operating segments

The single operating segment of the Group consists of property operations, comprising the development and sale of residential land sections.

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.

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. OTHER INCOME

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Rental income	54	103	-	-
Other	-	11	-	-
	54	**114**	**-**	**-**

3. ADMINISTRATIVE AND OTHER EXPENSES

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

In thousands of dollars		Group		Parent	
	Note	2013	2012	2013	2012
Auditors' remuneration					
- Audit fees		47	46	47	46
- Tax compliance & consulting		15	10	8	5
Depreciation	9	2	4	1	1
Directors' fees	21	95	125	95	125
Net gain on disposal of plant and equipment		(3)	-	-	-
Operating lease and rental payments		70	70	-	-
Other		427	433	245	249
Total excluding personnel expenses		**653**	**688**	**396**	**426**

4. PERSONNEL EXPENSES

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Wages and salaries	258	239	-	35
Employee related expenses and benefits	8	8	-	-
Increase in liability for long-service leave	3	-	-	-
	269	**247**	**-**	**35**

5. NET FINANCE INCOME

In thousands of dollars		Group		Parent	
	Note	2013	2012	2013	2012
Interest income		1,100	568	537	253
Intercompany interest income		-	-	101	316
Dividend income	22	-	-	25,000	-
Finance income		1,100	568	25,638	569
Net finance income		**1,100**	**568**	**25,638**	**569**

6. INCOME TAX EXPENSE

Recognised in the statement of comprehensive income

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Current tax expense				
Current year	5,281	3,652	68	31
Adjustments for prior years	(47)	-	(7)	-
	5,234	3,652	61	31
Deferred tax expense				
Origination and reversal of temporary differences	(87)	(33)	-	-
Adjustments for prior years	(1)	3	-	9
	(88)	(30)	-	9
Total income tax expense in the statement of comprehensive income	**5,146**	**3,622**	**61**	**40**

Reconciliation of effective tax rate

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Profit before income tax	18,550	12,925	25,242	108
Income tax using the company tax rate of 28% (2012: 28%)	5,194	3,619	7,068	31
Adjusted for:				
Tax exempt revenues	-	-	(7,000)	-
Under/(over) provided in prior years	(48)	3	(7)	9
	5,146	**3,622**	**61**	**40**
Effective tax rate	**28%**	**28%**	**0%**	**37%**

7. CURRENT TAX ASSETS AND LIABILITIES

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Income tax receivable	-	-	100	130
Income tax payable	1,120	1,067	-	-

The current tax liability (2012: tax liability) for the Group represents the amount of income taxes payable.

8. IMPUTATION CREDITS

In thousands of dollars	Group	
	2013	2012
Imputation credits available for use in subsequent reporting periods	27,609	24,182

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9. PLANT AND EQUIPMENT

In thousands of dollars	Group	Parent
Cost		
Balance at 1 January 2012	56	16
Acquisitions	2	2
Balance at 31 December 2012	**58**	**18**
Balance at 1 January 2013	58	18
Disposals	(34)	-
Balance at 31 December 2013	**24**	**18**
Depreciation		
Balance at 1 January 2012	(48)	(14)
Depreciation charge for the year	(4)	(1)
Balance at 31 December 2012	**(52)**	**(15)**
Balance at 1 January 2013	(52)	(15)
Depreciation charge for the year	(2)	(1)
Disposals	34	-
Balance at 31 December 2013	**(20)**	**(16)**
Carrying amounts		
At 1 January 2012	8	2
At 31 December 2012	**6**	**3**
At 1 January 2013	6	3
At 31 December 2013	**4**	**2**

10. DEVELOPMENT PROPERTY

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Development property	86,633	83,261	-	-
Less expected to settle within one year	33,178	20,176	-	-
	53,455	**63,085**	**-**	**-**

Development property is carried at the lower of cost and net realisable value. No interest (2012: $nil) has been capitalised during the year. The value of development property held at 31 December 2013 was determined, on an open market existing use basis, by an independent registered valuer, DM Koomen SPINZ of Extensor Advisory Limited as $177.5 million (2012: $157.9 million).

The fair value of development property as determined by the independent valuer is categorised as Level 3 based on the inputs to the valuation methodology. The basis of the valuation is the hypothetical subdivision approach and/or block land sales comparisons to derive the residual block land values. The major unobservable inputs that are used in the valuation model that require judgement include the individual section prices, allowances for profit and risk, projected completion and sell down periods and interest rate during the holding period. The estimated fair value would increase or (decrease) if: the individual section prices were higher/(lower); the allowances for profit were higher/(lower); the allowances for risk were lower/(higher); the projected completion and sell down periods were shorter/(longer); and the interest rate during the holding period was lower/(higher).

11. 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	
	2013	2012	2013	2012	2013	2012
Plant and equipment	-	-	-	(1)	-	(1)
Development property	-	-	(164)	(249)	(164)	(249)
Employee benefits	29	30	-	-	29	30
Trade and other payables	3	-	-	-	3	-
Net tax assets/(liabilities)	**32**	**30**	**(164)**	**(250)**	**(132)**	**(220)**

11. DEFERRED TAX ASSETS AND LIABILITIES - continued

Movement in deferred tax balances during the year

In thousands of dollars	Group		
	Balance 1 Jan 2012	Recognised in profit or loss	Balance 31 Dec 2012
Plant and equipment	(1)	-	(1)
Development property	(288)	39	(249)
Employee benefits	39	(9)	30
	(250)	**30**	**(220)**

In thousands of dollars	Group		
	Balance 1 Jan 2013	Recognised in profit or loss	Balance 31 Dec 2013
Plant and equipment	(1)	1	-
Development property	(249)	85	(164)
Employee benefits	30	(1)	29
Trade and other payables	-	3	3
	(220)	**88**	**(132)**

Movement in deferred tax balances during the year

In thousands of dollars	Parent		
	Balance 1 Jan 2012	Recognised in profit or loss	Balance 31 Dec 2012
Plant and equipment	(1)	1	-
Employee benefits	10	(10)	-
	9	**(9)**	**-**

12. TRADE AND OTHER RECEIVABLES

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Trade receivables	16	32	-	-
Other receivables and prepayments	521	830	247	75
Trade and other receivables	**537**	**862**	**247**	**75**

None of the trade and other receivables are impaired.

13. CASH AND CASH EQUIVALENTS

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Bank balances	159	899	96	325
Call deposits	33,000	23,000	17,000	9,500
Cash and cash equivalents	**33,159**	**23,899**	**17,096**	**9,825**

14. CAPTIAL AND RESERVES

Share capital

	Group and Parent			
	2013	2013	2012	2012
	Shares '000s	$000's	Shares '000s	$000's
Shares issued 1 January	268,596	48,941	260,883	46,106
Issued under dividend reinvestment plan	6,079	3,558	7,713	2,835
Total shares issued and outstanding	**274,675**	**52,499**	**268,596**	**48,941**

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 2013, the authorised share capital consisted of 274,675,044 fully paid ordinary shares (2012: 268,596,323).

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 6,078,721 additional shares under the Dividend Reinvestment Plan on 10 May 2013 (2012: 7,712,905) at a strike price of $0.5854 per share issued (2012: $0.3675).

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14. CAPTIAL AND RESERVES - continued

Dividends

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

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
1.7 cents per qualifying ordinary share (2012: 1.4 cents)	4,565	3,653	4,565	3,653
	4,565	**3,653**	**4,565**	**3,653**

After 31 December 2013 the following dividends were declared by the directors. 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	Parent
2.0 cents ordinary dividend per qualifying ordinary share	5,494
2.0 cents total dividend per qualifying ordinary share	5,494

15. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders of $13,404,000 (2012: $9,303,000); and weighted average number of ordinary shares outstanding during the year ended 31 December 2013 of 272,649,000 (2012: 266,025,000), calculated as follows:

Profit attributable to ordinary shareholders (basic & diluted)

In thousands of dollars	Group	
	2013	2012
Profit for the period	13,404	9,303
Profit attributable to ordinary shareholders	**13,404**	**9,303**

Weighted average number of ordinary shares

	Group	
	2013	2012
	Shares '000s	Shares '000s
Issued ordinary shares at 1 January	268,596	260,883
Effect of 6,078,721 shares issued in May 2013	4,053	-
Effect of 7,712,905 shares issued in May 2012	-	5,142
Weighted average number of ordinary shares at 31 December	**272,649**	**266,025**

16. TRADE AND OTHER PAYABLES

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Non-trade payables and accrued expenses	204	263	76	140
Trade and other payables	**204**	**263**	**76**	**140**

17. INVESTMENT IN ASSOCIATE

The Group's subsidiary, CDL Land New Zealand Limited, has a 33.33% investment in Prestons Road Limited. The principal activities of Prestons Road Limited are as a service provider and in this regard, it is charged with engaging suitably qualified consultants in fields such as geotechnical engineering, resource management compliance, subdivision of land, legal and regulatory compliance and related issues.

The associate has no revenue or expenses, therefore the Group's share of profit in its associate for the year was nil (2012: nil).

Summary unaudited financial information for the associate, not adjusted for the percentage ownership held by the Group:

In thousands of dollars	Ownership	Total Assets	Total Liabilities	Revenues	Expenses	Profit/ (loss)
2013						
Prestons Road Limited	33.33%	4,849	(4,843)	-	-	-
2012						
Prestons Road Limited	33.33%	4,070	(4,064)	-	-	-

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17. **INVESTMENT IN ASSOCIATE** - continued

Movements in the carrying value of the associate:

In thousands of dollars	Group 2013	Group 2012
Balance at 1 January	2	2
Purchase of investment	-	-
Balance at 31 December	2	2

18. **FINANCIAL INSTRUMENTS**

The Group only holds non-derivative financial instruments which comprise trade and other receivables, cash and cash equivalents, and trade and other payables. Exposure to credit and interest rate risks arises in the normal course of the Group's business. All financial assets are classified as loans and receivables. All financial liabilities are classified as payables.

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Financial Assets					
Cash and cash equivalents	13	33,159	23,899	17,096	9,825
Trade and other receivables	12	537	862	247	75
Financial Liabilities					
Trade and other payables	16	204	263	76	140

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 Certificate of Title are 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.

Investments are allowed only in liquid securities and only with counterparties 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, in the statement of financial position as shown below:

In thousands of dollars	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Cash and cash equivalents	13	33,159	23,899	17,096	9,825
Trade and other receivables	12	537	862	247	75
		33,696	**24,761**	**17,343**	**9,900**

Interest rate risk
The Group has no exposure to interest rate risk as there are no funding facilities (2012: nil). However, the Group is 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.

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.

Group		2013				2012			
In thousands of dollars	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	13	2.50% to 4.27%	33,159	30,659	2,500	2.50% to 4.65%	23,899	14,399	9,500
			33,159	**30,659**	**2,500**		**23,899**	**14,399**	**9,500**

18. FINANCIAL INSTRUMENTS - Effective interest and repricing analysis - continued

Parent *In thousands of dollars*	Note	2013 Effective interest rate	2013 Total	2013 6 months or less	2013 6 - 12 months	2012 Effective interest rate	2012 Total	2012 6 months or less	2012 6 - 12 months
Cash and cash equivalents	13	2.50% to 4.27%	17,096	17,096	-	2.50% to 4.65%	9,825	5,325	4,500
			17,096	**17,096**	**-**		**9,825**	**5,325**	**4,500**

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.

At 31 December 2013 it is estimated that a general decrease of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $265,000 (2012: $139,000).

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:

Group *In thousands of dollars*	Note	2013 Balance Sheet	2013 6 months or less	2012 Balance Sheet	2012 6 months or less
Trade and other payables	16	204	204	263	263
		204	**204**	**263**	**263**

Parent *In thousands of dollars*	Note	2013 Balance Sheet	2013 6 months or less	2012 Balance Sheet	2012 6 months or less
Trade and other payables	16	76	76	140	140
		76	**76**	**140**	**140**

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.

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.

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19. OPERATING LEASES

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
Less than one year	11	7	-	-
Between one and five years	26	-	-	-
	37	7	-	-

During the year ended 31 December 2013, $10,000 was recognised as an expense in profit or loss in respect of operating leases (2012: $10,000) and $54,000 (2012: $103,000) was recognised as income in profit or loss in respect of leases.

20. CAPITAL COMMITMENTS

As at 31 December 2013, the Group has entered into contracts for construction on development properties of $17,501,000 (2012: $4,875,000).

21. RELATED PARTIES

Identity of related parties
The Group has a related party relationship with its subsidiary as well as a fellow subsidiary of its parent (see Note 22), and with its Directors and executive officers.

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 and executive directors.

The total remuneration and value of other benefits earned by each of the Directors of the Company for the year ending 31 December 2013 was:

In thousands of dollars	Group		Parent	
	2013	2012	2013	2012
HR Wong	-	30	-	30
VWE Yeo	30	30	30	30
RL Challinor	35	35	35	35
J Henderson	30	30	30	30
Total for non-executive directors	95	125	95	125
BK Chiu	-	-	-	-
Total for executive directors	-	-	-	-
	95	125	95	125

Non-executive directors receive director's fees only. The executive directors do not receive remuneration or any other benefits as a director of the Parent Company or of the Company's subsidiary.

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

22. 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 67.25% (2012: 66.83%) of the Company and having three out of five of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.22% owned by CDL Hotels Holdings New Zealand Limited, which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc 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, $202,000 (2012: $195,000) for expenses incurred by the parent on behalf of the Group.

On 10 May 2013 CDL Investments New Zealand Limited issued 5,213,206 additional shares (2012: 6,587,862) to its parent, Millennium & Copthorne Hotels New Zealand Limited, under the Dividend Reinvestment Plan at a strike price of $0.5854 per share issued (2012: $0.3675) (see Note 14). The total shares on issue to Millennium & Copthorne Hotels New Zealand Limited is 184,724,438 (2012: 179,511,232).

22. GROUP ENTITIES - continued

Parent
At balance date, there were interest bearing advances owing from its subsidiary of $24,960,000 (2012: $8,262,000). There are no set repayment terms and interest is charged at the Official Cash Rate during the year which was 2.50% (2012: 2.50%). No related party debts have been written off or forgiven during the year.

During the year CDL Investments New Zealand Limited entered into the following transactions with its subsidiary:

- $101,000 interest was received from CDL Land New Zealand Limited (2012: $316,000).
- $25,000,000 dividend declared and receivable from CDL Land New Zealand Limited (2012: nil).

Subsidiary	Principal Activity	% Holding by CDL Investments New Zealand Limited	Balance Date
CDL Land New Zealand Limited	Property Investment and Development	100.00	31 December

Associate	Principal Activity	% Holding by CDL Land New Zealand Limited	Balance Date
Prestons Road Limited	Service Provider	33.33	31 March

23. ACCOUNTING ESTIMATES AND JUDGEMENTS

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
In Note 18 detailed analysis is given of the interest rate and credit risk exposure of the Group and risks in relation thereto. The Group is also exposed to market fluctuations in the value of development properties. In Note 10 the carrying value of development properties is $86,633,000 (2012: $83,261,000) while the market value determined by independent valuers is $177,505,000 (2012: $157,850,000).

Independent auditor's report

To the shareholders of CDL Investments New Zealand Limited

Report on the company and group financial statements

We have audited the accompanying financial statements of CDL Investments New Zealand Limited ("the company") and the group, comprising the company and its subsidiaries, on pages 1 to 19. The financial statements comprise the statements of financial position as at 31 December 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the company and the group.

Directors' responsibility for the company and group financial statements

The directors are responsible for the preparation of company and group financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of company and group financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these company and group financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the company and group financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and group financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company and group's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Our firm has also provided other services to the company and group in relation to taxation and general accounting services. Subject to certain restrictions, partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditor of the company and group. The firm has no other relationship with, or interest in, the company and group.

Opinion

In our opinion the financial statements on pages 1 to 19:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company and the group as at 31 December 2013 and of the financial performance and cash flows of the company and the group for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by CDL Investments New Zealand Limited as far as appears from our examination of those records.

KPMG

14 February 2014

Auckland

DIRECTORS' REVIEW

Financial Performance

The Board of CDL Investments New Zealand Limited ("CDLI") is pleased to report a profit after tax of $13.4 million for the year ended 31 December 2013, an increase of 44.1% from the previous year (2012: $9.3 million). In line with guidance provided earlier in 2013, CDLI achieved its target of bettering its 2012 results and the 2013 result reflected increased sales and development activity across the Company's development portfolio.

CDLI recorded a profit before tax of $18.6 million (2012: $12.9 million). Property sales & other income was $38.4 million (2012: $26.5 million) with 202 sections being sold (2012: 123).

CDLI's shareholders' funds as at 31 December 2013 were $118.9 million (2012: $106.5 million) and the Company's total assets stood at $120.3 million (2012: $108.0 million). The net tangible asset per share (at book value) was 43.3 cents (2012: 39.6 cents).

Dividend Announcement

Reflecting the increased profitability, the Company has resolved to pay an increased fully imputed ordinary dividend of 2.0 cents per share payable on 16 May 2014 (2012: 1.7 cents per share). The record date will be 2 May 2014. The Dividend Reinvestment Plan will apply to this dividend.

Land portfolio

At 31 December 2013, the independent value of CDLI's land holdings was $177.5 million (2012: $157.9 million).

CDLI acquired 5.5 hectares of land situated in Auckland during the year.

Summary and Outlook

The fact that we were able to better our 2012 results in 2013 provides us with confidence that the property market is buoyant. However, we note the caution being exercised by the Reserve Bank in relation to its loan-to-value (LVR) ratios for bank lending and we also note the trend towards increasing interest rates. We welcome the fact that the Reserve Bank has lifted the LVR restrictions for new build homes and we believe that this will have a positive impact on our section sales.

Our focus for 2014 will be ensuring that the Company has sufficient stock to continue to sell and develop at a positive rate. Our sales activity will again be focused in Auckland, Hamilton, and Canterbury and we are excited by the prospect of our first sales at Prestons Road, Christchurch by the end of the year.

Management and staff

The directors and I thank the Company's management and staff for their hard work during 2013 which produced another very good result.

Wong Hong Ren
Chairman
14 February 2014

CDL INVESTMENTS NEW ZEALAND INCREASES PROFITS IN 2013

Property development company CDL Investments New Zealand Limited (**NZX: CDI**) today reported its results for the year ended 31 December 2013.

CDI increased its profit after tax by 44.1% to $13.4 million (2012: $9.3 million) with revenue & other income increasing by 45.0% to $38.4 million (2012: $26.5 million) over the previous year. The Company said that this sales result was its best in the past ten years.

“The fact that we were able to improve on our 2012 results reflects the demand, location and availability of our quality residential sections”, said Managing Director Mr. B K Chiu.

CDI’s land portfolio was independently valued at $177.5 million at 31 December 2013, which was an increase over the previous year. The company also made an acquisition of 5.5 hectares of land in Auckland in late 2013.

CDI’s Board had resolved to increase its dividend to 2.0 cents per share fully imputed (2012: 1.7 cents per share fully imputed) and payable on 16 May 2014. The Record date would be 2 May 2014. The Dividend Reinvestment Plan would apply to this dividend.

On the year ahead, Mr Chiu said, “Our focus will be on ensuring that we have sufficient sections for sale now and a solid development pipeline to meet future demand”.

Summary of results:

• Profit after tax	$13.4 million (2012: $9.3 million)
• Profit before tax	$18.6 million (2012: $12.9 million)
• Total revenue & other income	$38.4 million (2012: $26.5 million)
• Shareholders’ funds	$118.9 million (2012: $106.5 million)
• Total assets	$120.3 million (2012: $108.0 million)
• Net tangible asset value (at book value)	43.3 cents per share (2012:39.6cps)
• Earnings per share	4.92 cents per share (2012:3.50cps)

ENDS

Issued by CDL Investments New Zealand Limited

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