

An aerial photograph of a large-scale residential development. In the foreground, a network of paved roads and a roundabout are visible, with several modern houses already built. To the right, there are large areas of cleared land and construction equipment, indicating ongoing development. A winding lake is situated in the middle ground, reflecting the sky. The background features rolling green hills and distant mountains under a clear sky.

WINTON

WINTON PROPERTY LIMITED
FINANCIAL STATEMENTS
2020

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It is with great pleasure that I present the 2020 Financial Statements for the Winton Property Limited Group (Winton).

2020 has been a year focussed on delivering and growing our pre sales book. In May 2020, Winton extended its contract with the Crown to deliver an additional 1,200 land lots at our Lakeside development, increasing our pre sales book to over 1,500 sales and equating to gross revenue in excess of \$480m over the coming years.

The current economic uncertainty and the Covid-19 crisis will bring challenges in the next period, however the strength of our pre sales book, which is 80% to the Crown, places Winton in a strong and stable position.

Winton sadly lost a treasured colleague Oliver Leighs on 7 July 2020. Oliver was a key part of Winton for over seven years. He was a colleague, a leader and a friend and is dearly missed by all.

On behalf of the Board, and my fellow shareholders, I would like to thank the Winton team for all of their hard work and look forward to the coming year.

CHRISTOPHER MEEHAN
CHAIRMAN / CHIEF EXECUTIVE OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

All VALUES IN \$000'S	NOTE	2020	2019
Revenue		30,776	51,201
Cost of sales		(25,416)	(23,386)
Gross profit		5,360	27,815
Other income		284	550
Interest income		190	448
Property expenses		(293)	(199)
Interest expense and bank fees		(7,325)	(3,617)
Selling expenses		(3,769)	(4,522)
Administrative expenses	4.1	(9,993)	(10,477)
Loss / (profit) before income tax		(15,546)	9,998
Income tax benefit / (expense)			
Current taxation	4.2	2,826	(2,707)
Deferred taxation	4.2	1,402	(93)
Total income tax benefit / (expense)		4,228	(2,800)
(Loss) / profit after income tax		(11,318)	7,198
Movement in currency translation reserve		75	(146)
Total comprehensive income after tax		(11,243)	7,052

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

All VALUES IN \$000'S	NOTE	SHARE CAPITAL	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 JULY 2018		29,100	11,562	87	40,749
Total comprehensive income		-	7,198	(146)	7,052
Issue of shares	4.3	10,000	-	-	10,000
Balance as at 30 JUNE 2019		39,100	18,760	(59)	57,801
Total comprehensive income		-	(11,318)	75	(11,243)
Issue of shares	4.3	10,000	-	-	10,000
Balance as at 30 JUNE 2020		49,100	7,442	16	56,558

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

All VALUES IN \$'000'S	NOTE	2020	2019
CURRENT ASSETS			
Cash and cash equivalents	4.7	16,980	10,951
Accounts receivable, prepayments and other assets	4.4	2,906	2,599
Taxation receivable		166	-
Development property	2	75,174	22,694
Total current assets		95,226	36,244
NON-CURRENT ASSETS			
Development property	2	101,115	104,477
Property, plant and equipment		3,019	2,611
Right-of-use asset		979	-
Intangible assets		123	123
Funds in escrow		1,016	1,009
Deferred tax asset	4.2	1,365	-
Total non-current assets		107,617	108,220
Total assets		202,843	144,464
CURRENT LIABILITIES			
Accounts payable, accruals and other liabilities	4.5	10,785	7,057
Taxation payable		-	2,740
Total current liabilities		10,785	9,797
NON-CURRENT LIABILITIES			
Borrowings	3, 4.7	133,704	75,843
Lease liability		790	-
Deferred tax liability	4.2	-	37
Long term deposits	4.6	1,006	986
Total non-current liabilities		135,500	76,866
Total liabilities		146,285	86,663
Net assets		56,558	57,801
EQUITY			
Share capital	4.3	49,100	39,100
Foreign currency translation reserve		16	(59)
Retained earnings		7,442	18,760
Total equity		56,558	57,801

These consolidated financial statements are signed on behalf of Winton Property Limited on 25 September 2020.



CHRISTOPHER MEEHAN
CHAIRMAN



MICHAELA MEEHAN
DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

ALL VALUES IN \$'000'S

NOTE

2020

2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers		31,068	52,196
Interest received		191	448
Net GST received / (paid)		489	(286)
Payment to suppliers and employees		(82,743)	(67,175)
Purchase of development land		-	(18,000)
Interest and other finance costs paid		(5)	(4,118)
Income tax paid		(80)	(4,294)
Net cash flows from operating activities		(51,080)	(41,229)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment		(452)	(1,245)
Net cash flows from investing activities		(452)	(1,245)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from the issue of new shares	4.3	10,000	10,000
Net proceeds from Clipper facility		47,560	75,000
Net repayment of Carter Group facility		-	(40,000)
Net repayment of BNZ Northlake facility		-	(12,120)
Net repayment of related party loans		1	1,104
Net cash flows from financing activities		57,561	33,984
Net increase / (decrease) in cash and cash equivalents		6,029	(8,490)
Cash and cash equivalents at beginning of year		10,951	19,441
Cash and cash equivalents at end of year		16,980	10,951

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

This section sets out the basis upon which the Group's Financial Statements are prepared. Specific accounting policies are described in the note to which they relate.

1.1. Reporting entity

These financial statements are for Winton Property Limited (the Company) (formerly Winton Partners Land Limited) and its subsidiaries (the Group). The Company is a limited liability company incorporated in New Zealand and is registered under the New Zealand Companies Act 1993. The Group's principal activity is the development and sale of residential land properties.

1.2. Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') as a Tier 2 for-profit entity in accordance with XRB A1 Accounting Standards Framework (For-Profit Entities Update), and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The Company qualifies to report under Tier 2 as it has no public accountability. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with the Act.

The financial statements have been prepared on the historical cost basis except where otherwise identified. All financial information is presented in New Zealand dollars and has been rounded to the nearest thousand.

1.3. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

1.4. Basis of consolidation

The consolidated financial statements comprise the Company and the entities it controls. All intercompany transactions are eliminated on consolidation.

1.5. Critical judgements, estimates and assumptions

In applying the Group's accounting policies, the Board and Management continually evaluates judgements, estimates and assumptions that may have an impact on the Group. The significant judgements, estimates and assumptions made in the preparation of these financial statements are as follows:

4.2. Taxation (Page 12)

1.6. Accounting policies

No changes to accounting policies have been made during the year, other than following the adoption of new standards outlined in section 1.7, which follows below, and policies have been consistently applied to all years presented.

Significant accounting policies have been included throughout the notes to the financial statements. Other relevant policies are provided as follows:

Revenue

Revenue represents amounts derived from land and property sales. Land and property sales are recognised when the customer obtains control of the property and is able to direct and obtain the benefits from the property.

Goods and services tax

These financial statements have been prepared on a goods and services tax (GST) exclusive basis except for the accounts receivable balance, accounts payable balance and other items where GST incurred is not recoverable. These balances are stated inclusive of GST.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION (Continued)

1.7. Adoption of new standards

The Group has adopted NZ IFRS 16 'Leases' (effective date of 1 January 2019) on 1 July 2019, as required, which has replaced the previous guidance in NZ IAS 17. NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets: however, this exemption can only be applied by lessees.

The Group has identified the lease of its head office as the only right-of-use asset and lease liability recognised due to NZ IFRS 16, and the impact of adopting the standard is not material to the Group. The simplified retrospective transition method allows the Group to calculate the lease liability and the right-of-use asset based on the remaining cash flows discounted at transition date "incremental borrowing rate", being the interest rate of the Clipper facility, 8%. It does not require a restatement of the prior period presented and there is no impact requiring an adjustment to equity.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

2. DEVELOPMENT PROPERTY

This section shows the real estate assets used to generate the Group's trading performance which are considered to be the most relevant to the operations of the Group.

ALL VALUES IN \$000's	2020	2019
Expected to settle within one year	75,174	22,694
Expected to settle greater than one year	101,115	104,477
Total development property	176,289	127,171

Recognition and Measurement

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. All holding costs are expensed 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. During the year ended 30 June 2020, \$3,078,000 of interest has been capitalised to development properties (2019: \$1,494,000). Interest and other holding costs incurred after completion of development are expensed as incurred. Development property includes deposits paid on unconditional contracts for development land.

The carrying amounts of the development property 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. The recoverable amount of an asset is the greater of its 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 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. Whenever the carrying amount of an asset of its cash-generating unit exceeds its recoverable amount the impairment loss is recognised in profit or loss.

As at 30 June 2020, the fair values of the development properties have been assessed by management who have prepared internal valuations and the total value is in excess of the carrying value, therefore there is no indication of impairment.

The fair value of development property as determined by management 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 rates 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).

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

3. BORROWINGS

This section outlines how the Group manages its capital structure, financing costs and exposure to interest rate risk.

(i) Net borrowings

All VALUES IN \$000'S	2020	2019
Clipper facility drawn down	133,796	75,955
Unamortised borrowings establishment costs	(92)	(112)
Net borrowings	133,704	75,843

Recognition and Measurement

All borrowings are initially measured at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Under this method, directly attributable fees, costs, discounts and premiums are capitalised and spread over the expected life of the facility. All other interest costs and bank fees are expensed in the period they are incurred.

(ii) Clipper facility

On 13 May 2019, the Group entered into a debt facility with Clipper for \$130,000,000 plus capitalised interest and capitalised fees. The facility expires 12 May 2023.

(iii) Carter Group facility

On 22 May 2018, the Group entered into a debt facility with Carter Group for \$40,000,000. The facility was repaid and cancelled on 13 May 2019.

(iv) Security

The Clipper facility is secured by way of a general security deed provided by the Group companies (except Beaches Developments Limited, Bellbird Shelf Pty Limited, Lakes Edge Developments Limited, Frances Street Developments Pty Limited, Northlake Hotels Limited, Northbrook Retirement Villages Limited, Northbrook Te Kauwhata Limited, Northbrook Wanaka Limited, River Terrace Developments Limited, River Terrace Residential Limited, Winton Advisory Limited, Winton Capital Limited, Winton Partners Bellbird Pty Limited, Winton Property Investments Limited and Winton Commercial Limited) and registered mortgage security across the development properties (except the Beaches development, the Northlake Hotel development, the North Ridge development and the River Terrace development).

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER

This section includes additional information that is considered less significant in understanding of the financial performance and position of the Group, but must be disclosed to comply with New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') as a Tier 2 for-profit entity in accordance with XRB A1 Accounting Standards Framework (For-Profit Entities Update).

4.1. Administrative expenses

ALL VALUES IN \$000's	2020	2019
Auditors remuneration:		
Audit of annual financial statements	(73)	(73)
Tax compliance and advisory fees	(125)	(105)
Depreciation (including right-of-use asset)	(488)	(265)
Directors' fees	(16)	(37)
Doubtful debts expense	(235)	(317)
Employee benefits expense	(5,645)	(6,808)
Operating lease and rental payments	(60)	(390)
Other expenses	(3,351)	(2,482)
Total administrative expenses	(9,993)	(10,477)

4.2. Taxation

(i) Current taxation

ALL VALUES IN \$000's	2020	2019
Loss / profit before income tax	(15,546)	9,998
Prima facie income tax calculated at 28%	4,353	(2,799)
Adjusted for:		
Non-tax deductible revenue and expenses	(198)	(113)
Movement in temporary differences	617	72
Current tax prior period adjustment	45	158
Tax losses not utilised	(1,991)	(25)
Current taxation benefit / (expense)	2,826	(2,707)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.2. Taxation (Continued)

(ii) Deferred taxation

ALL VALUES IN \$000's	2018 AS AT	2019 RECOGNISED IN PROFIT	2019 AS AT	2020 RECOGNISED IN PROFIT	2020 AS AT
Deferred tax assets					
Employee benefits	233	(36)	197	167	364
Accounts payable, accruals and other liabilities	22	63	85	(39)	46
Lease liability	-	-	-	284	284
Losses available for offsetting against future taxable income	61	25	86	2,002	2,088
Gross deferred tax assets	316	52	368	2,414	2,782
Deferred tax liabilities					
Accounts receivable, prepayments and other assets	160	(160)	-	7	7
Property, plant and equipment	3	(1)	2	-	2
Right-of-use asset	-	-	-	274	274
Development properties	97	306	403	731	1,134
Gross deferred tax liabilities	260	145	405	1,012	1,417
Net deferred tax (liability) / asset	56	(93)	(37)	1,402	1,365

Recognition and Measurement

Tax is accounted for on a consolidated Group basis and the Group is required to pay tax to the Inland Revenue as required by the Income Tax Act 2007. Income tax expense comprises current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income for the year.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax assets and liabilities on a net basis.

Additional income tax arising from distribution of dividends is recognised at the same time as the liability to pay the dividend is recognised.

Key estimates and assumptions: Deferred Tax

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.3. Capital and reserves

	2020 SHARES '000s	2020 \$000's	2019 SHARES '000s	2019 \$000's
Shares issued 1 January	198,595	39,100	191,276	29,100
Shares issued during the year	7,222	10,000	7,319	10,000
Total shares issued and outstanding	205,817	49,100	198,595	39,100

On 30 June 2020, the Company issued 7,221,639 shares in exchange for \$10,000,000 cash which the Company used for working capital.

On 14 May 2019, the Company issued 7,319,084 shares in exchange for \$10,000,000 cash which the Company used for working capital.

All shares on issue are fully paid, carry equal voting rights, share equally in dividends and any surplus on wind up and have no par value. All shares are recognised at the fair value of the consideration received by the Company.

4.4. Accounts receivable, prepayments and other assets

ALL VALUES IN \$000's	2020	2019
Accounts receivable	248	640
Provision for doubtful debts	(235)	(620)
Prepayments and other assets	2,893	2,579
Total accounts receivable, prepayments and other assets	2,906	2,599

Recognition and Measurement

Accounts receivable are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Receivables are assessed on an ongoing basis for impairment. A provision for doubtful debts is established where there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Those which are anticipated to be uncollectable are written off.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.5. Accounts payable, accruals and other liabilities

ALL VALUES IN \$000's	2020	2019
Accounts payable	4,900	3,902
Accruals and other liabilities in respect of development properties	2,086	1,312
Accruals and other liabilities	3,799	1,843
Total accounts payable, accruals and other liabilities	10,785	7,057

Recognition and Measurement

Expenses are recognised on an accruals basis and, if not paid at the end of the reporting period, are reflected as a payable in the Consolidated Statement of Financial Position.

4.6. Long term deposits

Long term deposits as at 30 June 2020 of \$1,006,000 (2019: \$986,000) represent deposits paid by customers for future land purchases.

4.7. Financial instruments

The following financial assets and liabilities, that potentially subject the Group to financial risk, have been recognised in the financial statements:

ALL VALUES IN \$000's	2020	2019
Financial assets		
Cash and cash equivalents	16,980	10,951
Accounts receivable and other assets	2,906	2,599
Funds in escrow	1,016	1,009
Total financial assets	20,902	14,559
Financial liabilities		
Accounts payable, accruals and other liabilities	10,785	7,057
Lease liability	790	-
Borrowings	133,704	75,843
Long term deposits	1,006	986
Total financial liabilities	146,285	83,886

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.8. Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk, and liquidity risk. The Group's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events

(a) Interest rate risk

The Group has no exposure to the risk of changes in interest rates as none of the Group's borrowings at 30 June 2020 and 30 June 2019 have floating interest rates.

(b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge its obligations and the Group will suffer financial loss as a result. Financial instruments which potentially subject the Group to credit risk consisting of cash and cash equivalents, accounts receivable and other assets.

With respect to the credit risk arising from cash and cash equivalents, there is limited credit risk as cash is deposited with Bank of New Zealand Limited, a registered bank in New Zealand with a credit rating of AA- (Standard & Poor's).

With respect to the credit risk arising from accounts receivable, the Group only enters into arrangements over its development properties with parties whom the Group assesses to be creditworthy. Credit risk does not arise on property sale proceeds to be settled as title will not transfer until settlement.

The carrying amount of financial assets as per note 4.7 approximates the Group's maximum exposure to credit risk.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.8. Financial risk management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will have difficulty realising assets and raising sufficient funds to satisfy commitments associated with financial liabilities.

The table below analyses the Group financial liabilities (principal and interest) by the relevant contracted maturity groupings based on the remaining period as at 30 June 2020 and 30 June 2019.

ALL VALUES IN \$000's	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS				TOTAL
		0-1 YEAR	1-2 YEARS	2-5 YEARS	> 5 YEARS	
Accounts payable, accruals and other liabilities	10,785	10,785	-	-	-	10,785
Lease liability	790	-	243	547	-	790
Borrowings	133,704	-	-	133,704	-	133,704
Long term deposits	1,006	-	-	1,006	-	1,006
Total as at 30 June 2020	146,285	10,785	243	135,257	-	146,285
Accounts payable, accruals and other liabilities	7,057	7,057	-	-	-	7,057
Borrowings	75,843	-	-	75,843	-	75,843
Long term deposits	986	-	-	986	-	986
Total as at 30 June 2019	83,886	7,057	-	76,829	-	83,886

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through maintaining an optimal balance of debt and equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital structure includes borrowings and shareholders equity. The Group monitors capital on the basis of the loan to value ratio and borrowing covenant compliance. The loan to value ratio is calculated as borrowings divided by the value of development properties. The Group's strategy is to maintain a loan to value ratio of no more than 50%.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER (Continued)

4.9. Related party transactions

The Group has related party relationships with its subsidiaries, its Directors and companies outside the Group that the Directors are Shareholders of. As at 30 June the Group had the following related party balances included in accounts receivable, prepayments and other assets and accounts payable, accruals and other liabilities.

ALL VALUES IN \$000's	2020	2019
Accounts receivable, prepayments and other assets:		
Loan to directors	22	23
Net related party balance	22	23

On 27 August 2019, the net balance receivable as at 30 June 2019 of \$23,000 was repaid to the Group in cash.

Transactions with key management personnel for the year were \$1,548,000 (2019: \$1,522,000) and this is included in "administrative expenses" (see Note 4.1).

4.10. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors. The Group is internally reported as a single operating segment to the chief operating decision-maker.

4.11. Capital commitments

As at 30 June 2020, the Group has entered into contracts for capital expenditure on development properties of \$34,414,000 (2019: \$101,629,000).



Independent Auditor's Report

To the shareholders of Winton Property Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Winton Property Limited (the 'company') and its subsidiaries (the 'group') on pages 4 to 18:

present fairly in all material respects the Group's financial position as at 30 June 2020 and its financial performance and cash flows for the year ended on that date; and

comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2020;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



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 the group 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'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has also provided other services to the group in relation to tax compliance and advisory services. 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.



Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. 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 other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. 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, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime);
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability 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 consolidated 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 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 these consolidated financial statements.

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

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

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



KPMG
Auckland

25 September 2020

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chris Meehan (Chairman / Chief Executive Officer)

Michaela Meehan (Non-Executive Director)

David Liptak (Non-Executive Director)

MANAGEMENT TEAM

Simon Ash (General Manager)

Justine Hollows (General Counsel & Company Secretary)

Jean McMahon (Chief Financial Officer)

REGISTERED OFFICE & CONTACT DETAILS

Level 4, 10 Viaduct Harbour Avenue, Auckland, 1010

PO Box 105526, Auckland 1143

Telephone: +64 9 377 7003

Website: www.winton.nz

AUDITORS

KPMG, Auckland

WINTON