

2022 ANNUAL REPORT



Sabina Applecross. Another award winning development.

Contents

3

Chairman's Report

09

Key Financial Metrics

17

Environmental Social Governance

21

Completed Projects

37

Investment Properties

5

Managing Director's Report

13

Finbar Milestones

19

Finbar Amenities

26

Projects Under Construction

40

Financial Report

15

Our Finbar

20

Finbar Awards

31

Future Projects

Finbar. Setting the bar sky high since '95.

Retrace your steps 27 years into the past to a time when a growing, sprawling city was aching for innovation. This is where the Finbar story began, small and humble, inspired by an ambitious vision to transform how Perth lives. Fast forward 75 landmark developments and over 6,655 apartments later, Finbar has evolved into WA's largest apartment developer, trusted and celebrated for redefining the skyline of one of the most liveable cities in the world.

Chairman's Report

Message from
The Chairman



JOHN CHAN

“ Finbar has delivered a net profit after tax of \$10.98 million for the 12 months to 30 June 2022, which represents an increase of 24 per cent over the previous financial year. ”

Dear Shareholder,

I am pleased to present Finbar Group's Annual Report for 2022.

Finbar has delivered a net profit after tax of \$10.98 million for the 12 months to 30 June 2022, which represents an increase of 24 per cent over the previous financial year.

It is the 26th consecutive profit reported by your Company, a record that gives your Board and management great satisfaction as we navigate the cyclical market conditions.

The Company ended the financial year with \$33.2 million in cash. In the current environment, I believe cash management is the most important area on which management must remain focused.

Our efforts in this area mean that, coupled with the cash commitments from our joint venture partners at our joint venture projects, the Company is adequately capitalised to fulfill all working capital commitments and contingency provisions for all projects currently under construction.

For shareholders, Finbar was able to announce a final dividend of \$0.02 per share fully franked, taking the full year dividend to \$0.04 per share.

Finbar recorded its strongest sales period since 2015 with 443 lots sold to the value of \$293.5 million. Of the 443 sales contracts secured, 117 lots with a value of

\$65.7 million were of completed stock, and 326 sales to the value of \$227.8 million related to off-the-plan sales for projects both currently under construction or due to commence in the current financial year.

Last year I said that the market for apartment developers had become more difficult, with developers having to commence projects without the previously-expected levels of pre-sales.

Combined with the rapid increases we have experienced in construction and labour costs, this has caused a sharp decrease in the supply of new apartments into the domestic market.

Research from the Property Council of Australia found that more than a third of Perth's approved pipeline of apartment developments – and a further \$2.2 billion of apartment projects yet to achieve development approval – are on hold and may not proceed.

The reasons for this are many, but the escalation in costs of construction, materials and labour are contributing factors.

The Company ended the financial year with \$33.2 million in cash. In the current environment, I believe cash management is the most important area on which management must remain focused.

Finbar has a competitive advantage in this market, because of its cash management and balance sheet strength and its ability and preference to enter joint ventures with similarly minded and financially strong partners. This has enabled it to continue to commence major projects, albeit with a lower gearing of bank finance than you would expect in a more normalised market.

It means we will be delivering Finbar apartment projects that we have already commenced into a market that is forecast to be under-supplied this financial year and next.

I said last year, and it remains my strong belief, that a lower number of apartments available for sale in the market in coming years will lead to price appreciation. The broader Western Australian economy remains strong with record high employment, increased immigration and the early signs of wages growth.

With the cost of materials and labour continuing to rise, the prices for apartments must increase to compensate. I believe we are already seeing evidence of this in Western Australia, even with the recent increases in interest rates.

Finbar is not immune to the strong increases in development costs for its projects, although with our dedicated exclusive builder Hanssen, we have worked to mitigate these where we can through the forward purchases of bulk materials and scheduling of major projects. Although we have experienced increased costs and slower construction progress, it has been at significantly lower rates than industry peers.

As a result, I expect Finbar to benefit from a lift in sales prices for its apartments as it completes its projects this financial year and into the 2024 financial year.

Our strong focus on cash flow means we continue to be selective in site selection and in choosing potential joint venture partners for future projects. Our current pipeline of projects is sufficient for the next five years and we are in a position where we do not feel under pressure to enter agreements or to acquire development sites.

6,655 apartments since 1994 which equates to providing a home for more than 20,000 Western Australian residents.

Finbar applies very strict criteria and metrics to potential acquisitions since it first commenced operations and this has served the company well.

Finbar has developed more than 6,655 apartments since 1994 which equates to providing a home for more than 20,000 Western Australian residents. I am pleased that our reputation for quality, for delivery and for customer service, which we have built up over many years, has helped us continue to perform and deliver projects in the current challenging environment.

I want to take the opportunity to thank our builder, Hanssen, our joint venture partners and our banking partners for their ongoing support. ■

John Chan
Chairman

Managing Director's Report

Message from
The Managing Director



DARREN PATEMAN

“Approximately \$657 million in completed project value should be delivered to the market in the 2024 financial year as Finbar completes Civic Heart, Aurora, and The Point.”

Finbar has this year delivered a net profit after tax of \$10.98 million which is a pleasing result given the challenging business environment and a 12-month period where the company has been focused on the construction and delivery of some very significant scale projects.

Despite having a relative lack of completed product available, Finbar achieved its strongest sales period since 2015 with 443 lots sold with a value of \$293.5 million. Sales were boosted by the completion and settlement of 89 sold lots to the value of \$41.5 million at the Company's wholly owned Dianella Apartments project in the first half of the financial year along with the sell down of all remaining residential lots across all other completed projects.

Of the 443 sales contracts secured, 117 lots to the value of \$65.7 million relate to the sale of completed stock, and 326 sales to the value of \$227.8 million relate to off-the-plan sales for projects both under construction – AT238 in Perth, Civic Heart in South Perth, Aurora in Applecross and The Point in Rivervale – and at Garden Towers in East Perth which is due to commence early in the second half of the current financial year.

The Company has just 32 lots remaining for sale at Dianella, with no other completed residential stock available.

Finbar has achieved healthy sales of off-the-plan apartments at two of its most recent projects – The Point and Garden Towers having sold apartments to the value of

\$66.9 million at The Point, with apartments with a finished value of approximately \$34.0 million remaining. The Point is scheduled for completion in the 2024 financial year.

At Garden Towers, which was released to the market towards the end of the 2022 financial year, Finbar had achieved \$52.7 million in pre-sales at the record date, with approximately \$196.5 million remaining for sale and works expected to commence in the second half of the Financial Year.

Finbar has projects valued at more than \$750 million currently under construction and scheduled for delivery over coming years.

Like the rest of the industry, Finbar has had to deal with increasing costs of materials, issues with labour availability and other supply chain constraints.

The Company has worked closely with its primary contractor to mitigate these cost increases, however Finbar projects have also seen the increased costs and slower construction progress that is common in the sector, albeit at lower rates than industry peers.

Finbar is comfortable that any cost increases across its projects are within previously provided feasibility contingencies. It also expects to protect margins as these projects are completed from the continued lifting of sales prices as it delivers new product into a market that will have limited supply and healthy demand.

As at June 30 2022, Finbar held \$33.2 million in cash and is adequately capitalised to meet all of its working capital commitments, including contingency provisions, for all of its projects currently under construction, as well as pay a fully franked final dividend of \$0.02 to shareholders.

In the current financial year Finbar will complete the AT238 apartment tower on the eastern edge of the Perth CBD with settlements likely to occur in the second half of the financial year.

As at June 30, Finbar had sold apartments valued at \$35 million at AT238, with approximately \$62 million remaining for sale. Along with the remaining apartments yet to be sold at Dianella, these will be the only completed apartments available for sale this financial year.

Based on current timing of projects, the Company anticipates revenue for the 2023 financial year will be second half weighted with the completion of AT238 and the revenues for pre-sold units anticipated to be received in February 2023.

Approximately \$657 million in completed project value should be delivered to the market in the 2024 financial year as Finbar completes Civic Heart, Aurora, and The Point. Whilst these projects are still at early stages of construction progress we currently expect them to be completed in the 2024 financial year.

A contributor to Finbar's 2022 financial year profit was an increase in valuation in the Company's Karratha apartments of \$5.1 million (after provision for taxation).

Finbar developed the Pelago apartments in 2012 and has held about 100 apartments as an ongoing investment since then, generating a strong rental income stream for the company. The 2022 financial year saw rental revenue for the apartments increase by 6 per cent.

Pelago continues to be an attractive wholly owned asset for Finbar where it is seeing strong increases in rental rates and high long-term occupancy.

Current elevated construction costs in Western Australia, and in particular regional Western Australia, means the risk of any viable new apartments being developed in Karratha is minimal and as Finbar continues to own a large portion of the most attractive and well positioned rental apartments in the city that is unlikely to be replicated in the foreseeable future.

Finbar's focus in the current financial year is the successful completion and delivery of AT238 and progressing the construction of Civic Heart, Aurora and The Point.



At Civic Heart, all sub-basement and most podium works have been successfully completed with the first (and smaller) tower now becoming a feature of the South Perth skyline and the larger tower to soon be visible from the streetscape. The current estimate for completion of this major project is in the second half of FY 2024.

Basement structural work is well underway at Aurora and The Point, with both of these projects also expected to be completed in FY 2024.

In closing, I want to echo the sentiments of our Chairman John Chan, in thanking our major project finance partners Commonwealth Bank and Westpac Banking Corporation, who continue to provide strong support to Finbar.

I also want to thank senior management and staff across the group who have all contributed to the results Finbar has reported despite the challenging and difficult operating conditions being experienced by businesses closely linked to the construction sector.

Thank you for your ongoing support and interest in Finbar Group. ■

Darren Pateman
Managing Director

We've built our name on the back of an enviable track record delivering high-quality apartment developments in Perth's best locations, reliably and consistently. The result speaks for itself - hundreds of new apartments recognised with prestigious awards, securing financial strength and stability for the company, healthy dividends for investors, and better lifestyles for contented residents.

2021 Winner

Property Council WA
Best Residential Development (5 storeys or more) award for Sabina Applecross.

443 apartments sold during the year with a total value of **\$293.5m**

Finbar has this year delivered a net profit after tax of

\$10.98m

24% increase on the previous financial year.

\$753.9m of apartments under construction.

Final Dividend FY22:

\$5.44m

\$0.04

per share fully franked dividend for the full year.

27 years on the ASX

Over 70% of buyers say the reputation of the developer is critical when choosing an apartment. **Our reputation is everything to us.**

100% delivery on **6,655** apartments over **75** landmark developments. Delivering on our commitment to develop better lifestyles.

1.2 sales per day in FY22.

89% of customers would recommend Finbar to a friend. **Word of mouth is our strongest asset.**

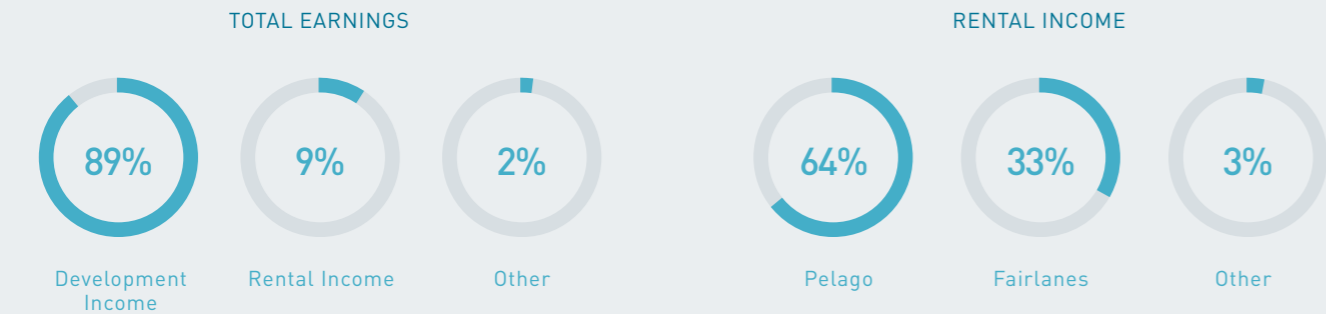
84% of our customers rated buying 'off the plan' easy.

Consistently achieving **8-star** NatHERS rating
★★★★★★

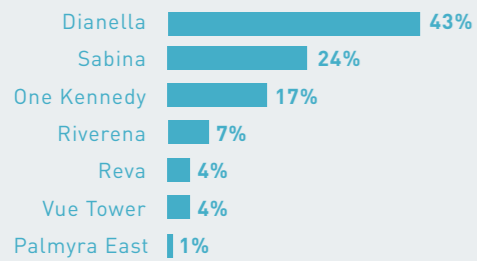


Key Financial Metrics

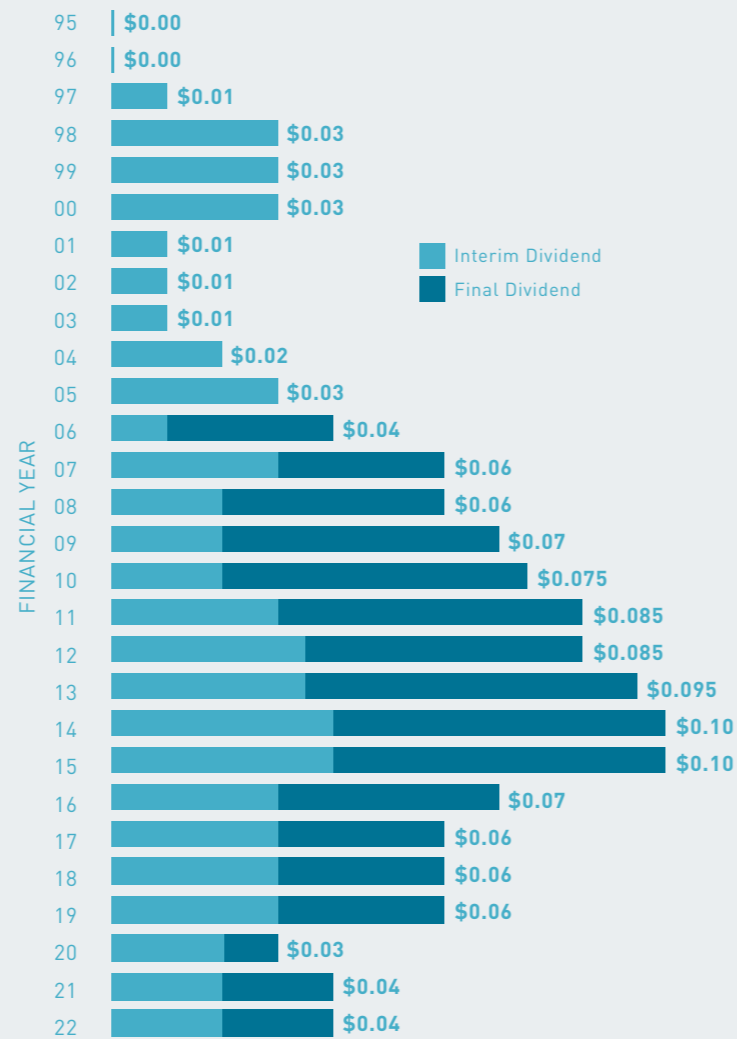
SOURCE OF EARNINGS



DEVELOPMENT INCOME



FULLY FRANKED DIVIDEND PER YEAR (CENTS)



Finbar has rewarded shareholders with a fully franked dividend for the past 25 years, the last 17 by way of an interim and a final. The dividend paid for the full year ended 30 June 2022 is **\$0.04** per share fully franked.

\$293.5m
FY22 Sales

\$10.98m
after tax profit

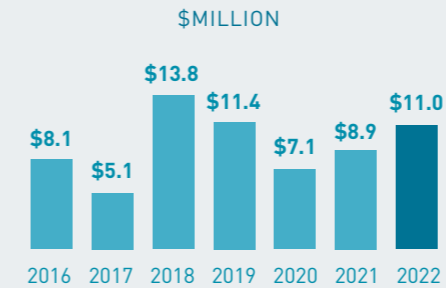
\$18.7m
average sales of off-the-plan
apartments per month

\$5.5m
average sales of completed
apartments per month

24%
increase in profit

\$0.04
Dividend per share FY 22

NET PROFIT AFTER TAX



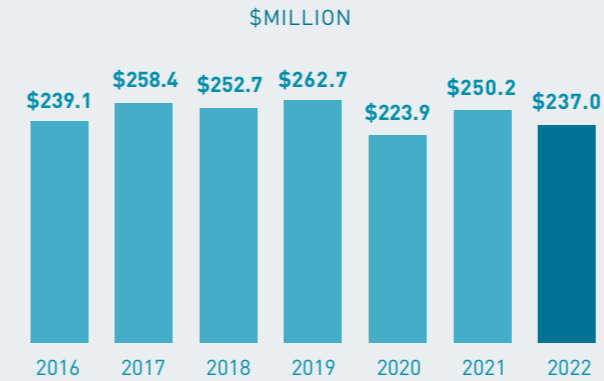
Finbar's Net Profit After Tax increased by **\$2.1 MILLION**

EARNINGS PER SHARE



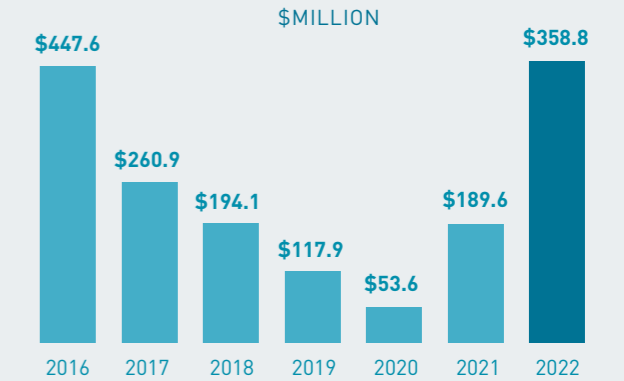
Finbar's EPS increased by **23%** to **\$0.04**

ENTERPRISE VALUE



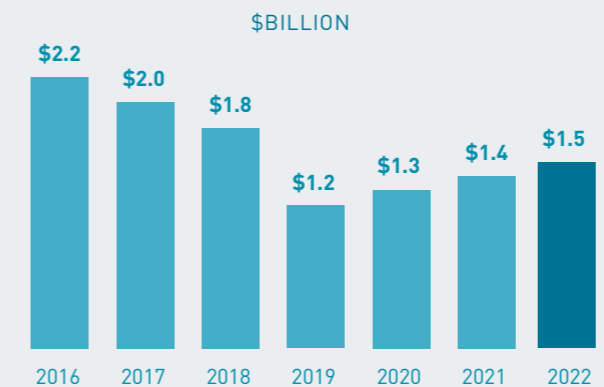
Finbar's Enterprise Value decreased by **5.26%** to **\$237.0 MILLION**.

PRESALES BOOK VALUE



The increase in Presales for FY2022 to **\$358.8 MILLION** was due to sales achieved at Civic Heart, AT238, Aurora, The Point and Garden Towers.

PROJECT PIPELINE VALUE



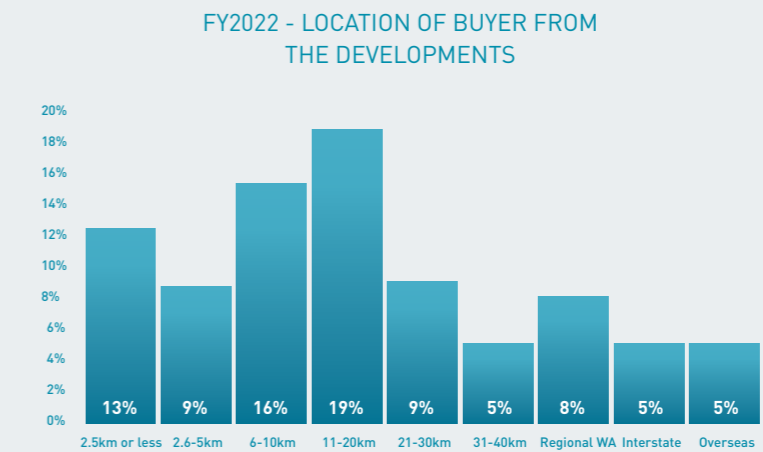
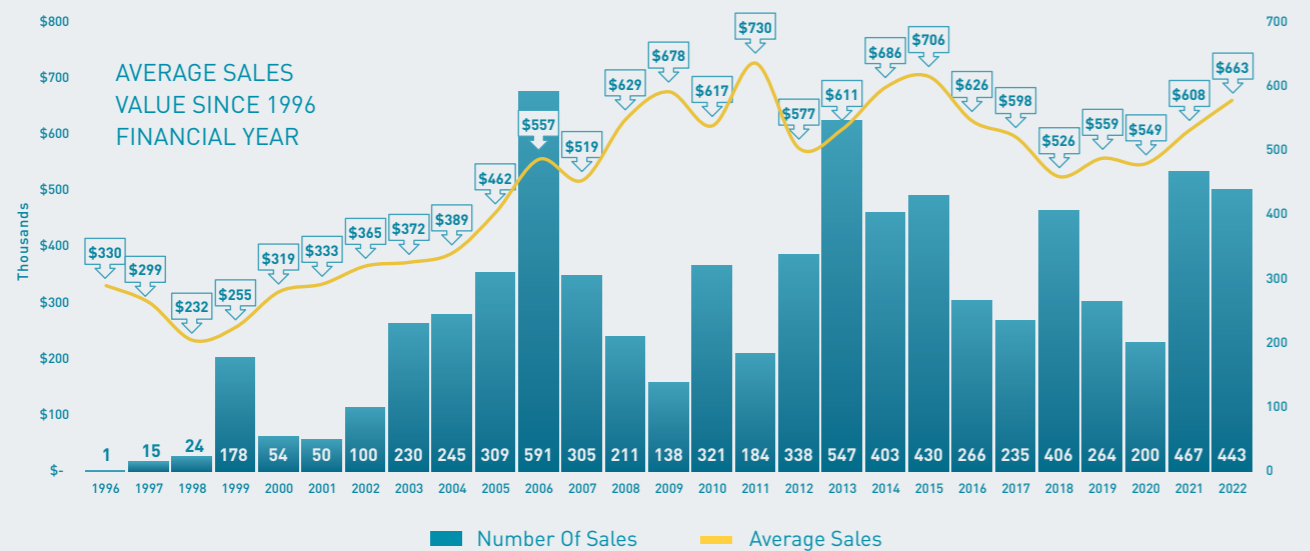
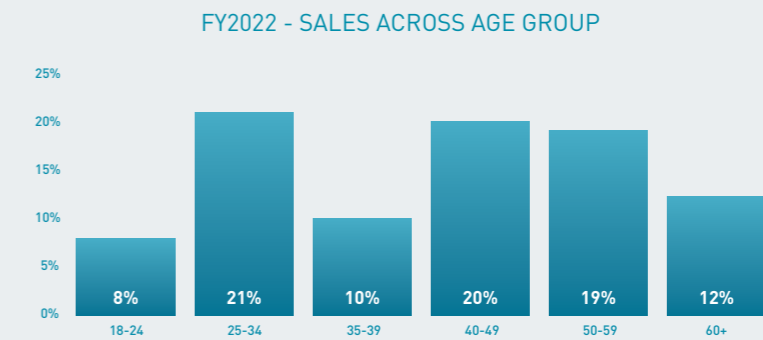
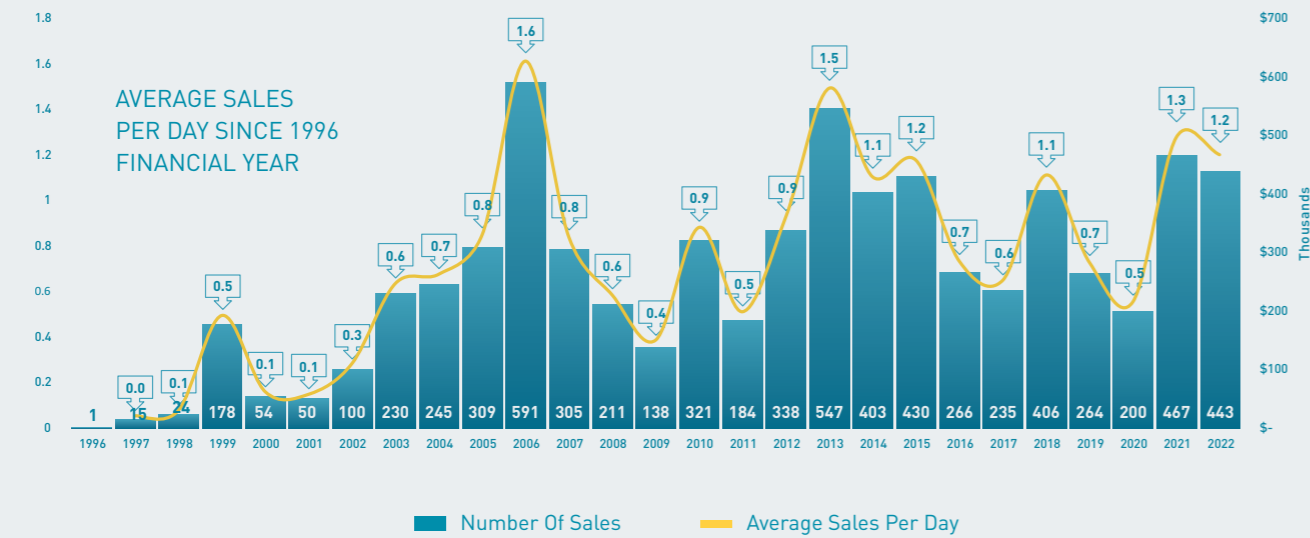
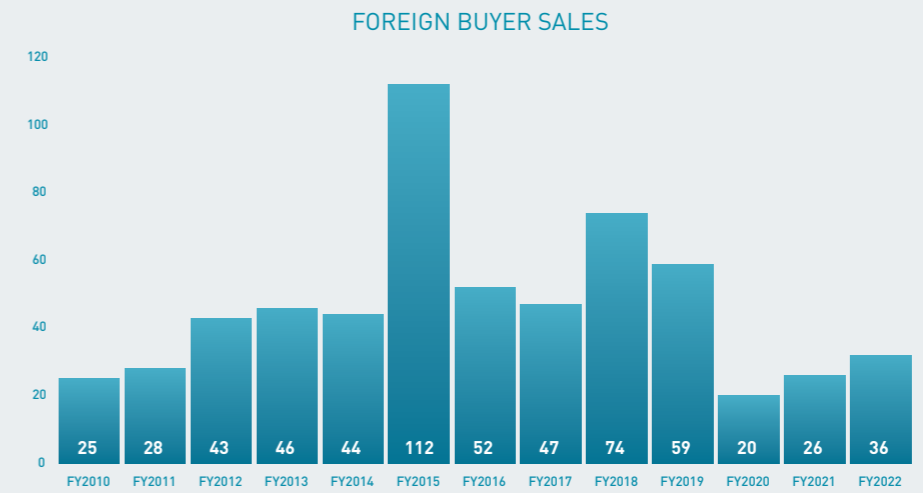
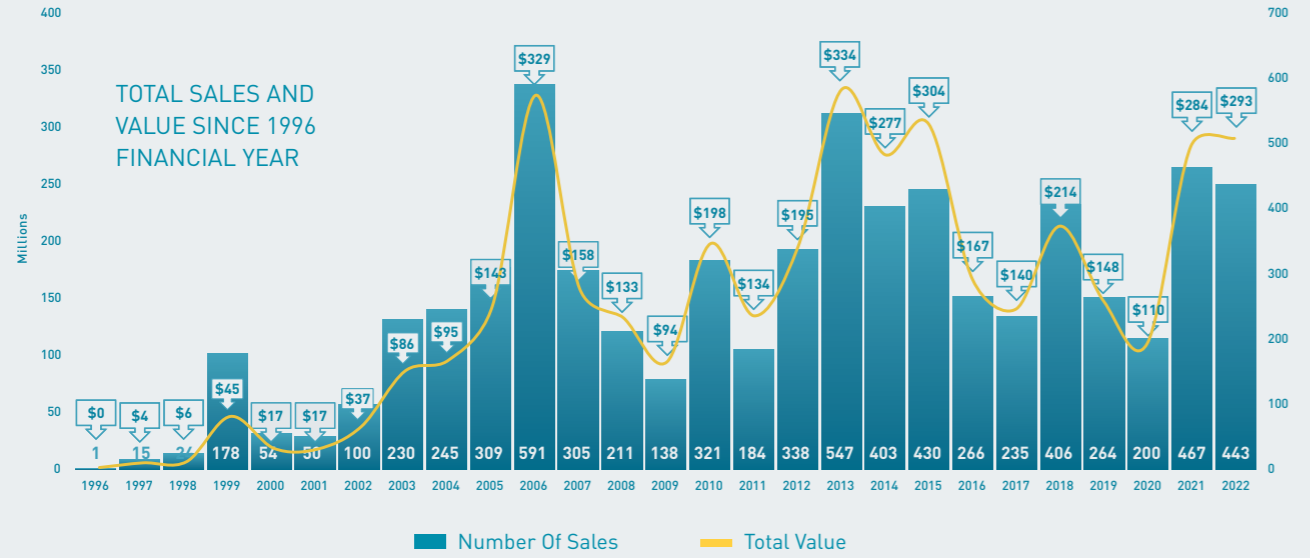
Finbar maintains a robust Project Pipeline of **\$1.5 BILLION** to ensure that the company can capitalise on changing market conditions and bring new product to the market as quickly and efficiently as possible to maximise shareholder returns.

TOTAL DEVELOPED UNITS



Total Developed Units reached **6,655** by the end of FY2022 with the addition of **128 units** from the completion of Dianella. Finbar continues to position itself as the largest residential apartment developer in Western Australia.

Key Financial Metrics continued



Finbar Milestones

27 years on the ASX

In our 27th year on the ASX, our shareholders benefit from a strong sales and settlement cashflow environment.



1000 apartments milestone



Completed Westralian, first luxury project on Terrace Road, East Perth

\$10m net profit milestone

\$20m net profit milestone

Secured first Pilbara project, Pelago West, Karratha

Pelago West awarded Judge's and UDIA High Density Development



Record launch at Aurelia, with \$66m of sales in the 1st month

Completed Finbar's largest development to date, Subi Strand

Spring View Towers awarded winner UDIA High Density Development



Completed WA's tallest residential apartment development to date, Concerto

Completed over \$3b worth of developments since 1995

5,000 apartment milestone

Concerto awarded winner UDIA High Density Development



Completed three projects; Palmyra East, Vue Tower and Reva consisting 414 residential apartments and 23 commercial lots

Commenced construction at AT238 and Civic Heart

ASX
Lists on ASX as Property Development Company operating out of a 2 bedroom Como apartment
Commenced 1st Development Seville on the Point, South Perth

\$1m net profit milestone

1995 1997 1998 2001 2005 2006 2008 2009 2010 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Completed 1st Development Seville on the Point, South Perth
Maiden net profit \$0.7m



Relocated to first corporate office, Preston Street South Perth (4 staff)

\$100m market capitalisation

Inclusion in All Ordinaries Index



2000 apartments milestone

Completed company's first Pilbara project

Fairlanes awarded winner UDIA High Density Development

Relocated to Fairlanes building, East Perth (13 staff)



3,000 apartment milestone



Launched WA's tallest residential building, Concerto

St. Mark's awarded winner UDIA High Density Development and Urban Renewal

\$36.5m after tax profit



Four projects; Norwood, Arbor North, Unison on Tenth and Linq consisting of 492 apartments and 10 ancillary commercial tenancies worth \$249.3m completed



Completed two projects; Aurelia and Aire West Perth consisting of 296 apartments, 64 serviced apartments and 22 commercial lots

Commenced construction on four projects, Vue Tower, Reva, Palmyra East and Sabina consisting of 582 apartments and 26 commercial lots

25th Year on the ASX

Completed three projects; Sabina, Riverena and One Kennedy consisting of 415 apartments worth \$223.5m completed



6000 apartments milestone

Completed Dianella Apartments

Commenced construction on two projects; The Point and Aurora

Sabina awarded Property Council WA Best Residential Development (5 storeys or more) and UDIA Judges Commendation in the High Density Development Category



27 years ago, with three staff operating out of a makeshift office and a vision to build better lifestyles, Finbar listed on the ASX. Today, we are WA's leading and most trusted residential apartment developer.

Our Finbar

Finbar is at the forefront of Western Australia's lifestyle property market, pushing the boundaries to deliver some of Perth's best medium to high density residential apartments and commercial properties.



JOHN CHAN

Executive Chairman
27 years

DARREN PATEMAN

Managing Director
27 years

RONALD CHAN

Executive Director
18 years

KEE KONG LOH

Non-Executive Director

LEE VERIOS

Non-Executive Director

TERENCE PEH

Non-Executive Director

OUR PEOPLE

- A team of 18 staff in Finbar's head office
- A team of 7 staff in Finbar to Rent
- A team of 3 staff in Finbar Sales
- Includes a management team with strong leadership skills and an excellent track record
- Are led by experienced and long serving management focusing on decisions that benefit the company for the long term

OUR BUSINESS

- Retains a strong brand and a highly regarded reputation in WA
- Operates on a low cost base providing attractive profit margins and shareholder returns
- Maintains exemplary relationships with suppliers and stakeholders
- Manages a pipeline of projects to ensure economies of scale and future growth

OUR COMMITMENT

- Our commitment to our customers, shareholders, state and local government and the environment has seen Finbar remain WA's largest and most trusted apartment developer

OUR PROJECTS

- Represent some of Perth's most prestigious and well-appointed lifestyle apartments
- Remain committed to creating progressive and innovative designs which represent value for money
- Offer a successful fusion of residential, office and public space

OUR INVESTMENT PROPERTIES

- Include the Fairlanes and Pelago buildings leased to reputable and proven businesses and individuals
- Provide consistent annual revenues from investments
- Ensure these additional revenue streams contribute to and smooth annual earnings

OUR FUTURE

- Our vision is to remain WA's leading medium to high density apartment developer
- Continue to focus development efforts in and around inner city Perth
- Sustain and enhance the quality of inner city living for current and future generations

At Finbar, we're committed to being a powerful and positive social force by continuously searching for innovative new ways to enhance the way Perth residents live - and it all starts by protecting and enhancing the natural environments we build in. With the UN estimating that cities produce 75% of our GHG emissions in transport and buildings, Finbar has a responsibility to take action for the benefit of us all.

BUILD SUSTAINABLY. LIVE SUSTAINABLY.

We are proudly a market leader in the design and development of apartment projects with features and materials that help us protect biodiversity, reduce future energy and water requirements, and minimise our carbon footprint. By adopting a carbon neutral approach in selected new developments, Finbar apartments are not only built sustainably - they're lived in sustainably too.

Our impact is vast, from reducing the destruction of native and agricultural land associated with greenfield development, to decreasing our dependence on cars, cutting the volume of waste during the construction process, and finding new ways to lower embodied and operational carbon, estimated to account for 40% of total emissions.

Finbar's use of over 1 million sqm of BubbleDeck throughout the years equates to:



206,100m³
Site concrete saved



55,600t
Tonnes of CO₂ saved



18,350t
Foundation load



27,800
Number of cars off the road for one year



2,783,000
Trees equivalent to growing for one year



32,900
Ready Mix truck trips saved



BUILT FOR MAXIMUM IMPACT

Our mission to achieve significant reductions in carbon emissions doesn't stop at design. We're always searching for new ways to adopt contemporary construction techniques that make a meaningful impact to our carbon footprint.

We're proud to be the first developer in Australia to adopt BubbleDeck concrete. By capitalising on the lightweight strength of recycled plastic balls, this innovative material has allowed us to dramatically decrease the concrete and steel required to structurally support each apartment floor. It may seem small, but changes to the way we build such as this can have profound positive flow on effects. We've reduced our concrete use by around a third, dramatically decreasing the number of mixer truck visits required for each project. This will protect our environment, for future generations to come.

As a result of using BubbleDeck concrete alone, Finbar has unlocked incredible environmental benefits:

QUIETER ROADS
27,800 cars taken off our roads for one year.

PRESERVED NATIVE BUSHLAND
More than **2,495,625m²*** of native bush saved on our urban fringes.

INNOVATIVE DESIGN

At Finbar, we're continuously pushing the limits of design to deliver future-focussed apartments with the highest energy efficiency on the market. We keep up to date with cutting-edge design that embraces innovative material selection, from taking advantage of the superior thermal properties of concrete to the latest advances in glazing. The result is exceptional residences that offer year-round comfort, with less reliance on energy-draining heating and cooling. The proof is in the NatHERS ratings, with Finbar developments surging past the minimum 6 stars to routinely achieve an 8-star average.

CLEANER AIR TO BREATHE
More than **55,600 tonnes of CO₂** saved from entering our atmosphere.

*Number of apartment lots developed by the average site area of new greenfield land sub divisions.

MODERN AMENITIES

Finbar developments are designed for tomorrow. We predict how residents want to live, sleep, travel, eat, exercise, work and unwind. From guest studios, parcel lockers, virtual golf driving ranges, putting greens and bike-share, to glamping experiences, zoom room pods, kids play areas, pet play and wash zones, we're continuously enhancing and evolving our amenities over the years, customised to each development, to treat residents to the most unique living experiences.



Private glamping nook



Dog play area

LIFE. EXCITEMENT. ENERGY.

Finbar apartments are more than places to live - they make places come alive. We design our developments in the broader context of the locale, spilling out and activating streetscapes with food, music and experiences that draw in residents and visitors from near and far. Perth is now one of the most liveable cities in the world - and Finbar is proud to play a part in evolving the city into its next iteration.

Putting green

Artist impressions

★ ★ ★ ★ ★ AWARDS



2021
Property Council WA.
Best Residential Development (5 storeys or more) award for Sabina Applecross.

2021
UDIA Judges Commendation in the High Density Development category for Sabina Applecross.

2017
UDIA High Density Development award for Concerto Apartments.

2015
UDIA High Density Development award for Spring View Towers.

2014
UDIA High Density Development and Urban Renewal awards for St Marks Apartments.

2013
Lord Mayor Lisa-M. Scaffidi of the City of Perth presented Finbar's Executive Chairman with a plaque from the City of Perth in recognition of Adagio Apartments and Finbar's contribution to the City for almost two decades. This acknowledgement is a result of the very strong relationship that Finbar has developed with the City of Perth over the years with approximately 90% of the Company's developments being located in the inner city of Perth.

2013
UDIA High Density Development award for Pelago West.

Finbar also received the UDIA Judges Award in 2013 for Pelago West, acknowledging the achievement of delivering Karratha's first mixed use high-rise apartment development as part of the Pilbara Cities State Government initiative.

2012
UDIA High Density Development award for Fairlanes.

WINNING RESPECT

At Finbar, we work incredibly hard to earn the trust of the WA community, our industry peers, and stakeholders. We've set the bar sky high, challenging ourselves to constantly innovate, evolve, and reinvent to help redefine the skyline in Perth.

With every successful project, we build belief. Finbar's reputation continues to grow on the back of endorsement by respected industry voices, from the Urban Development Institute of Australia recognising our exceptional projects, to City of Perth paying tribute to Finbar's nearly two-decade contribution to the Perth CBD. And we're not finished yet. As we evolve our portfolio into the future, our ambition remains stronger than ever - to remain WA's largest and most trusted apartment developer.

AWARDS & ACHIEVEMENTS

Winning awards isn't why we build. It simply reflects our commitment to building better lifestyles with respect and appreciation for all the hard work and dedication of the entire Finbar team. We're proud to be recognised with a suite of awards over the years.



Completed Projects

Dianella
APARTMENTS



DIANELLA APARTMENTS

36 Chester Avenue, Dianella

Project Company	36 Chester Avenue Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	100%
Construction Commenced	Aug-20
Construction Completed	Sep-21
Total Lots	128
Approximate Total Project Sales Value	\$62.6m
Value of Sales to Date	\$49.6m
Lots Sold	104 (81%)
Lots Unsold	24 (19%)

DIANELLA

Dianella Apartments is conveniently located to the amenity of Dianella Plaza and nearby high frequency public transport. Combined with resort facilities, the 128 residential apartments within a low-rise built form offers housing diversity within a local market devoid of housing choice. Construction has been completed and settlements have begun with the balance of unsold stock expected to meet the strong owner-occupier demand currently being experienced.



RIVERENA

5 Rowe Avenue, Rivervale

Project Company	Lot 1001-1003 Rowe Avenue Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Ultimate Interest	50%
Marketing Commenced	Feb-19
Construction Completed	Nov-20
Total Lots	125
Total Project Sales Value	\$52.4m
Value of Sales to Date	\$52.4m
Lots Sold	125 (100%)
Lots Unsold	0

RIVERENA

Riverena is the second stage of the Arbor development in the Springs precinct, which comprises 125 one, two, and three-bedroom residential apartments. Situated in an ideal location close to the Swan River, Perth CBD, Optus Stadium, and various dining and entertainment options to enhance residents' lifestyles.

ONE KENNEDY

1 Kennedy Street, Maylands

Project Company	241 Railway Parade Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Marketing Commenced	Oct-18
Construction Completed	May-20
Total Lots	123
Total Project Sales Value	\$53.5m
Value of Sales to Date	\$53.5m
Lots Sold	123 (100%)
Lots Unsold	0

ONE KENNEDY

One Kennedy comprises 120 one, two, and three bedroom residential three storey walk-up apartments and three commercial lots. One Kennedy capitalises on its proximity to public transport, located only 200 metres from Maylands railway station, and connecting directly to the Central Business District 4.5 kilometres away.



SABINA APPECROSS

908 Canning Highway, Applecross

Project Company	Finbar Applecross Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Marketing Commenced	Feb-18
Construction Completed	Feb-20
Total Lots	167
Total Project Sales Value	\$117.6m
Value of Sales to Date	\$117.6m
Lots Sold	167 (100%)
Lots Unsold	0

SABINA

Located only metres from the Swan River and approximately 700 metres to the Canning Bridge Train Station. Sabina is the first stage of a three stage development and consists of 164 residential apartments and three ground floor commercial tenancies within a podium and 30 storey tower built form. In 2021 Sabina received a Judges' Commendation in the UDIA Awards for Excellence. This year Sabina was awarded UDIA Judges Commendation in the High Density Development Category and Property Council WA Best Residential Development.

PALMYRA APARTMENTS EAST

49 McGregor Road, Palmyra

Project Company	43 McGregor Road Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Marketing Commenced	Jan-18
Construction Completed	Sept-19
Total Lots	128
Total Project Sales Value	\$50m
Value of Sales to Date	\$50m
Lots Sold	128 (100%)
Lots Unsold	0

PALMYRA

Situated on the doorstep of the historic port city of Fremantle in the established suburb of Palmyra, Palmyra Apartments Estate East is the first stage of a transformative three-storey residential development. Achieving a strong response from first home buyers and downsizers, the project successfully responded to the growing owner-occupier demand for well-located, affordable and good amenity product.



VUE TOWER

63 Adelaide Terrace, East Perth

Project Company	63 Adelaide Terrace Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Marketing Commenced	Feb-15
Construction Completed	June-19
Total Lots	250
Approximate Total Project Sales Value	\$143.6m
Value of Sales to Date	\$142.1m
Lots Sold	249 (99.6%)
Lots Unsold	1 (0.4%)

VUE TOWER

Vue Tower is located just 150 metres from Langley Park and 300 metres from the Perth foreshore. The apartments enjoy expansive views of the City, the Swan River, Heirisson Island, Optus Stadium and the Burswood Peninsula. The project consists of a 34 level building and podium, and comprises 245 residential apartments with ground floor commercial lots and office units on levels one and two.

REVA

5 Harper Terrace, South Perth

Project Company	5-7 Harper Terrace Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	100%
Marketing Commenced	Jul-17
Construction Completed	Feb-19
Total Lots	59
Approximate Total Project Sales Value	\$47m
Value of Sales to Date	\$42.5m
Lots Sold	53 (90%)
Lots Unsold	6 (10%)

REVA

Adjacent to Finbar's highly successful Aurelia project in South Perth, Reva is situated fronting Harper Terrace and comprises of 41 luxury one, two, and three bedroom apartments with rooftop amenities, as well as 18 commercial lots that were developed within the Harper Terrace structure.



Projects Under Construction

Artist impression

CIVIC HEART

SOUTH PERTH



CIVIC HEART

1 Mends Street, South Perth

Project Company	1 Mends Street Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	52.5%
Construction Commenced	FY21
Estimated Completion	FY24
Total Lots	335
Approximate Total Project Sales Value	\$413.5m
Value of Sales to Date	\$173.3m
Lots Sold	187 (56%)
Lots Unsold	148 (44%)

CIVIC HEART



This iconic site bounded by Mends Street, Labouchere Road and Mill Point Road offers luxurious apartments, world-class resort facilities, and a thriving ground floor commercial precinct anchored by the heritage South Perth Police Station and Post Office. Located in close proximity to the Swan River, Perth Zoo, and the Mends Street retail high street, Civic Heart is a transformational development that has achieved strong sales in a highly competitive localised market.

Artist impressions

AT 238

PERTH



AT238

238 Adelaide Terrace, Perth

Project Company	240 Adelaide Terrace Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Ultimate Interest	50%
Construction Commenced	FY21
Estimated Completion	FY23
Total Lots	121
Approximate Total Project Sales Value	\$97.0m
Value of Sales to Date	\$40.5m
Lots Sold	58 (48%)
Lots Unsold	63 (52%)

AT238



AT238 comprises 119 residential apartments and two ground floor commercial lots in a 32 storey tower and represents Finbar's tenth development along Adelaide Terrace. Embracing spacious semi-enclosed balconies, AT238 is positioned as a unique apartment product with a striking glazed façade and rooftop amenities that take full advantage of the expansive views.

Artist impressions

AURORA

APPLECROSS



AURORA APPLECROSS

3 Kintail Road, Applecross

Project Company	Finbar Applecross Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Construction Commencement	FY22
Estimated Completion	FY24
Total Lots	121
Approximate Total Project Sales Value	\$142.1m
Value of Sales to Date	\$40.0m
Lots Sold	49 (40%)
Lots Unsold	72 (60%)

AURORA

The second stage of three in the Canning bridge precinct, Aurora combines luxurious apartment finishes & world-class facilities within an affluent Applecross address. Featuring a central shared lane and public amenity piazza.



THE POINT

SPRINGS RESIDENCES



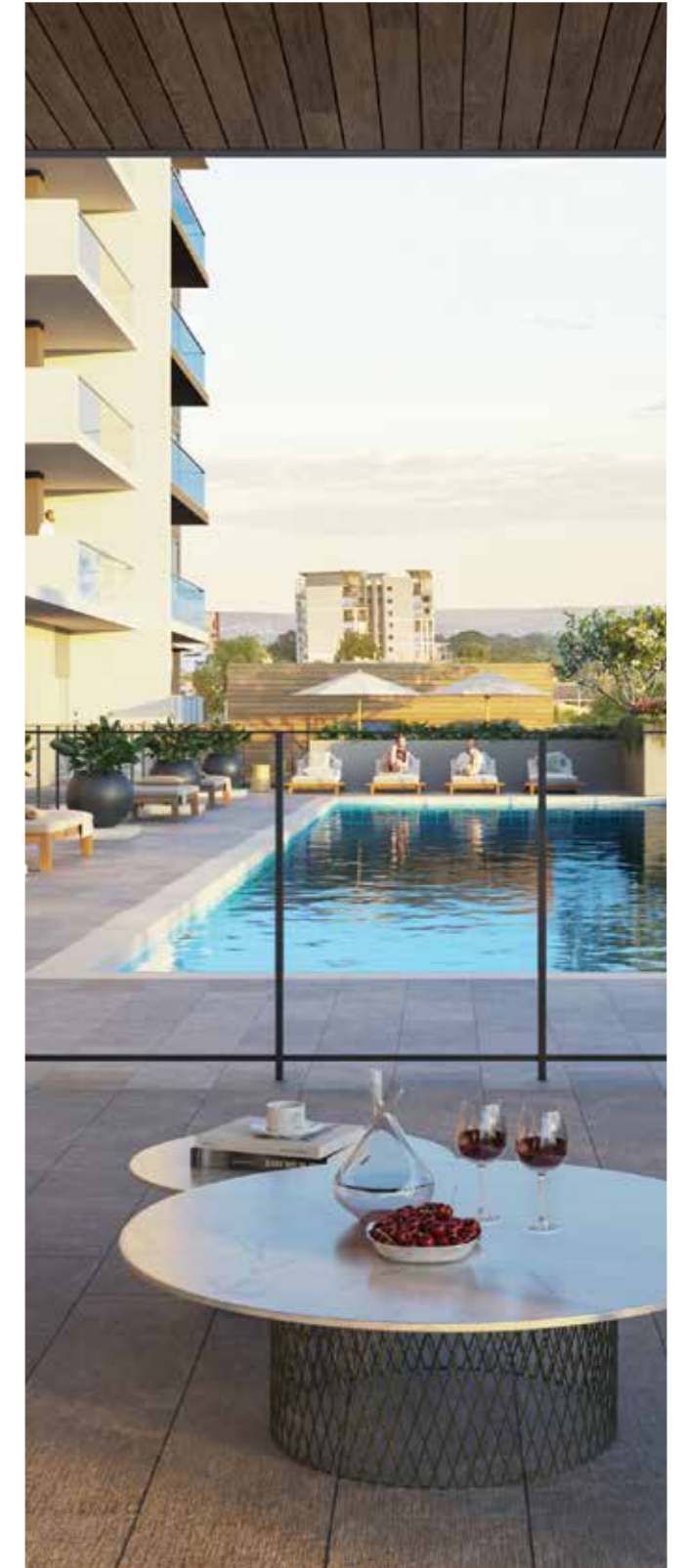
THE POINT

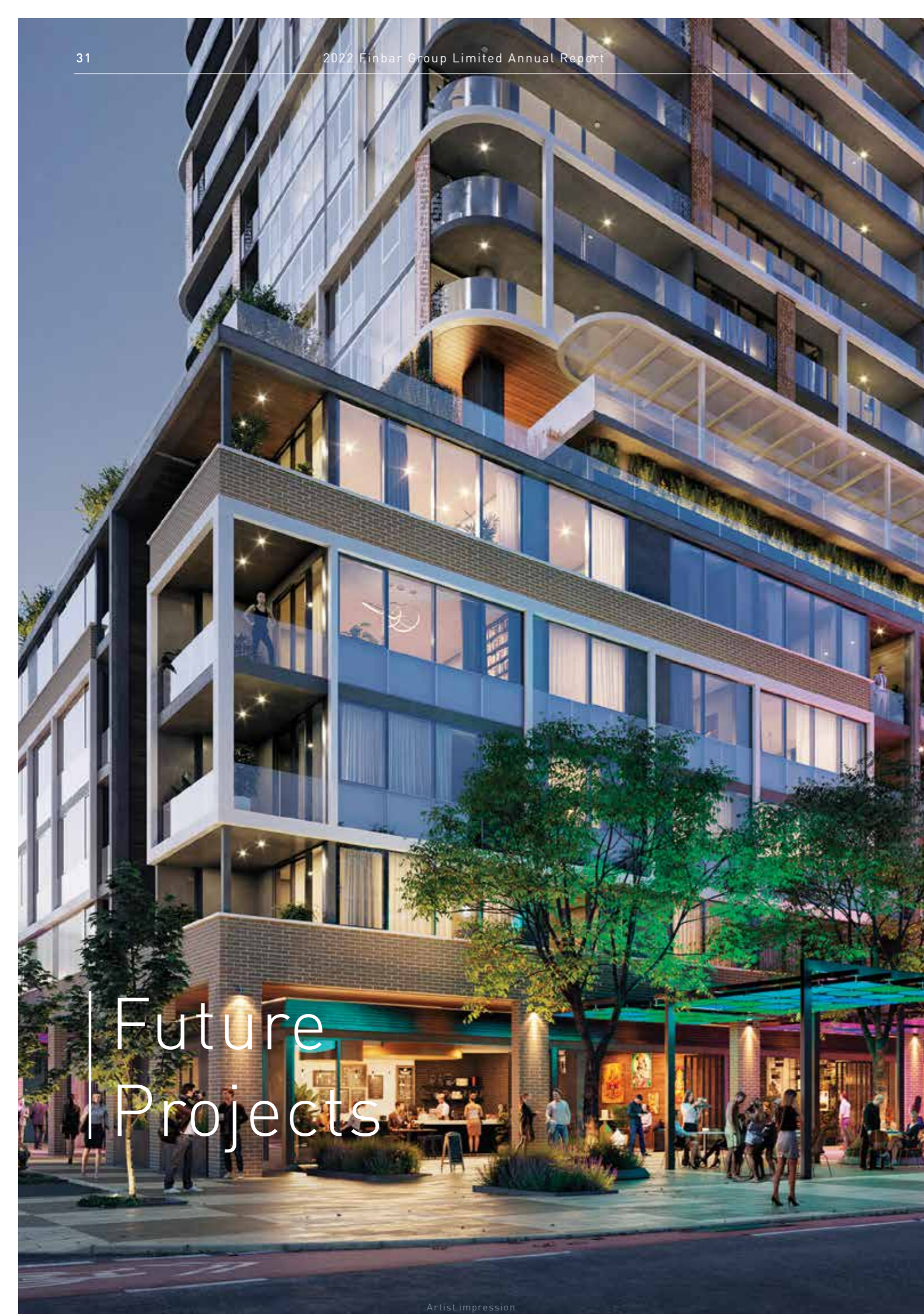
31 Rowe Avenue, Rivervale

Project Company	31 Rowe Avenue Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	65%
Construction Commencement	FY22
Estimated Completion	FY24
Total Lots	176
Approximate Total Project Sales Value	\$101.0m
Value of Sales to Date	\$66.7m
Lots Sold	122 (69%)
Lots Unsold	54 (31%)

THE POINT

The Point comprises 167 one, two, and three bedroom apartments and nine commercial lots on the ground floor and will be situated at the main entrance to the Springs precinct, opposite the Aloft Hotel.





Artist impression

EAST PERTH
GARDEN
TOWERS



GARDEN TOWERS

Corner of Hay St & DeVlamingh Ave, East Perth

Project Company	Garden Towers East Perth Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Ultimate Interest	50%
Construction Commencement	FY23
Estimated Completion	TBC
Total Lots	344
Approximate Total Project Sales Value	\$249.1m
Value of Sales to Date	\$69.6m
Lots Sold	98 (28%)
Lots Unsold	246 (72%)

Positioned opposite Queens Gardens in East Perth, Garden Towers will be comprised of 331 one, two, and three bedroom apartments plus 13 commercial units.



Artist impressions



BEL-AIR

239 Great Eastern Highway, Belmont

Project Company	239 Great Eastern Highway Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	100%
Estimated Completion	TBC
Total Lots	194
Approximate Total Project Sales Value	\$92m

The 239 Great Eastern Highway project has an approved DA for 194 one, and two bedroom apartments and 154sqm of ground floor commercial.



ROMEO

912 Canning Highway, Applecross

Project Company	Finbar Applecross Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Estimated Completion	TBC
Total Lots	155
Approximate Total Project Sales Value	\$121m

Located only metres from the Swan River and approximately 600 metres to the Canning Bridge Train Station, this 2,620sqm site fronting Canning Highway received DA approval in April 2017 as the third of three stages comprising 151 residential apartments and three ground floor commercial tenancies within a podium and 26 storey tower built form.



PALMYRA APARTMENTS WEST

45 McGregor Road, Palmyra

Project Company	43 McGregor Road Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Estimated Completion	TBC
Total Lots	130
Approximate Total Project Sales Value	\$52m

The Palmyra second stage has received an amended DA to incorporate market feedback from stage one. Comprising 130 residential apartments, the introduction of lifts and re-alignment of apartment typologies within a low-rise structure, this development is designed to respond to first home buyer and downsizer drivers within the strong owner-occupier purchaser demographic, and is anticipated to have an end value of \$52 million.

**LOT 1000**

32 Riversdale Road, Rivervale

Project Company	32 Riversdale Road Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	50%
Estimated Completion	TBC
Total Lots	143
Approximate Total Project Sales Value	\$88m

Lot 1000 comprises 4,069 square metres of absolute waterfront land with expansive views of the Swan River, Stadium Precinct, and Perth CBD. Public advertising has commenced on final, amended DA plans of 19 storey tower with 143 units. Estimated determination of the DA is late 2022.

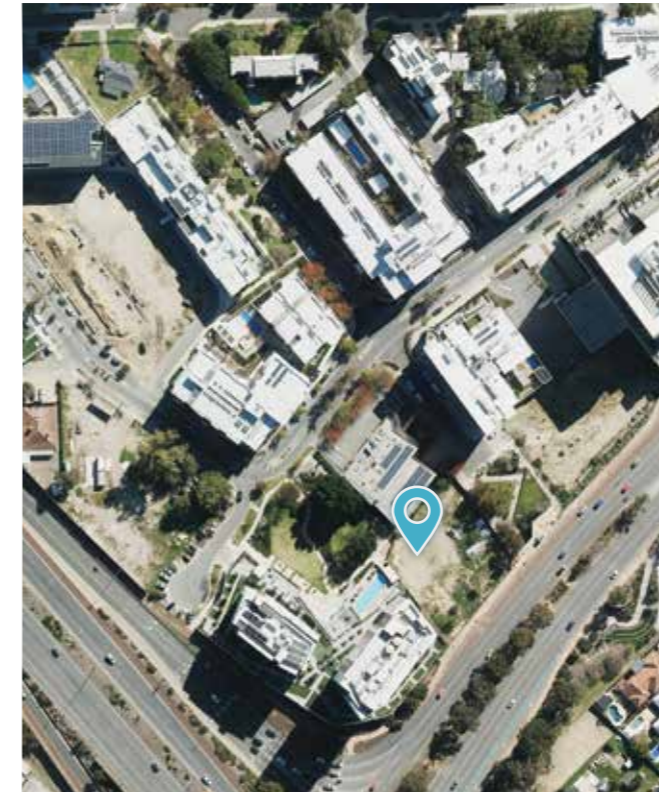
Artist impression

**2 HOMELEA COURT**

Cnr Rowe Avenue & Homelea Court, Rivervale

Project Company	2 Homelea Court Springs Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	100%
Estimated Completion	TBC
Total Lots	135
Approximate Total Project Sales Value	\$83m

2 Homelea Court comprises 3,770 square meters of land located on the corner of Rowe Avenue and Homelea Court, opposite Finbar's Spring View Towers is proposed to be developed into a project consisting of approximately 135 apartments within a 18 level building. The proposed apartment project has an estimated end value of approximately \$83 million.

**LOT 888**

2 Hawksburn Road, Rivervale

Project Company	Rowe Avenue Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Ultimate Interest	50%
Estimated Completion	TBC
Total Lots	TBC
Approximate Total Project Sales Value	TBC

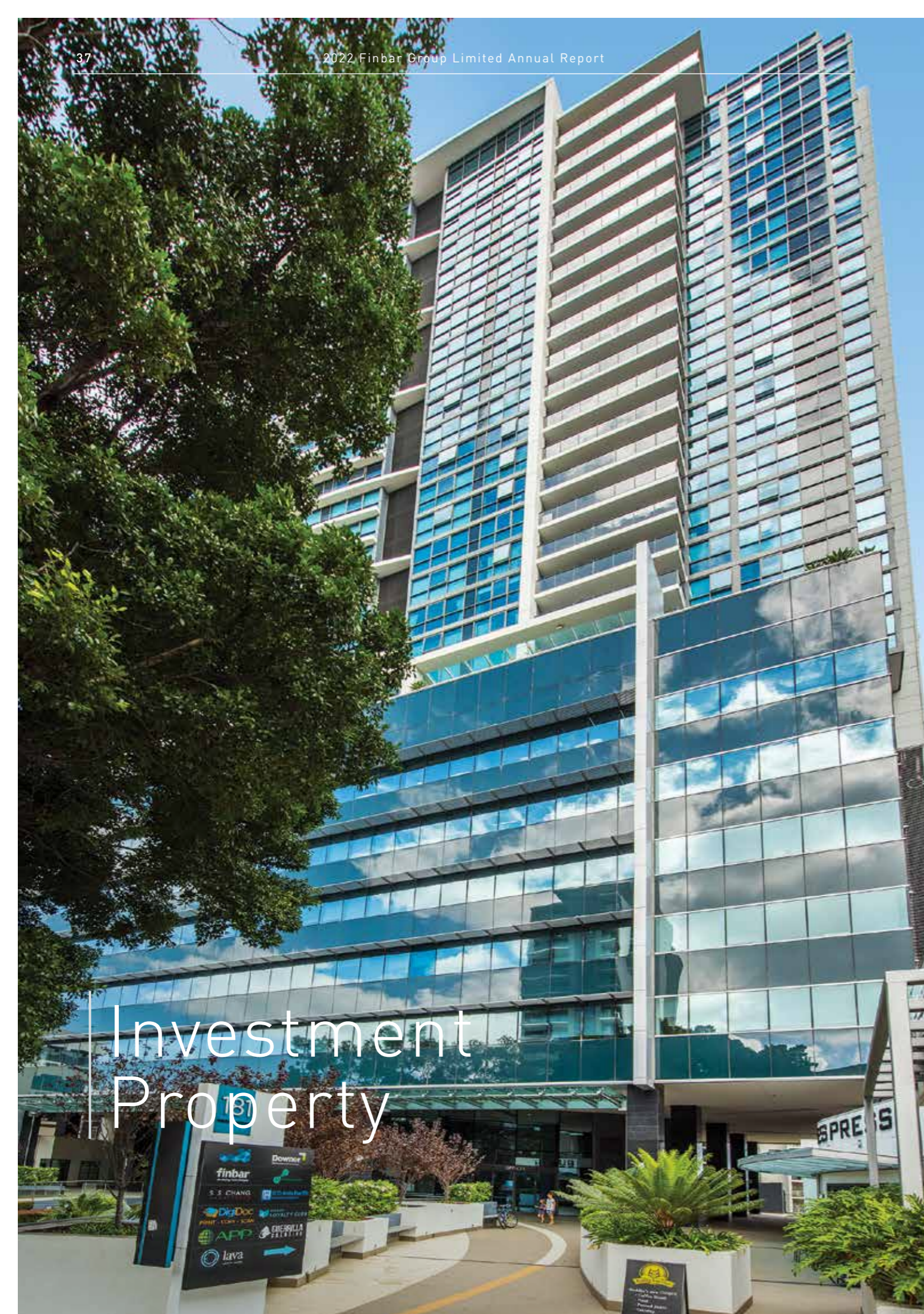
The current approved DA comprises a six level office building with 6,250sqm NLA.

**FORMER ABC STUDIOS**

187 Adelaide Terrace, East Perth

Project Company	Finbar Sub 104 Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Ultimate Interest	100%
Estimated Completion	TBC
Total Lots	TBC
Approximate Total Project Sales Value	TBC

The former ABC Radio Studios heritage building with a GFA of 3,711sqm over three levels. Finbar acquired the final stage from the JV partner to better leverage potential future development outcomes.



Investment
Property



FAIRLANES

181 Adelaide Terrace, East Perth

Total Sqm	7,577
Office Sqm	7,107
Retail Sqm	470
FY23 Forecast Rent	\$1.96m
Sqm Leased	7361 (93%)



FAIRLANES
OFFICE

PELAGO

Sharpe Avenue, Karratha

Total Lots	120
Residential Lots	98
Commercial Lots	22
FY23 Forecast Rent	\$5.81m
Lots Leased	112 (93%)
Residential Lots Leased	96 (97%)
Commercial Lots Leased	16 (73%)



AURELIA

1 Harper Terrace, South Perth

Total Sqm	929
Estimated sales value	\$6.5m
Estimated income value	\$366,000 p.a.

AURELIA
SOUTH PERTH

FINBAR GROUP LIMITED

Financial Report

CONTENTS	PAGE
Directors' Report (including Corporate Governance Statement)	41
Consolidated Statement of Profit or Loss and Other Comprehensive Income	57
Consolidated Statement of Changes in Equity	58
Consolidated Statement of Financial Position	59
Consolidated Statement of Cash Flows	60
Notes to the Consolidated Financial Statements	61
Directors' Declaration	95
Independent Auditor's Report	96
Lead Auditor's Independence Declaration	101
ASX Additional Information	102

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

The Directors present their report together with the consolidated financial report of the Group, comprising Finbar Group Limited ('the Company'), its subsidiaries and the Group's interest in equity accounted investees for the financial year ended 30 June 2022 and the independent auditor's report thereon.

CONTENTS OF DIRECTORS' REPORT

	PAGE
1 Directors	42
2 Company Secretary	43
3 Directors' Meetings	43
4 Corporate Governance Statement	43
4.1 Board of Directors	44
4.2 Remuneration Committee	44
4.3 Remuneration Report - Audited	45
4.3.1 Principles of Remuneration - Audited	45
4.3.2 Directors' and Executive Officers' Remuneration - Audited	47
4.3.3 Analysis of Bonuses included in Remuneration Report - Audited	48
4.3.4 Directors' and Executives Interests	48
4.3.5 Equity Instruments - Audited	49
4.4 Audit Committee	49
4.5 Risk Management	49
4.6 Ethical Standards	50
4.7 Communication with Shareholders	51
4.8 Diversity	51
5 Principal Activities	52
6 Operating and Financial Review	52
7 Dividends	54
8 Events Subsequent to Reporting Date	55
9 Likely Developments	55
10 Directors' Interests	55
11 Indemnification and Insurance of Officers and Auditors	56
12 Non-audit Services	56
13 Lead Auditor's Independence Declaration	56

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Executive Director and Chairman

John CHAN - BSc, MBA, MAICD

**Director since 27 April 1995
Chairman since 15 July 2010**

John Chan is Executive Director and Chairman of Finbar, and a Director of its Subsidiaries and equity accounted investees.

John was appointed director in 1995 and was instrumental in re-listing Finbar on the ASX as a property development company. Prior to joining Finbar, John headed several property and manufacturing companies both in Australia and overseas.

John holds a Bachelor of Science from Monash University in Melbourne and a Master of Business Administration from the University of Queensland. John is a Member of the Australian Institute of Company Directors, is a Trustee for the Western Australian Chinese Chamber of Commerce, and is a former Senate Member of Murdoch University.

Managing Director

Darren John PATEMAN - EMBA, GradDipACG, ACSA, AGIA, MAICD

**Director since 6 November 2008
Managing Director since 15 July 2010**

Darren Pateman is the Managing Director of Finbar and a Director of Finbar's Subsidiaries and equity accounted investees.

Darren commenced with Finbar prior to its relisting on the ASX as a property development company in 1995 and in this time has played a primary role in developing Finbar's systems, strategy and culture.

Darren has held several positions in his 27 years with the company which has given Darren an intimate knowledge of the key aspects of Finbar's business. Darren was formerly Company Secretary from 1996 to 2010, Chief Executive Officer from 2008 to 2010, and was appointed Managing Director on 15 July 2010.

Darren is a Chartered Secretary and holds an Executive Master of Business Administration from the University of Western Australia and a Graduate Diploma in Applied Corporate Governance (GradDipACG). Darren is an Associate of the Institute of Chartered Secretaries and Administrators and a Member of the Australian Institute of Company Directors.

Executive Director and Chief Operations Officer

Ronald CHAN

Director since 24 February 2017

Ronald Chan is the Chief Operations Officer of Finbar and a Director of Finbar's Subsidiaries and equity accounted investees.

Ronald joined the Board as an Executive Director on 24 February 2017. Ronald brings 18 years of experience in Finbar's Company operations where he has worked in several roles in the organisation including marketing, contract administration, and in 2013 was appointed Chief Operations Officer. In this role Ronald has gained an intimate understanding of the Company's relationships and systems and managed the Company's transition to digital and online marketing strategies.

Non-executive Director

Kee Kong LOH - B Acc, CPA

Director since 28 April 1993

Kee Kong Loh joined the Board in April 1993 and has substantial experience in the governance of companies in property development, marine transportation, and electronics manufacturing sectors. He has a degree in accountancy from the University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

Non-executive Director

Terence Siong Woon PEH - B.Comm, M.Comm

Director since 24 April 2018

Terence Peh joined the Board on 24 April 2018. Terence is Chief Executive Officer and Executive Director of Chuan Hup Holdings Limited, an investment company listed on the Singapore Stock Exchange, and Finbar's largest corporate shareholder.

Terence has over 23 years of experience in property development investment and project management in Asia Pacific, and management experience in finance in the marine and electronics manufacturing services industries.

Terence obtained his Bachelor of Commerce in Marketing from Curtin University and a Master of Commerce in Finance from the University of New South Wales.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

1. Directors (continued)

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

Lee Verios joined the Board in December 2011. He is a well credentialed commercial lawyer having practised in Western Australia for over 40 years.

Until his retirement from practising law in 2012, Lee was partner in the international law firm of Norton Rose and the leader of their Commercial Property division in Perth. Throughout his legal career, Lee has held senior management roles in each of the firms of which he has been a member.

In addition to his legal practice, Lee is an experienced company director, having held positions in a variety of public and private enterprises.

Lee is a member of the Australian Institute of Company Directors, the Law Society of WA and was previously Chairman of the Australian Indonesian Business Council (WA Branch).

2. Company Secretary

The Company Secretary of the Company at any time during or since the end of the financial year is:

Edward Guy BANK - B Bus, ASCPA

Company Secretary since 2 December 2016

Edward Bank is the Company Secretary of Finbar, and of Finbar's Subsidiaries and equity accounted investees. Ed is a Certified Practising Accountant with 28 years experience in private practice including 8 years as the Company's external accountant. Ed joined the Company in 2005 in the capacity of Chief Financial Officer.

Ed continues to hold the position of Chief Financial Officer.

3. Directors' Meetings

The number of Directors' meetings attended by each of the Directors of the Company, whilst being a Director, during the financial year are:

Director	Board Meetings Held	Board Meetings Attended	Resolutions Without Meetings	Audit Committee Meetings Held	Audit Committee Meetings Attended	Remuneration Committee Meetings Held	Remuneration Committee Meetings Attended
John CHAN	4	4	3	N/A	N/A	2	2
Darren John PATEMAN	4	4	3	N/A	N/A	N/A	N/A
Ronald CHAN	4	4	3	N/A	N/A	N/A	N/A
Kee Kong LOH	4	4	3	2	2	2	2
Lee VERIOS	4	4	3	2	2	2	2
Terence Siong Woon PEH	4	4	3	2	2	2	2

4. Corporate Governance Statement

The Board ('Board') of Finbar Group Limited ('Finbar' or 'the Company'), its subsidiaries and equity accounted investees (collectively the Group) is committed to maintaining a high standard of corporate governance in the conduct of the organisation's business in order to create and deliver value to shareholders. In this regard, Finbar has established a corporate governance framework, including corporate governance policies and charters to assist in this commitment. A copy of these policies and charters are available from the governance page of Finbar's website, www.finbar.com.au and are referenced throughout this document where relevant.

The framework is reviewed and revised in response to changes to law, developments in corporate governance best practice and changes to the Finbar business environment.

As a listed entity, Finbar is required to comply with Australian laws including the Corporations Act 2001 (Cth) and the Australian Securities Exchange Listing Rules, and to report against the ASX Corporate Governance Council's Principles and Recommendations.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.1 Board of Directors

Role of the Board

The Board Charter sets out the Board's role, powers and duties, and establishes the functions reserved for the Board and those which are delegated to the management. The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group.

The Board has delegated responsibility for the operation and administration of the Group to the Executive Chairman, the Managing Director and Senior Executives.

Composition of Board

The Board recognises the importance of ensuring that Directors are free from interests and relationships that could, or could reasonably be perceived to materially interfere with the Director's ability to exercise independent judgement and act in the Group's best interests.

Accordingly, the Board has adopted guidelines, set out in the Board Charter, which are used to determine the independence of the Directors.

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned will be restricted from receiving materials, discussing or voting on the matter.

Details of each of the non-executive Directors (Independent) are set out in the Directors Report (page 43).

4.2 Remuneration Committee

The Remuneration Committee Charter sets out the Remuneration Committee's role, powers and duties, and establishes the functions delegated to the Committee by the Board. The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Executive Officers and Directors themselves of the Company and of other Group Executives. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Executive Officers and Directors themselves of the Company and of other Group Executives. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The following directors serve on the Remuneration Committee and the members of the Remuneration Committee are:

- Terence Siong Woon PEH (Chairman) - Non-executive Director*
- Kee Kong LOH - Non-executive Director*
- Lee VERIOS - Non-executive Independent Director
- John CHAN - Executive Director and Chairman

*Kee Kong Loh was the Chairman of the Remuneration Committee until 28 February 2022 and was replaced by Terrence Siong Woon Peh from 1 March 2022.

The Remuneration Committee Charter sets out the process for the periodical evaluation of the performance of the Executive Chairman and Managing Director. These evaluations have been conducted during the period.

The Remuneration Committee Charters sets out the process for the periodical evaluation of the performance of the Senior Executives. The Remuneration Committee in consultation with the Executive Chairman and Managing Director are responsible for the periodical evaluation of the performance of the Senior Executives. These evaluations have been conducted during the period.

Finbar has a written agreement, either in the form of an employment contract or letter of employment, with each Executive Director and Senior Executive which sets out the terms of their appointment.

A copy of the Remuneration Committee Charter is available on Finbar's website www.finbar.com.au.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited

4.3.1 Principles of Remuneration

Remuneration of Directors and Executives is referred to as remuneration as defined in AASB 124 Related Party Disclosures and Section 300A of the Corporations Act 2001.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including Directors of the Company and other Executives. Key management personnel comprise the Directors of the Company and Executives for the Company and the Group including the Section 300A Executives.

Remuneration levels for key management personnel and the secretary of the Company, and key management personnel and secretaries of the Group, are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. The Remuneration Committee periodically obtains independent advice on the appropriateness of remuneration packages of both the Company and the Group given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the Group's performance;
- the key management personnel's contribution to revenue and future earnings potential;
- project outcomes;
- the key management personnel's length of service; and
- the Group's performance including:
 - the Group's earnings;
 - the growth in share price and delivering constant returns on shareholder wealth; and
 - the amount of incentives within each key management person's remuneration.

Remuneration packages include a mix of fixed and variable remuneration, short-term performance-based incentives and can include long-term performance-based incentives.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefit tax charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers individual, segment and overall performance of the Group. In addition, where appropriate, external consultants provide analysis and advice to ensure the Directors' and Senior Executives' remuneration is competitive in the market place. A Senior Executive's remuneration is also reviewed on promotion.

Performance Linked Remuneration

Performance linked remuneration includes short-term incentives (STI) and can include long-term incentives (LTI), which are designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive is an 'at risk' bonus provided in the form of cash, whilst the long-term incentive is provided as shares or options over ordinary shares of the Company under the rules of the Employee Incentive Plan 2013 and Director Share Plan 2014. As at 30 June 2022, there were no options on issue.

Short-term Incentive

The Remuneration Committee has elected to set the primary financial performance objective of 'profit before tax' as the key measure for the calculation of the short term incentives of key management personnel. The non-financial objectives vary with position and responsibility and include measures such as those outlined above. The STI for the current period was wholly based on a percentage of 'profit before tax'. Contractual amounts are accrued in the current year and discretionary amounts are accounted for in the year of payment. The contractual amount is set at 3.3% of 'profit before tax' for 2022 financial year.

At the end of the financial year the Remuneration Committee assess the actual performance of the Group, the relevant segment and the individual key management personnel contribution to the Group. The performance evaluation in respect of the year ended 30 June 2022 has taken place in accordance with this process.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.1 Principles of Remuneration (continued)

Long-term Incentive

Incentive shares or options issued under the Employee Incentive Plan 2013 or Director Share Plan 2014 are made in accordance with thresholds set in the plans approved by shareholders at the relevant Annual General Meeting, subject to the Board's discretion.

Short-term and Long-term Incentive Structure

The Remuneration Committee considers that the above performance-linked remuneration structure is generating the desired outcome. The evidence of this is in respect to the long term historical profit and dividend growth of the Company, coupled with the long term retention of key management personnel resulting in the retention of Company intellectual property.

Consequences of Performance on Shareholders Wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee has regard to the following indices in respect of the current financial year and the previous four financial years:

	2022	2021	2020	2019	2018
Total comprehensive income	\$10,975,000	\$8,863,000	\$7,068,000	\$11,372,000	\$13,760,000
Profit before tax	\$15,048,000	\$12,043,000	\$10,488,000	\$15,947,000	\$18,786,000
Dividends paid	\$10,884,000	\$8,163,000	\$13,606,000	\$16,302,000	\$13,874,000
Change in share price	-\$0.17	\$0.15	-\$0.14	-\$0.10	\$0.14
Return on capital employed	5.06%	3.82%	4.47%	5.58%	6.24%
Return on total equity	4.52%	3.65%	2.92%	4.58%	5.46%

Profit before tax is considered as one of the financial targets in setting the STI.

Dividends, changes in share price, and return of capital are included in the total shareholder return (TSR) calculation which is one of the performance criteria assessed for the LTI. The other performance criteria assessed for the LTI is growth in earnings per share, which takes into account the Group's net profit.

The overall level of key management personnel's remuneration takes into account the performance of the Group over a number of years.

Directors

Total base remuneration for all Directors, last voted upon by shareholders at the November 2013 AGM, is not to exceed \$360,000 per annum. Directors' base fees are presently \$213,811 per annum.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.2 Directors' and Executive Officers' Remuneration

Details of the nature and amount of each major element of remuneration of each Director of the Company and of the named Group Executives who received the highest remuneration are:

For the year ended 30 June 2022	Short-Term				Post - Employment			
	Directors Fees and Committee Fees \$	Salary \$	STI Cash Bonus (A) \$	Non Monetary Benefits \$	Total \$	Superannuation \$	Other Long Term \$	Total \$
Executive Directors								
Mr John Chan, Executive Chairman	-	587,356	190,706	-	778,062	27,981	13,176	819,219
Mr Darren John Pateman, Managing Director	-	738,362	190,706	23,620	952,688	24,021	25,117	1,001,826
Mr Ronald Chan, Chief Operating Officer	-	411,593	95,353	-	506,946	24,021	16,125	547,092
Non-executive Directors								
Mr Kee Kong Loh	78,603	-	-	-	78,603	-	-	78,603
Mr Terence Siong Woon Peh	74,937	-	-	-	74,937	-	-	74,937
Mr Lee Verios	74,790	-	-	-	74,790	7,479	-	82,269
Executives								
Mr Edward Guy Bank, CFO	-	320,901	95,353	-	416,254	24,021	12,148	452,423
	228,330	2,058,212	572,118	23,620	2,882,280	107,523	66,566	3,056,369

For the year ended 30 June 2021	Short-Term				Post - Employment			
	Directors Fees and Committee Fees \$	Salary \$	STI Cash Bonus (A) \$	Non Monetary Benefits \$	Total \$	Superannuation \$	Other Long Term \$	Total \$
Executive Directors								
Mr John Chan, Executive Chairman	-	527,692	132,272	-	659,964	25,000	8,869	693,833
Mr Darren John Pateman, Managing Director	-	663,948	132,272	47,134	843,354	21,614	11,032	876,000
Mr Ronald Chan, Chief Operating Officer	-	368,298	66,136	-	434,434	21,614	6,069	462,117
Non-executive Directors								
Mr Kee Kong Loh	71,710	-	-	-	71,710	-	-	71,710
Mr Terence Siong Woon Peh	61,535	-	-	-	61,535	-	-	61,535
Mr Lee Verios	65,490	-	-	-	65,490	6,220	-	71,710
Executives								
Mr Edward Guy Bank, CFO	-	290,381	66,136	-	356,517	21,694	4,707	382,918
	198,735	1,850,319	396,816	47,134	2,493,004	96,142	30,677	2,619,823

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.2 Directors' and Executive Officers' Remuneration (continued)

Notes in relation to the Table of Directors' and Executive Officers' Remuneration - Audited

(A) Short-term Incentive Cash Bonus:

The short-term incentive bonus is for performance during the respective financial years using the criteria set out on Page 45.

Details of the Group's policy in relation to the remuneration that is performance related is discussed on Page 45.

On 25th August 2016, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares under the rules of the Director Share Plan 2014. Payment was by way of an interest free loan of \$207,500 which was repaid in August 2021. The related benefit is disclosed in table 4.3.2 on page 47.

On 13th September 2017, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares under the rules of the Director Share Plan 2014. Payment was by way of an interest free loan of \$202,500 which is repayable by 13th September 2022. The related benefit is disclosed in table 4.3.2 on page 47.

4.3.3 Analysis of Bonuses included in Remuneration

Details of the vesting profile of the short term incentive bonuses awarded as remuneration to each Director of the Company and each of the named Group Executives are detailed below.

	Short Term Incentive Bonus	
	Included in Remuneration \$	% vested in year
Executive Directors		
Mr John Chan	190,706	100%
Mr Darren John Pateman	190,706	100%
Mr Ronald Chan	95,353	100%
Executives		
Mr Edward Guy Bank	95,353	100%
	572,118	100%

Amounts included in remuneration for the financial year represent the amount of entitlements in the financial year based on achievement of personal goals and satisfaction of performance criteria, as per Short Term Incentives (page 47). No discretionary bonus was paid to the Executives in the 2022 financial year (2021: NIL). Any discretionary amounts of executive bonuses relating to 2022 financial year are yet to be determined, and therefore may impact future financial years.

4.3.4 Directors' and Executives Interests

Movement in Shares

The movement during the reporting period in the number of ordinary shares in Finbar Group Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2021	Purchases	Sales	Held at 30 June 2022
Directors				
Mr John Chan*	27,318,265	1,250,000	-	28,568,265
Mr Darren John Pateman	3,632,493	-	-	3,632,493
Mr Ronald Chan**	17,091,098	1,803,035	-	18,894,133
Mr Kee Kong Loh	2,000,904	-	-	2,000,904
Mr Terence Siong Woon Peh***	55,837,175	4,594,668	-	60,431,843
Mr Lee Verios	72,393	-	-	72,393
Executives				
Mr Edward Guy Bank	300,000	-	-	300,000

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.4 Directors' and Executives Interests (continued)

	Held at 1 July 2020	Purchases	Sales	Held at 30 June 2021
Directors				
Mr John Chan*	27,031,551	286,714	-	27,318,265
Mr Darren John Pateman	3,609,493	23,000	-	3,632,493
Mr Ronald Chan**	15,481,061	1,610,037	-	17,091,098
Mr Kee Kong Loh	2,000,904	-	-	2,000,904
Mr Terence Siong Woon Peh***	55,837,175	-	-	55,837,175
Mr Lee Verios	72,393	-	-	72,393
Executives				
Mr Edward Guy Bank	300,000	-	-	300,000

* John Chan has interests in Forward International Pty Ltd, APEX Investments Pty Ltd and Blair Park Pty Ltd which holds shares in Finbar Group Limited.

** Ronald Chan has interests in Forward International Pty Ltd and Blair Park Pty Ltd which hold shares in Finbar Group Limited.

*** Terence Peh is a Director and shareholder of Chuan Hup Holdings Limited which holds shares in Finbar Group Limited.

No options for shares were granted to key management personnel as remuneration during the reporting period.

4.3.5 Equity Instruments

All options refer to options over ordinary shares of Finbar Group Limited issued under the Employee Incentive Plan 2013 or Director Share Plan 2014. As at 30 June 2022, there were no options on issue.

4.4 Audit Committee

The Audit Committee Charter sets out the Audit Committee's role, powers and duties, and establishes the functions delegated to the Audit Committee by the Board. The Audit Committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group.

A copy of the Audit Committee Charter is available on Finbar's website www.finbar.com.au.

The following directors serve on the Audit Committee:

- Lee VERIOS (Chairman) - Non-executive Independent Director
- Kee Kong LOH - Non-executive Director
- Terence Siong Woon PEH - Non-executive Director

4.5 Risk Management

Oversight of the Risk Management Procedures

The Board has elected not to establish a separate Risk Committee to oversee risk management and instead the overall responsibility of risk management resides with the Board in its entirety. In this regard, risk management considerations form part of the Board's discussions at scheduled meetings.

The Board oversees the establishment, implementation, and annual review of the Group's risk management procedures. Management has established and implemented informal risk management procedures for assessing, monitoring and managing all risks including operational, financial reporting and compliance risks for the Group. The Managing Director and Chief Financial Officer provide assurance, in writing to the Board, that the financial risk management and associated compliance and controls have been assessed and found to be operating effectively.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.5 Risk Management (continued)

Risk Management and Compliance Control

Comprehensive practices have been established to ensure:

- capital expenditure with respect to land acquisitions or development agreements obtain prior Board approval;
- financial exposures are controlled, including use of derivatives. Further details of the Group's policies relating to interest rates management and credit risk are included in Notes 5 and 24 in the Notes to the Consolidated Financial Statements;
- management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel (see below);
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- environmental regulation compliance (see below).

Quality and Integrity of Personnel

Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of cooperation and constructive dialogue with employees and senior management.

Financial Reporting

The Managing Director and the Chief Financial Officer have provided assurance, in writing to the Board that the Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

There is a comprehensive accounting system. Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly. Procedures are in place to ensure price sensitive information is reported to the Australian Securities Exchange (ASX) in accordance with Continuous Disclosure Requirements.

A review is undertaken at each half year end of all related party transactions.

Environmental Regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was substantially achieved across all operations with no instances of non-compliance in relation to licence requirements noted.

The Board is not aware of any significant breaches of environmental regulations during the period covered by this report.

4.6 Ethical Standards

All Directors, Managers and Employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group.

Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of Director related entity transactions with the Company and the Group are set out in Note 28 in the Notes to the Consolidated Financial Statements.

Code of Conduct

All Directors, Managers and Employees are expected to maintain high ethical standards including the following:

- aligning the behaviour of the Board and Management with the code of conduct by maintaining appropriate core Group values and objectives;
- fulfilling responsibilities to shareholders by delivering shareholder value;
- usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure;
- fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced;
- employment practices such as occupational health and safety, employment opportunity, training and education support, community activities, sponsorships and donations;

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

4. Corporate Governance Statement (continued)

4.6 Ethical Standards (continued)

Code of Conduct (continued)

- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution;
- managing actual or potential conflicts of interest;
- corporate opportunities such as preventing Directors and key executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- fair dealing;
- protection and proper use of the Group's assets;
- compliance with laws; and
- reporting unlawful or of unethical behaviour including protection of those who report violations in good faith.

Trading in General Company Securities by Directors and Employees

The key elements of the Trading in Company Securities by Directors and Employees policy are:

- identification of those restricted from trading - Directors and Senior Executives may acquire shares in the Company, but are prohibited from dealing in Company
- shares or exercising options:
 - within two trading days after either the release of the Company's half-year and annual results to the Australian Securities Exchange ('ASX'), the Annual General Meeting or any major announcement;
 - whilst in possession of price sensitive information not yet released to the market;
- raising the awareness of legal prohibitions including transactions with colleagues and external advisers;
- raising awareness that the Company prohibits those restricted from trading in Company shares as described above from entering into transactions such as margin loans that could trigger a trade during a prohibited period; and
- requiring details to be provided of the trading activities of the Directors of the Company.

4.7 Communication with Shareholders

The Board is committed to ensuring that the Company complies with its continuous disclosure obligations and to facilitate this, has approved a Continuous Disclosure Policy that applies to all Group personnel, including the Directors and Senior Executives. The Board seeks to promote investor confidence by seeking to ensure that trading in the Company's shares take place in an informed market.

Finbar provides information about itself, its activities and operations, and its governance via its website www.finbar.com.au.

A copy of the Group's Market Disclosure Policy is available on Finbar's website www.finbar.com.au.

4.8 Diversity

The Board has considered the recommendation to formulate strict measurable targets for the purposes of the assessment of gender diversity within the organisation. Given the small size and relatively stable nature of its workforce it has formed the view that at this time it would not be appropriate or practical to establish a written policy regarding gender diversity. The Board will review this position at least annually. However, generally, when selecting new employees or advancing existing employees, no consideration is given to gender, age or ethnicity, but instead selections are based upon individual achievements, skill and expertise.

Gender representation	2022		2021	
	Female	Male	Female	Male
Board	-	100%	-	100%
Key Management Personnel	-	100%	-	100%
Senior Management	50%	50%	50%	50%
Group	56%	44%	55%	45%

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

5. Principal Activities

The principal activities of the Group during the course of the financial year continued to be property development and investment.

The Group's focus is the development of medium to high-density residential buildings and commercial developments in Western Australia by way of direct ownership, ownership through fully owned Subsidiaries or by equity accounted investees (through companies registered specifically to conduct the development).

The Group holds rental property through 175 Adelaide Terrace Pty Ltd, Finbar Karratha Pty Ltd and Finbar Commercial Pty Ltd.

There were no significant changes in the nature of the activities of the Group during the financial year.

6. Operating and Financial Review

Operating Results	2022	2021
Total comprehensive income attributable to Owners of the Group	\$10,975,000	\$8,863,000

	2022	2021	2020	2019	2018
Total comprehensive income attributable to Owners of the Group	\$10,975,000	\$8,863,000	\$7,068,000	\$11,372,000	\$13,760,000
Basic EPS	\$0.04	\$0.03	\$0.02	\$0.04	\$0.06
Diluted EPS	\$0.04	\$0.03	\$0.02	\$0.04	\$0.06
Dividends paid	\$10,884,000	\$8,163,000	\$13,606,000	\$16,302,000	\$13,874,000
Dividends paid per share	\$0.04	\$0.03	\$0.05	\$0.06	\$0.06
Market price per share	\$0.68	\$0.85	\$0.70	\$0.84	\$0.94
Change in share price	-\$0.17	\$0.15	-\$0.14	-\$0.10	\$0.14
Return on capital employed attributable to Owners of the Group	5.06%	3.82%	4.47%	5.58%	6.24%
Return on total equity attributable to Owners of the Group	4.52%	3.65%	2.92%	4.58%	5.46%

Dividends for 2022 were fully franked and it is expected that dividends in future years will continue to be fully franked.

Key transactions that contributed to the consolidated net profit of the Company for the 2022 financial year were the completion of Dianella Apartments, sales and settlements of completed stock held at 30 June 2021 as well as the ongoing rental of the Company's commercial properties. See below for further information on the Company's project completions.

Review of Operations

Finbar Group Limited's ('Finbar' or 'the Company') core business lies in the development of medium to high density residential apartments and commercial property within the state of Western Australia. Finbar carries out its development projects in its own right or through incorporated special purpose entities and equity accounted investees, of which the Company either directly or indirectly holds interests in project profitability ranging between 50% and 100%.

The Company operates predominantly within the Perth CBD and surrounding areas.

Finbar's business model involves the acquisition of suitable development land either directly or by way of an incorporated Special Purpose Vehicle or by development agreements with Land Owners. Equity partners are sought to allow the Company to leverage into larger development projects to take advantage of the benefits of economies of scale, and to help spread project risk.

Finbar outsources its design and construction activities to external parties.

The administration of the companies along with the operating, investment, and acquisitions decisions are made by Finbar's Board and Management. The Company employs 28 staff in its corporate offices in East Perth, Western Australia and 1 member of staff in its office in the Pilbara.

This outsourcing model ensures that the Company is and remains scalable, efficient and agile in a market where acquisition and project timing is critical in maintaining a competitive advantage, helping to protect margins and enhancing the returns Finbar can generate for its shareholders.

There have been no significant changes in the Company's operating model that occurred during the relevant reporting period and the Company continued to develop and invest in built-form projects within Western Australia throughout the year as its core business.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

6. Operating and Financial Review (continued)

Review of Operations (continued)

Factors that may affect the Company's profit are generally restricted to items that would be considered to reside outside of the control of the Board and Management and are, in general, movements in interest rates, government rebates and incentives, changes in taxation and superannuation laws, supply chain costs, banking lending policies and their regulatory changes, global economic factors, resources sector activity, and employment rates.

The outbreak of COVID-19 globally and in Australia in 2020 remains as a significant risk event. The full impact on the Australian economy, travel restrictions and period of recovery is yet to be known. While the measures implemented by the Federal and State Governments were effective in reducing the impact of the virus, there may be ongoing outbreaks of COVID-19 which will require further government response.

The Company's Management has remained diligent in ensuring it maintains a strong balance sheet to protect and improve the Company's market position through this crisis. The construction commencement of Aurora in Applecross and The Point in Rivervale as well as the completion of the project at Dianella positions the Company to benefit from the opportunities that may arise from decreased competition and general industry stress. The ability to source new viable development opportunities is central to Finbar's ongoing success and the Board and Management has demonstrated a long track record of this ability.

The Board and Management control the Company's key risks through the implementation of control measures which include; land acquisitions generally secured without the use of debt funding, development funding which is carried out utilising senior bank funding from major Australian banks, and the Company's small and agile structure which can rapidly adapt to changes in market conditions.

There were no significant changes in the composition of overall assets and liabilities, with movements in assets from non-current to current and movements in liabilities from non-current to current as projects reach completion. The Company continued to focus on the generation of sales and rental revenue through property development and investment.

The Board and Management do not currently have the view that there is a requirement to reposition the Company's overall business model. The Board and Management continuously monitor market fluctuations and conditions and implement appropriate strategies to benefit from and insulate the Company against changing market conditions.

Completed Projects

Dianella Apartments - 36 Chester Avenue, Dianella: 89 units have settled during the period. 27 units remain for sale in the 128 unit development.

Reva - 5 Harper Terrace, South Perth: 4 units have settled in the reporting period. 6 commercial units remain for sale in the 59 unit development.

Vue Tower - 63 Adelaide Terrace, East Perth: 6 units have settled in the reporting period. 1 commercial unit remains for sale in the development of the 250 unit development.

Sabina Applecross - 908 Canning Highway, Applecross: 36 units have settled in the reporting period. The 167 unit development is now fully sold and settled.

One Kennedy - 241 Railway Parade, Maylands: 36 units have settled in the reporting period. The 123 unit development is now fully sold and settled.

Palmyra East Apartments - 43 McGregor Road, Palmyra: 3 units have settled in the reporting period. The 128 unit development is now fully sold and settled.

Riverena - Lot 1001-1003 Rowe Avenue, Rivervale: 34 units have settled in the reporting period. The 125 unit development is now fully sold and settled.

Aire West Perth - 647-659 Murray Street, West Perth: The 244 unit development is now fully sold.

Currently Under Construction

Civic Heart - 1 Mends Street, South Perth: Construction works continues to progress, with completion expected during financial year ending 30 June 2024. To date 165 residential sales and 22 commercial sales have been achieved in the development of 309 residential and 26 commercial units.

AT238 - 240 Adelaide Terrace, Perth: Construction works continues to progress, with completion expected during financial year ending 30 June 2023. To date 54 residential sales and 1 commercial sale have been achieved in the development of 119 residential and 2 commercial units.

Aurora Applecross - 3 Kintail Road, Applecross (Stage 2): Construction works commenced in November 2021, with completion expected during financial year ending 30 June 2024. To date 47 residential sales have been achieved in the development of 118 residential and 3 commercial units.

The Point - 31 Rowe Avenue, Rivervale: Construction works commenced in March 2022, with completion expected during financial year ending 30 June 2024. To date 121 residential sales and 1 commercial sale have been achieved in the development of 167 residential and 9 commercial units.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

6. Operating and Financial Review (continued)

Future Projects

Garden Towers East Perth - 101 Hay Street, East Perth - Marketing of the Garden Towers project continues to progress, with construction expected to commence in the financial year ending 30 June 2023. To date 91 residential sales and 5 commercial sales have been achieved in the development of 331 residential and 13 commercial units.

912 Canning Highway, Applecross (Stage 3): Development Approval has been received for 151 residential and 3 commercial units.

Palmyra West Apartments - 43 McGregor Road, Palmyra (Stage 2): Development Approval has been received for 130 residential units.

239 Great Eastern Highway, Belmont: Development Approval has been received for a development of 194 residential and 2 commercial units.

Lot 1000 - 32 Riversdale Road, Rivervale: Development Approval lodged for a 19 storey tower with 143 units. Determination is expected in December 2022.

Springs Commercial - 2 Hawksburn Road, Rivervale: The company has not secured a lease to date which would underpin the viability of the development of a commercial building on this land. The company will continue to seek a leasing pre-commitment.

2 Homelea Court, Rivervale: Development options are currently being explored.

187 Adelaide Terrace, East Perth: Development options are currently being explored.

Investment Property

Fairlanes - 175 Adelaide Terrace, East Perth: The Fairlanes property has been valued during the reporting period. The valuation resulted in no changes to the value of the property. The company continues to benefit from the investment income generated from the leased property. The property is currently 97% leased. The company continues to actively market the remaining tenancies for rental.

Pelago Commercial - 23 & 26 Sharpe Avenue, Karratha: The Pelago commercial property has been revalued during the reporting period. The valuation resulted in a \$1,350,000 increase in value of the property. The company continues to benefit from the investment income generated from the leased property. The property is currently 71% leased. The company continues to actively market the remaining tenancies for rental.

Pelago Residential - 23 & 26 Sharpe Avenue, Karratha: The Pelago residential property has been revalued during the reporting period. The valuation resulted in a \$5,761,998 increase to the value of the property. The company continues to benefit from the investment income generated from the leased property. The property is currently 98% leased. The company continues to actively market tenancies for rental as they become available.

Vue Tower Commercial - 63 Adelaide Terrace, East Perth: Lot 4 at Vue Tower - Finbar Commercial Pty Ltd continues to be leased to a non-profit organisation at \$1 per annum until 13 June 2029.

Aurelia Commercial - 96 Mill Point Road, South Perth: Lots 132-138 at Aurelia were revalued during the period. The valuation resulted in \$150,000 decrease to the value of the property. The company is actively marketing the tenancies for rental.

Significant Changes in State of Affairs

Other than set out in this report, in the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

7. Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Dividends Paid During the Year 2022				
Final 2021 ordinary	2.00	5,442	Franked	10 September 2021
Interim 2022 ordinary	2.00	5,442	Franked	18 March 2022
Total Dividends Paid		10,884		

Franked dividends declared or paid during the year were franked at the rate of 30%.

Proposed Dividend

After the balance date the following dividend has been proposed by the Directors. The dividend has not been provided for and there are no income tax consequences.

Final 2022 ordinary	2.00	5,442	Franked	9 September 2022
Total Dividend Proposed		5,442		

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

7. Dividends (continued)

Proposed Dividend (continued)

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2022 and will be recognised in subsequent financial reports.

	Note	\$'000
Dealt with in the financial report as - Dividends	19	10,884

Dividend Reinvestment Plan

In accordance with Rule 13 of the Company's Dividend Reinvestment Plan (DRP), the Directors have elected to suspend the DRP in the 2022 financial year until further notice. As such the DRP will not be active for the above mentioned dividend.

8. Events Subsequent to Reporting Date

With the ongoing COVID-19 pandemic, increasing inflation rates and cash rates, there is continuing economic uncertainties which may influence the Australian economy and property market, and consequently impact property valuations.

Other than mentioned, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9. Likely Developments

The Group will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

The Group will continue planned development projects on existing land and will continue to assess new development opportunities for the acquisition of land for future development.

Further information about likely developments in the operations of the Group and the expected results of these operations in future years have not been included in this report as the disclosure of such information would, in the opinion of the Directors, be likely to result in unreasonable prejudice to the Group.

10. Directors' Interests

The relevant interest of each Director in the shares and options over such instruments by the companies within the Group, as notified by the Directors to the Australian Stock Exchange Limited in accordance with S205G(1) of the Corporations Act 2001, as at the date of this report is as follows:

Director	Ordinary Shares
Mr John Chan	28,568,265
Mr Darren John Pateman	3,632,493
Mr Ronald Chan	18,894,133
Mr Kee Kong Loh	2,000,904
Mr Terence Siong Woon Peh	60,431,843
Mr Lee Verios	72,393

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2022

11. Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has agreed to indemnify the current Directors of the Company, its Subsidiaries and Equity Accounted Investees, against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company, its Subsidiaries and Equity Accounted Investees, except where the liability arises out of the conduct involving a lack of good faith.

Insurance Premiums

During the financial year the Company has paid insurance premiums of \$71,000 (2021: \$55,000) in respect of Directors and Officers liability and legal expenses insurance contracts for Directors and Officers, including Executive Officers of the Company. The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

12. Non-audit Services

During the year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below:

	Consolidated	
	2022 \$	2021 \$
Audit Services:		
Auditors of the Company		
Audit and review of financial statements - KPMG	146,970	124,138
	146,970	124,138
Services Other Than Statutory Audit:		
Taxation advice and tax compliance services - KPMG	20,700	16,560
	20,700	16,560

13. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 101 and forms part of the Directors' Report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Board of Directors:



Darren Pateman
Managing Director

Dated at Perth this Twenty-third day of August 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2022

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Revenue	7	90,291	101,965
Cost of sales		(70,049)	(81,664)
Gross Profit		20,242	20,301
Other income	8	1,146	1,429
Administrative expenses		(8,280)	(7,796)
Advertising expenses		(544)	(1,054)
Revaluation increase of investment property		6,864	1,534
Revaluation increase of property, plant and equipment		283	196
Rental expenses		(4,960)	(4,439)
Gain on disposal of investment properties		374	129
Results from Operating Activities		15,125	10,300
Finance income	10	595	858
Finance costs	10	(513)	(52)
Net Finance Income		82	806
Share of (loss)/profit of Equity Accounted Investees (net of income tax)	14	(159)	937
Profit before Income Tax		15,048	12,043
Income tax expense	11	(4,142)	(3,196)
Profit for the year		10,906	8,847
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation increase of property, plant and equipment		98	23
Tax on items that will not be reclassified to profit or loss	11	(29)	(7)
Other comprehensive income for the year, net of income tax		69	16
Total comprehensive income for the year		10,975	8,863
Earnings per Share:			
Basic earnings per share (cents per share)	20	4.01	3.25
Diluted earnings per share (cents per share)	20	4.01	3.25

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2022

Note	Share Capital \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
	194,484	47,013	444	241,941
Balance as at 1 July 2020				
Total comprehensive income for the year				
Profit	-	8,847	-	8,847
Other comprehensive income	-	-	16	16
Transactions with owners, recognised directly in equity				
Dividends to shareholders	19	(8,163)	-	(8,163)
Balance as at 30 June 2021	194,484	47,697	460	242,641
Balance as at 1 July 2021	194,484	47,697	460	242,641
Total comprehensive income for the year				
Profit	-	10,906	-	10,906
Other comprehensive income	-	-	69	69
Transactions with owners, recognised directly in equity				
Dividends to shareholders	19	(10,884)	-	(10,884)
Balance as at 30 June 2022	194,484	47,719	529	242,732

Amounts are stated net of tax

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on Pages 61-94.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on Pages 61-94.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	Consolidated	
		2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	18a	33,202	52,599
Trade and other receivables	17	20,037	8,085
Inventories	16	19,338	57,736
Investments in Equity Accounted Investees	14	590	139
Other assets		49	65
Total Current Assets		73,216	118,624
Non-Current Assets			
Trade and other receivables	17	30,799	26,024
Inventories	16	123,048	82,105
Investment property	12	102,189	97,925
Prepayments		738	434
Investments in Equity Accounted Investees	14	990	2,235
Property, plant and equipment	13	9,932	9,218
Deferred tax assets	15	5,366	6,719
Other assets		123	154
Total Non-Current Assets		273,185	224,814
Total Assets		346,401	343,438
LIABILITIES			
Current Liabilities			
Trade and other payables	23	10,876	22,240
Loans and borrowings	21	23,340	2,228
Current tax payable	15	1,936	1,454
Employee benefits	22	792	567
Total Current Liabilities		36,944	26,489
Non-Current Liabilities			
Trade and other payables	23	166	37
Loans and borrowings	21	61,857	69,254
Deferred tax liabilities	15	4,696	4,957
Employee benefits	22	6	60
Total Non-Current Liabilities		66,725	74,308
Total Liabilities		103,669	100,797
Net Assets		242,732	242,641
EQUITY			
Share capital	19	194,484	194,484
Retained earnings		47,719	47,697
Reserves	19	529	460
Total Equity		242,732	242,641

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on Pages 61-94.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2022

	Note	Consolidated	
		2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Cash receipts from customers		278,333	169,139
Cash paid to suppliers and employees		(283,611)	(150,909)
Cash (used in)/generated from Operating Activities		(5,278)	18,230
Interest paid		(1,833)	(71)
Income tax paid		(2,598)	(2,492)
Net Cash (used in)/generated from Operating Activities	18b	(9,709)	15,667
Cash Flows from Investing Activities			
Proceeds from sales of investment properties		1,785	725
Interest received		470	1,762
Dividends received from Equity Accounted Investees		635	676
Acquisition of property, plant and equipment	13	(98)	(70)
Proceeds from sale of property, plant and equipment	13	14	-
Acquisition of investment property		(331)	-
Acquisition of other investments		(3)	-
Repayment of loans to related party		(2,943)	-
Loans to Equity Accounted Investees		(23,130)	(7,985)
Proceeds from loans to Equity Accounted Investees		9,887	12,595
Net Cash (used in)/provided by Investing Activities		(13,714)	7,703
Cash Flows from Financing Activities			
Proceeds from borrowings	21	38,659	40,193
Repayment of borrowings	21	(23,749)	(33,392)
Dividends paid	19	(10,884)	(8,163)
Net Cash provided by/(used in) Financing Activities		4,026	(1,362)
Net (decrease)/increase in cash and cash equivalents		(19,397)	22,008
Cash and cash equivalents at 1 July		52,599	30,591
Cash and Cash Equivalents at 30 June	18a	33,202	52,599

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on Pages 61-94.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2022

Index to Notes to the Financial Statements

Note	Page	Note	Page
1. Reporting Entity	63	17. Trade and Other Receivables	83
2. Basis of Preparation	63	18. Cash and Cash Equivalents	84
3. Significant Accounting Policies	64	19. Capital and Reserves	85
4. Determination of Fair Values	70	20. Earnings per Share	86
5. Financial Risk Management	71	21. Loans and Borrowings	87
6. Operating Segments	73	22. Employee Benefits	88
7. Revenue	75	23. Trade and Other Payables	88
8. Other Income	75	24. Financial Instruments	88
9. Personnel Expenses	75	25. Operating Leases	91
10. Finance Income and Finance Costs	75	26. Capital and Other Commitments	91
11. Income Tax Expense	76	27. Contingencies	92
12. Investment Property	77	28. Related Parties	92
13. Property, Plant and Equipment	78	29. Group Entities	93
14. Investments in Equity Accounted Investees	81	30. Subsequent Events	93
15. Tax Assets and Liabilities	83	31. Auditor's Remuneration	94
16. Inventories	83	32. Parent Entity Disclosures	94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

Index to Significant Accounting Policies (Note 3)

Note	Page
(a) Basis of Consolidation	64
(b) Financial Instruments	65
(c) Property, Plant and Equipment	65
(d) Investment Property	66
(e) Inventories	67
(f) Impairment	67
(g) Employee Benefits	68
(h) Provisions	68
(i) Revenue	68
(j) Finance Income and Finance Costs	69
(k) Income Tax	69
(l) Goods and Services Tax	69
(m) Earnings per Share	70
(n) Segment Reporting	70
(o) New Standards and Interpretations	70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

1. Reporting Entity

Finbar Group Limited ('the Company') is a public company domiciled in Australia. The address of the Company's registered office is Level 6, 181 Adelaide Terrace, East Perth, WA 6004. The consolidated financial statements of the Group as at and for the year ended 30 June 2022 comprise the Company, its Subsidiaries (together referred to as 'the Group' and individually as 'Group entities') and the Group's interest in equity accounted investees. The Group is a for-profit entity and is primarily involved in residential property development and property investment (see Note 6).

2. Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. These consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on 23rd August 2022.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments recognised through profit or loss are measured at fair value;
- investment property is measured at fair value; and
- property under Property, Plant and Equipment is measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars which is the functional currency for the Group. In accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 periods affected.

(i) Assumptions and estimation uncertainties

Information about assumptions made in measuring fair values and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 30 June 2022 are included in the following notes:

- Note 12 - Valuation of investment property;
- Note 13 - Property, plant & equipment; and
- Note 24 - Valuation of financial instruments.

(ii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes the CFO who has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Valuations are reported to the Audit Committee at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

2. Basis of Preparation (continued)

(d) Use of Estimates and Judgements (continued)

(iii) Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

(e) Changes in Accounting Policies

The Group's accounting policies are consistent with those disclosed in the financial statements for the year ended 30 June 2021.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its investment 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 that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Equity Accounted Investees

Equity accounted investees are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic and operating decisions. Investments in equity accounted investees are accounted for using the equity method (Equity Accounted Investees) and are initially recognised at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of Equity Accounted Investees, after adjustments to align the accounting policies with those of the Group, from the date that the joint control commences until the date the joint control ceases. When the Group's share of losses exceeds its interest in an Equity Accounted Investee, the carrying amount of that interest 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 Equity Accounted Investee. Investments in equity accounted investees are carried at the lower of the equity accounted amount and the recoverable amount. Investments in equity accounted investees are treated as current assets where it is expected that the investment will be realised within a twelve month time frame.

(iii) Joint Operations

A joint operation is carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(iv) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with Equity Accounted Investees are eliminated against the investment to the extent of the Group's interest in the Equity Accounted Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised as the contributed assets are consumed or sold by the Equity Accounted Investee or, if not consumed or sold by the Equity Accounted Investee, when the Group's interest in such entities is disposed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(b) Financial Instruments

(i) Non-derivative Financial Instruments

Non-derivative financial assets

Trade and other receivables and debt securities issued are initially recognised when they are originated. All other financial assets (including assets designated at fair value through profit or loss – FVTPL) are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Accounting for finance income and expense is discussed in Note 3(j).

Non-derivative financial liabilities

Trade and other payables, commercial bills and subordinated liabilities are initially recognised when they are originated at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. All other financial liabilities (including liabilities designated at fair value through profit or loss) are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital

When share capital recognised in equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(c) Property, Plant and Equipment

(i) Recognition and Measurement

Items of plant and equipment are measured at cost or deemed cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working order for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see below).

Items classified as property are measured at fair value. Refer Note 3(c)(iv).

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

Gains on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant & equipment and are recognised net within "Other income" in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

(i) Recognition and Measurement (continued)

Losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant & equipment and are recognised net within "Administrative expenses" in profit or loss.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

In respect to borrowing costs relating to qualifying assets, the Group capitalises costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset.

(ii) Reclassification to Investment Property

Property that is being constructed for future use as investment property is accounted for as inventory until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in profit or loss.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any loss is recognised in the revaluation reserve to the extent that an amount is included in revaluation reserve for that property, with any remaining loss recognised immediately in profit or loss. Any gain arising on revaluation is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the property, with any remaining gain recognised in a revaluation reserve in equity.

(iii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Revaluation Model for Property

After recognition as an asset, the Group has elected to carry an item of property whose fair value can be reliably measured shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

If an item of property is revalued, the entire class of property to which that asset belongs shall be revalued. Any gain or loss arising on remeasurement is recognised in other comprehensive income and asset revaluation reserve. Refer Note 4.

(v) Depreciation and Amortisation

Depreciation and amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Assets are depreciated or amortised from the date of acquisition. Land is not depreciated.

The estimated useful lives in the current and comparative periods are as follows:

• Office property	40 years
• Office furniture and equipment, fixtures and fittings	5 - 25 years
• Plant and equipment	1 - 10 years

Depreciation and amortisation rates and methods are reviewed at each reporting date. When changes are made, adjustments are reflected prospectively in the current and future periods only.

(d) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods and services or for administrative purposes. Investment property is measured at fair value (see Note 4) with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The self-constructed investment property transferred from inventory are recognised at fair value.

When the use of a property changes such that it is reclassified as property, plant or equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(e) Inventories

Inventories and work in progress, including land held for resale, are stated at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost includes the cost of acquisition, development costs, holding costs and directly attributable interest on borrowed funds where the development is a qualifying asset. Capitalisation of borrowing costs is ceased during extended periods in which active development is interrupted. When a development is completed and ceases to be a qualifying asset, borrowing costs and other costs are expensed as incurred.

Current and Non-current Inventory Assets

Inventory is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded; or
- it is expected to be realised within twelve months of the reporting date.

All other inventory is treated as non-current.

(f) Impairment

(i) Financial Assets

Under the expected credit losses (ECL) model in accordance with AASB 9 Financial Instruments, the Group calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability-weighted outcomes.

At each reporting period, the Group assess whether the credit risk on a financial instrument has increased significantly since initial recognition, by analysing reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

Except for purchased and originated credit-impaired financial assets, trade receivables, AASB 15 contract assets and lease receivables, at each reporting date:

- the Group measures the loss allowance for a financial instrument at an amount equal to the 'lifetime expected credit losses' if the credit risk on that financial instrument has increased significantly since initial recognition; and
- if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measure the loss allowance for that financial instrument at an amount equal to '12 month expected credit loss'.

The allowance and any changes in the expected credit loss are recognised as impairment gain and losses in profit or loss.

(ii) Non-financial Assets

The carrying amounts of the Group's non-financial assets other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash flow from continuing use that are largely independent of the cash flows of other assets or groups of assets (the "cash generating unit").

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(g) Employee Benefits

(i) Superannuation Contributions

Obligations for contributions to superannuation funds are recognised as an expense in profit or loss.

(ii) Long-term Employee Benefits

The Group's 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 plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

(iv) Short-term Employee Benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be recognised reliably.

(v) Share-based Payment Transactions

At the grant date, fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Revenue

Under AASB 15 Revenue from Contracts with Customers, Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

(i) Property Sales

Revenue from property sales include:

- Sale of residential and commercial property;
- Development costs fees which represent the fees charged to recoup project development costs from the Land Owners; and
- Profit Share fees which represent percentage profit sharing revenue based on net project profit.

Revenue is recognised when control of the assets is transferred and the amount of revenue is measured based on the contracted amount. The timing of transfer of control vary depending on the individual terms of the contract of sale.

For projects with an external landowner when the Group is engaged as a property developer of the land, the Group is deemed to be acting as the principal in the transaction and as such, property sales revenue and cost of sale are grossed up by the land cost base.

The cost of sales allocated to individual units is based on the estimated overall selling price for the project and is updated at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(i) Revenue (continued)

(ii) Supervision Fees

Supervision fees represents the management fees charged to the Equity Accounted Investees. Revenue is recognised in profit or loss in proportion to the stage of project completion which is by reference to an assessment of the costs incurred and the costs to be incurred. Revenue is measured based on the contracted amount and constrained to the amount that is highly probable.

(iii) Management Fee

Management fees represents the management fee charged to the shareholders of Equity Accounted Investees. Revenue is recognised in profit or loss at project completion and is measured based on the contracted amount and constrained to the amount that is highly probable.

(iv) Rental Income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease in accordance with AASB 16 Leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(j) Finance Income and Finance Costs

Finance income comprises interest income on funds invested, interest on loans to Equity Accounted Investees, dividend income, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, changes in fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(k) Income Tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss 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 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. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and equity accounted investees to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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 taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

Additional income tax expenses that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

(l) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

3. Significant Accounting Policies (continued)

(l) Goods and Services Tax (continued)

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(n) Segment Reporting

Determination and Presentation of Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(o) New Standards and Interpretations

A number of new standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The potential impact of the new standards, amendments to standards and interpretations has been considered and they are not expected to have a significant impact on the financial statement.

4. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investment Property and Property carried at fair value

An external, independent valuation company, having appropriately recognised professional qualifications and recent experience in the location and category of the property being valued, values the Group's investment property portfolio and property no less than once every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices, have been served validly and within the appropriate time.

Properties that have not been independently valued as at the balance sheet date are carried at fair value by way of directors valuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

4. Determination of Fair Values (continued)

(b) Trade and Other Receivables

The fair value of trade and receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(c) Share-based Payment Transactions

The fair value of employee stock options is measured using the Black-Scholes (or similar) option-pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(d) Financial Guarantees

For financial guarantee contracts liabilities, the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. This method takes into account the probability of default by the guaranteed party over the term of the contract, the loss given default (being the proportion of the exposure that is not expected to be recovered in the event of default) and exposure at default (being the maximum loss at the time of default).

5. Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and Other Receivables

The nature of the Group's business means that most sales contracts occur on a pre-sales basis, before significant expenditure has been incurred on the development. All pre-sale contracts require a deposit at the point of entering into the contract, these funds being held in trust independently of the Group. Generally, pre-sale contracts are executed on an unconditional basis. Possession of a development property does not generally pass until such time as the financial settlement of the property has been completed, and title to a development property does not pass until the financial settlement of the property has been completed. Where possession of the development property is granted prior to settlement, title to the property remains with the Group until financial settlement of the property has been completed.

The demographics of the Group's customer base has little or no influence on credit risk. Approximately 11.82% (2021: 4.80%) of the Group's revenue is attributable to multiple sales transactions with single customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

5. Financial Risk Management (continued)

Trade and Other Receivables (continued)

The Board of Directors has established a credit policy which undertakes an analysis of each sale. Purchase limits are established on customers, with these purchase limits being reviewed on each property development.

The Group's trade and other receivables relate mainly to the Group's loans to Equity Accounted Investees (within which the Group holds no more than a 50% interest) and Goods and Services Tax refunds due from the Australian Taxation Office. The loans to Equity Accounted Investees are repaid from proceeds on settlement and bear interest at BBSY plus agreed margin.

The Group has not established an allowance for impairment, as no losses are expected to be incurred in respect of trade and other receivables. The trade and other receivables are mainly from related parties or being eligible for set-off against amounts owed to the borrower.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses project by project costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

Interest Rate Risk

The Group continuously reviews its exposure to changes in interest rates and where it is considered prudent will enter into borrowings on a fixed rate basis.

Capital Management

The Board'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 Board of Directors monitors the return on capital, which the Group defines as total comprehensive income attributable to the group divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on assets of between 6.00% and 8.00%; for the year ended 30 June 2022 the return was 4.52% (2021: 3.51%). In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 0.47% (2021: 0.43%).

The Group's debt-to-capital ratio at the end of the financial year was as follows:

	Note	2022 \$'000	2021 \$'000
Interest-bearing debt	21	40,041	62,135
Market Capitalisation as at 30 June		185,044	231,305
Total Capital		225,085	293,440
Debt-to-capital ratio at 30 June		18%	21%

From time to time the Company purchases its own shares on the market; the timing of these purchases depends on market prices and availability of unallocated company cash resources where not required for core business activity. Shares purchased are cancelled from issued capital on purchase. The intention of the Board of Directors in undertaking such purchases is to enhance the capital return to the shareholders of the Company. Buy decisions are made on a specific transaction basis by the Board of Directors.

In accordance with Rule 13 of the Company's Dividend Reinvestment Plan (DRP), the Directors have elected to suspend the DRP in the 2022 financial year until further notice. As such the DRP will not be active for the above mentioned dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

6. Operating Segments

The Group operates predominantly in the property development sector and has identified 4 reportable segments, as described below, which are the Group's three strategic business units, as well as the Corporate office. The strategic business units offer different products, and are managed separately because they require different technology, marketing strategies and have different types of customers. For each of the strategic business units, the Chief Operating Decision Maker (CODM) reviews internal management reports on a regular basis. The following describes the operations in each of the Group's reportable segments:

- Residential apartment development in Western Australia;
- Commercial office/retail development in Western Australia;
- Rental of property in Western Australia; and
- Corporate costs includes supervision fees, management fees and net assets attributable to the corporate office.

Information about Reportable Segments For the Year ended 30 June 2022	Residential Apartment Development \$'000	Commercial Office/Retail Development \$'000	Rental of Property \$'000	Corporate \$'000	Total \$'000
External Revenues - Company and Subsidiaries	76,661	4,842	8,464	1,470	91,437
External Revenues - Equity Accounted Investees	6,550	-	-	-	6,550
External Revenues - Total	83,211	4,842	8,464	1,470	97,987
Reportable Segment Profit before Income Tax - Company and Subsidiaries	8,467	(609)	2,993	5,032	15,883
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(161)	(35)	-	(31)	(227)
Reportable Segment Profit before Income Tax - Total	8,306	(644)	2,993	5,001	15,656
Reportable Segment Assets - Company and Subsidiaries	136,221	16,706	103,883	27,594	284,404
Reportable Segment Assets - Equity Accounted Investees	33,767	2,989	-	-	36,756
Reportable Segment Liabilities - Company and Subsidiaries	52,029	3,315	40,376	1,316	97,036
Reportable Segment Liabilities - Equity Accounted Investees*	25,872	852	-	2	26,726
Capital Expenditure	-	-	-	98	98
For the Year ended 30 June 2021					
External Revenues - Company and Subsidiaries	90,961	2,328	7,871	2,234	103,394
External Revenues - Equity Accounted Investees	17,618	-	-	-	17,618
External Revenues - Total	108,579	2,328	7,871	2,234	121,012
Reportable Segment Profit before Income Tax - Company and Subsidiaries	8,205	(436)	2,967	5,501	16,237
Reportable Segment Profit before Income Tax - Equity Accounted Investees	1,366	-	-	(28)	1,338
Reportable Segment Profit before Income Tax - Total	9,571	(436)	2,967	5,473	17,575
Reportable Segment Assets - Company and Subsidiaries	132,813	16,473	98,868	25,017	273,171
Reportable Segment Assets - Equity Accounted Investees	22,673	2,044	-	-	24,717
Reportable Segment Liabilities - Company and Subsidiaries	49,449	241	43,355	1,341	94,386
Reportable Segment Liabilities - Equity Accounted Investees*	18,523	53	-	1	18,577
Capital Expenditure	-	-	-	27	27

* Excludes Liabilities payable to Finbar Group.

The Group's share of revenues from equity accounted investees are reported in this table as they are managed by Finbar and reported to the CODM. Revenues from equity accounted investees are not reported in the statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

6. Operating Segments (continued)

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities	2022 \$'000	2021 \$'000
Revenues		
Total revenue for development reportable segments	81,503	93,289
Total revenue for rental segments	8,464	7,871
Total revenue for other reportable segments	1,470	2,234
Consolidated Revenue	91,437	103,394
Total revenue for development reportable segments - Equity Accounted Investees	6,550	17,618
Total revenue for rental segments - Equity Accounted Investees	-	-
Total Reportable Segments Revenue	97,987	121,012
Profit or Loss		
Total profit or loss for reportable segments	15,656	17,575
Finance income - Company and Subsidiaries	595	858
Finance costs - Company and Subsidiaries	(513)	(52)
Unallocated amounts:		
Administrative expenses	(8,280)	(7,796)
Revaluation of investment property	6,864	1,534
Revaluation of property, plant and equipment	283	196
Gain on disposal of investment properties	374	129
Income tax applicable to share of profit of Equity Accounted Investees	69	(401)
Consolidated Profit before Income Tax	15,048	12,043
Assets		
Total assets for reportable segments	284,404	273,171
Cash and cash equivalents	33,202	52,599
Investments in Equity Accounted Investees	1,580	2,374
Other assets**	27,215	15,294
Consolidated Total Assets	346,401	343,438
Liabilities		
Total liabilities for reportable segments	97,036	94,386
Other liabilities	6,633	6,411
Consolidated Total Liabilities	103,669	100,797

** Includes receivables due to Finbar Group Limited from Equity Accounted Investees.

Geographical information

The Group operates predominantly in the one geographical segment of Western Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
7. Revenue		
Property development sales	81,503	93,289
Rental income	8,464	7,871
Supervision fees	324	805
Total Revenue	90,291	101,965
8. Other Income		
Administration fees	61	52
Management fees	818	850
Other	267	527
Total Other Income	1,146	1,429
9. Personnel Expenses		
Wages and salaries	5,232	4,781
Superannuation contributions	369	322
Increase in liability for annual leave	66	36
Increase in liability for long service leave	106	57
Directors and committee fees	228	199
Non Executive Directors - superannuation contributions	7	6
Total Personnel Expenses	6,008	5,401
Personnel expenses are included in administrative expenses on the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022.		
10. Finance Income and Finance Costs		
Recognised in Profit or Loss		
Interest income on loans to Equity Accounted Investees	142	532
Interest income on loans	318	291
Interest income on bank deposits	32	15
Interest income on property settlements	103	20
Total Finance Income	595	858
Interest expense	503	45
Bank charges	10	7
Total Finance Costs	513	52
Net Finance Income	82	806

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
11. Income Tax Expense		
Recognised in Income Statement		
Current Tax Expense		
Current year	3,471	2,962
Income tax recognised directly to equity	58	58
Reversal of previously recognised tax assets	(424)	(140)
Non-recoverable amounts	2	2
	3,107	2,882
Deferred Tax Expense Movement		
Origination and reversal of temporary differences	1,035	314
	1,035	314
Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	4,142	3,196
Income tax relating to components of other comprehensive income	29	7
Total Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	4,171	3,203
Numerical Reconciliation between Tax Expense and Pre-tax Net Profit		
Profit for the year	10,906	8,847
Total income tax expense	4,142	3,196
Profit before Income Tax	15,048	12,043
Income tax using the domestic rate of 30% (2021: 30%)	4,515	3,613
Movement in income tax expense due to:		
Non-deductible expenses	1	2
Non-recoverable amounts	2	2
Reversal off of previously recognised tax assets	(424)	(140)
Tax effect of share of equity accounted investees loss/(profit)	48	(281)
Total Income Tax Expense	4,142	3,196
Made up of:		
Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	4,142	3,196
Income tax relating to components of other comprehensive income	29	7
	4,171	3,203
Income Tax Recognised Directly in Equity		
Decrease in income tax expense due to:		
Tax incentives not recognised in income statement	(58)	(58)
Total Income Tax Recognised Directly in Equity	(58)	(58)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
12. Investment Property		
12a. Reconciliation of Carrying Amount		
Balance at 1 July	97,925	97,331
Sale of Investment Property	(2,176)	(940)
Acquisition of Investment Property	331	-
Transferred to Property, Plant and Equipment	(755)	-
Change in fair value	6,864	1,534
Balance at 30 June	102,189	97,925

Investment property comprises commercial properties at five developments and residential properties at two developments which are leased to third parties (see Note 25).

The increase in the revaluation was as a result of an extension of the weighted average lease term from prior year, offset by COVID-19 impacts.

12b. Measurement of fair values

(i) Fair Value Hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued or by director's valuation.

In accordance with the Company's policy, independent valuations were undertaken in December 2021 on existing properties, Pelago in Karratha and Fairlanes in East Perth and in June 2022 for Aurelia in South Perth. At June reporting period the Directors confirm that there is no change to the valuations undertaken in December 2021.

The fair value assessment of the Company as at the reporting date includes the best estimate of the impacts of COVID-19 pandemic using information available at the time of preparation of the financial statements and appropriate forward looking assumptions.

The fair value measurement for investment property of \$102,189,000 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

(ii) Level 3 Fair Value

Note 12a shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(iii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows able to be generated from the property taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs, such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	Expected market rental growth 0.00% - 4.50%; Weighted average 2.74%; Void periods (average 8.2 months after the end of each lease); Occupancy rate 89%; Risk-adjusted discounted rates (weighted average 7.00%).	The estimated fair value would increase (decrease) if: Expected market rental growth were higher (lower); Void periods were shorter (longer); Occupancy rate were higher (lower); Rent-free periods were shorter (longer); or Risk-adjusted discount rate were lower (higher).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

12. Investment Property (continued)

12b. Measurement of fair values (continued)

(iii) Valuation technique and significant unobservable inputs (continued)

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Capitalisation of income valuation:</i> The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments. The capitalisation rate used varies across properties. Valuations reflect, where appropriate, lease term remaining, the relationship of current rent to the market rent, location and prevailing investment market conditions.	Adopted capitalisation rate 7.00% - 10.00%; Gross rent per annum \$450 - \$668 per sqm; Occupancy rate 71% - 98%; and Rent free period 30 months	The estimated fair value would increase (decrease) if: Adopted capitalisation rate were higher (lower); Gross rent per annum were higher (lower); Occupancy rate were higher (lower); or Lease term remaining were longer (shorter).

	Property \$'000	Office Furniture and Equipment \$'000	Plant and Equipment \$'000	Fixtures and Fittings \$'000	Total \$'000
13. Property, Plant and Equipment					
Cost or Valuation					
Balance at 1 July 2020	7,241	903	7,683	91	15,918
Additions	-	70	-	-	70
Change in fair value	47	-	-	-	47
Disposals	-	-	-	-	-
Balance at 30 June 2021	7,288	973	7,683	91	16,035
Balance at 1 July 2021	7,288	973	7,683	91	16,035
Additions	-	98	-	-	98
Transferred from investment property	755	-	-	-	755
Change in fair value	180	-	-	-	180
Reclassification	-	-	(4,047)	-	(4,047)
Disposals	-	(314)	(147)	-	(461)
Balance at 30 June 2022	8,223	757	3,489	91	12,560

Depreciation

Balance at 1 July 2020	-	705	5,741	76	6,522
Disposals	-	-	-	-	-
Revaluation	(172)	-	-	-	(172)
Depreciation and amortisation charge for the year	172	61	231	3	467
Balance at 30 June 2021	-	766	5,972	79	6,817

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

13. Property, Plant and Equipment (continued)

	Property \$'000	Office Furniture and Equipment \$'000	Plant and Equipment \$'000	Fixtures and Fittings \$'000	Total \$'000
Depreciation					
Balance at 1 July 2021	-	766	5,972	79	6,817
Reclassification	-	-	(4,047)	-	(4,047)
Disposals	-	(292)	(132)	-	(424)
Revaluation	(201)	-	-	-	(201)
Depreciation and amortisation charge for the year	201	97	182	3	483
Balance at 30 June 2022	-	571	1,975	82	2,628

Carrying Amounts

At 1 July 2020	7,241	198	1,942	15	9,396
At 30 June 2021	7,288	207	1,711	12	9,218
At 1 July 2021	7,288	207	1,711	12	9,218
At 30 June 2022	8,223	186	1,514	9	9,932

For each revalued class the carrying amount that would have been recognised had the assets been carried on historical cost basis are as follows:

	Property \$'000
Revalued assets at cost	
Cost	7,626
Less accumulated depreciation	(1,776)
Net book value at 30 June 2022	5,850

Measurement of fair values

(i) Fair Value Hierarchy

The fair value of property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued or by director's valuation.

In accordance with the Company's policy, independent valuations were undertaken in December 2021 on existing properties, Pelago in Karratha and Fairlanes in East Perth. At June reporting period the Directors confirm that there is no change to the valuations undertaken in December 2021.

The fair value assessment of the Company as at the reporting date includes the best estimate of the impacts of COVID-19 pandemic using information available at the time of preparation of the financial statements and appropriate forward looking assumptions.

The fair value measurement for property of \$8,223,000 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

13. Property, Plant and Equipment (continued)

Measurement of fair values (continued)

(ii) Level 3 Fair Value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	2022 \$'000	2021 \$'000
Balance at 1 July	7,288	7,241
Acquisitions and reclassifications from investment property and inventory	755	-
Revaluation increase included in 'profit or loss'	283	196
Revaluation increase included in 'other comprehensive income'	98	23
Depreciation	(201)	(172)
Balance at 30 June	8,223	7,288

(iii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows:</i> The valuation model considers the present value of net cash flows able to be generated from the property taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs, such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	Expected market rental growth 0.00% - 4.50%; Weighted average 2.74%; Void periods (average 8.2 months after the end of each lease); Occupancy rate 89%; Risk-adjusted discounted rates (weighted average 7.00%).	The estimated fair value would increase (decrease) if: Expected market rental growth were higher (lower); Void periods were shorter (longer); Occupancy rate were higher (lower); Rent-free periods were shorter (longer); or Risk-adjusted discount rate were lower (higher).
<i>Capitalisation of income valuation:</i> The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments. The capitalisation rate used varies across properties. Valuations reflect, where appropriate, lease term remaining, the relationship of current rent to the market rent, location and prevailing investment market conditions.	Adopted capitalisation rate 7.00% - 10.00%; Gross rent per annum \$450 - \$668 per sqm; Occupancy rate 71% - 98%; and Rent free period 30 months	The estimated fair value would increase (decrease) if: Adopted capitalisation rate were higher (lower); Gross rent per annum were higher (lower); Occupancy rate were higher (lower); or Lease term remaining were longer (shorter).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

14. Investments in Equity Accounted Investees

Equity Accounted Investees

The Group accounts for investments in Equity Accounted Investees using the equity method.

The Group has the following investments in Equity Accounted Investees (all stated at 100% of the values):

Equity Accounted Investees Assets 2022	Ownership	Current Assets \$'000	Non-current Assets \$'000	Total Assets \$'000
Garden Towers East Perth Pty Ltd*	50.00%	1,209	20,131	21,340
240 Adelaide Terrace Pty Ltd	50.00%	34,431	18,166	52,597
647 Murray Street Pty Ltd	50.00%	63	-	63
Axis Linkit Pty Ltd	50.00%	-	1	1
Finbar Sub 5050 Pty Ltd	50.00%	-	2	2
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	1,619	-	1,619
Rowe Avenue Pty Ltd	50.00%	1	4,245	4,246
		37,323	42,545	79,868

Equity Accounted Investees Liabilities 2022	Ownership	Current Liabilities \$'000	Non-current Liabilities \$'000	Total Liabilities \$'000
Garden Towers East Perth Pty Ltd*	50.00%	767	21,509	22,276
240 Adelaide Terrace Pty Ltd	50.00%	35,484	17,745	53,229
647 Murray Street Pty Ltd	50.00%	4	-	4
Axis Linkit Pty Ltd	50.00%	-	2	2
Finbar Sub 5050 Pty Ltd	50.00%	-	6	6
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	499	-	499
Rowe Avenue Pty Ltd	50.00%	5	688	693
		36,759	39,950	76,709

Equity Accounted Investees Assets 2021	Ownership	Current Assets \$'000	Non-current Assets \$'000	Total Assets \$'000
Garden Towers East Perth Pty Ltd*	50.00%	350	17,495	17,845
240 Adelaide Terrace Pty Ltd	50.00%	563	17,099	17,662
647 Murray Street Pty Ltd	50.00%	155	-	155
Axis Linkit Pty Ltd	50.00%	-	-	-
Finbar Sub 5050 Pty Ltd	50.00%	-	1	1
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	5,515	6,426	11,941
Rowe Avenue Pty Ltd	50.00%	1	4,169	4,170
		6,584	45,190	51,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

14. Investments in Equity Accounted Investees (continued)

Equity Accounted Investees Liabilities 2021	Ownership	Current Liabilities \$'000	Non-current Liabilities \$'000	Total Liabilities \$'000
Garden Towers East Perth Pty Ltd*	50.00%	12	17,836	17,848
240 Adelaide Terrace Pty Ltd	50.00%	2,294	15,790	18,084
647 Murray Street Pty Ltd	50.00%	(5)	-	(5)
Axis Linkit Pty Ltd	50.00%	-	2	2
Finbar Sub 5050 Pty Ltd	50.00%	-	5	5
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	355	10,127	10,482
Rowe Avenue Pty Ltd	50.00%	-	611	611
		2,656	44,371	47,027

Profit/(Loss) Before Income Tax Recognised from Equity Accounted Investees 2022	Ownership	Revenues \$'000	Expenses \$'000	Profit/(Loss) before income tax \$'000
Garden Towers East Perth Pty Ltd*	50.00%	5	1,337	(1,332)
240 Adelaide Terrace Pty Ltd	50.00%	2	302	(300)
647 Murray Street Pty Ltd	50.00%	-	(15)	15
Finbar Sub 5050 Pty Ltd	50.00%	-	1	(1)
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	13,094	11,920	1,174
Rowe Avenue Pty Ltd	50.00%	-	9	(9)
		13,101	13,554	(453)

Profit/(Loss) Before Income Tax Recognised from Equity Accounted Investees 2021	Ownership	Revenues \$'000	Expenses \$'000	Profit/(Loss) before income tax \$'000
Garden Towers East Perth Pty Ltd*	50.00%	-	3	(3)
240 Adelaide Terrace Pty Ltd	50.00%	-	602	(602)
647 Murray Street Pty Ltd	50.00%	681	652	29
Finbar Sub 5050 Pty Ltd	50.00%	-	1	(1)
Lot 1001-1003 Rowe Avenue Pty Ltd	50.00%	34,568	31,307	3,261
Rowe Avenue Pty Ltd	50.00%	-	7	(7)
		35,249	32,572	2,677

* Finbar Sub 107 Pty Ltd was renamed Garden Towers East Perth Pty Ltd during the year ended 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

15. Tax Assets and Liabilities

The current tax liability for the Group of \$1,936,000 (2021: \$1,454,000) represents the amount of income taxes payable in respect of current and prior periods.

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Inventories	(1,112)	(1,131)	(7,334)	(7,644)
Interest bearing loans and borrowings	38	31	-	-
Revaluation of property	21	1,654	(2,139)	(2,184)
Other items	3,181	2,008	3,049	2,811
Tax value of carry-forward losses recognised	4,966	6,217	-	-
Tax assets/(liabilities)	7,094	8,779	(6,424)	(7,017)
Set off of tax	(1,728)	(2,060)	1,728	2,060
Net Tax	5,366	6,719	(4,696)	(4,957)

16. Inventories

	2022 \$'000	2021 \$'000
Current		
Work in progress	-	24,000
Completed stock	19,338	33,736
Total Current Inventories	19,338	57,736
Non-Current		
Work in progress	122,277	78,246
Completed stock	771	3,859
Total Non-Current Inventories	123,048	82,105

17. Trade and Other Receivables

	2022 \$'000	2021 \$'000
Current		
Trade receivables	6,716	7,458
Other receivables	622	627
Amounts receivable from equity accounted investees	12,699	-
Total Current Trade and Other Receivables	20,037	8,085
Non-Current		
Trade receivables	8,556	7,105
Other receivables	13,094	10,344
Amounts receivable from equity accounted investees	9,149	8,575
Total Non-Current Trade and Other Receivables	30,799	26,024

Amounts receivable from equity accounted investees bear interest at BBSY plus agreed margin.

The Group's exposure to credit risk and impairment losses to trade and other receivables are disclosed at Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

18. Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
18a. Cash and Cash Equivalents		
Bank balances	33,202	52,599
Cash and Cash Equivalents in the Statement of Cash Flows	33,202	52,599

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed at Note 24.

18b. Reconciliation of Cash Flows from Operating Activities

	Note	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Profit for the year		10,906	8,847
Adjustments for:			
Depreciation and amortisation	13	483	467
Loss on Disposal of Assets		23	3
Revaluation of investment property		(6,864)	(1,534)
Revaluation of property, plant & equipment		(283)	(196)
Gain on sale of investment property		(374)	(129)
Net financing income		(92)	(729)
Share of net (loss)/profit of equity accounted investees		159	(937)
Income tax expense	11	4,142	3,196
Operating Profit before Changes in Working Capital and Provisions		8,100	8,988
Change in trade and other receivables		560	(1,433)
Change in inventories	16	(2,545)	14,760
Change in prepayments		(304)	(434)
Change in provision for employee benefits	22	171	93
Change in trade and other payables		(11,260)	(3,744)
Cash (used in)/generated from Operating Activities		(5,278)	18,230
Interest paid		(1,833)	(71)
Income taxes paid		(2,598)	(2,492)
Net Cash (used in)/generated from Operating Activities		(9,709)	15,667

The increases and decreases in trade and other receivables as well as trade and other payables reflect only those changes that relate to operating activities. The remaining increases and decreases relate to investing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

19. Capital and Reserves	Company Ordinary Shares	
	2022	2021
Share Capital		
On issue at 1 July	272,123,142	272,123,142
On Issue at 30 June - Fully Paid	272,123,142	272,123,142

The Company does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Dividends

Dividends recognised in the current year by the Group are:

Dividends Paid During the Year 2022	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2021 ordinary	2.00	5,442	Franked	10 September 2021
Interim 2022 ordinary	2.00	5,442	Franked	18 March 2022
Total Amount		10,884		

Dividends Paid During the Year 2021

Dividends Paid During the Year 2021	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2020 ordinary	1.00	2,721	Franked	21 September 2020
Interim 2021 ordinary	2.00	5,442	Franked	19 March 2021
Total Amount		8,163		

Franked dividends declared or paid during the year were franked at the rate of 30%.

After 30 June 2022 the following dividend has been proposed by the Directors. The dividend has not been provided. The declaration and subsequent payment of dividends has no income tax consequences.

Proposed Dividend

Dividend proposed by the Group are:

Proposed Dividend	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2022 ordinary	2.00	5,442	Franked	9 September 2022
Total Amount		5,442		

The financial effect of this dividend has not been brought to account in the financial statements for the financial year ended 30 June 2022 and will be recognised in subsequent financial reports.

Dividend Reinvestment Plan

The Company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash.

In accordance with Rule 13 of the Company's Dividend Reinvestment Plan (DRP), the Directors have elected to suspend the DRP in the 2022 financial year until further notice. As such the DRP will not be active for the above mentioned dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

19. Capital and Reserves (continued)

Dividend Franking Account	Company	
	2022 \$'000	2021 \$'000
30% franking credits available to shareholders of Finbar Group Limited for subsequent financial years	11,652	10,481

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- franking credits that will arise from the payment of current tax liabilities;
- franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- franking credits that will arise from the receipt of dividends recognised as receivables at the year-end; and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$2,332,000 (2021: \$2,332,000).

Nature and purpose of reserve

Asset revaluation reserve

The revaluation reserve relates to the revaluation of non investment property carried at fair value.

20. Earnings per Share

Basic Earnings per Share

The calculation of basic earnings per share at 30 June 2022 was based on the profit attributable to ordinary shareholders of \$10,906,000 (2021: \$8,847,000) and a weighted average number of ordinary shares on issue during the year ended 30 June 2022 of 272,123,142 (2021: 272,123,142), calculated as follows:

	2022 \$'000	2021 \$'000
Profit Attributable to Ordinary Shareholders	10,906	8,847

Weighted Average Number of Ordinary Shares

	Ordinary Shares	
	2022	2021
Issued ordinary shares at 1 July	272,123,142	272,123,142
Weighted Average Number of Ordinary Shares at 30 June	272,123,142	272,123,142

Basic Earnings per Share (cents per share)	4.01	3.25
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Diluted Earnings per Share

The calculation of diluted earnings per share at 30 June 2022 was based on the profit attributable to ordinary shareholders of \$10,906,000 (2021: \$8,847,000) and a weighted average number of ordinary shares on issue during the year ended 30 June 2022 of 272,123,142 (2021: 272,123,142), calculated as follows:

	2022 \$'000	2021 \$'000
Profit Attributable to Ordinary Shareholders (Diluted)	10,906	8,847

Weighted Average Number of Ordinary Shares (Diluted)

	Ordinary Shares	
	2022	2021
Weighted average number of ordinary shares at 30 June	272,123,142	272,123,142

Diluted Earnings per Share (cents per share)	4.01	3.25
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

21. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk see Note 24.

	2022 \$'000	2021 \$'000
Current		
Commercial bills (Secured)	23,340	1,500
Investor loans to subsidiaries (Unsecured)	-	728
Total Current Loans and Borrowings	23,340	2,228
Non-Current		
Commercial bills (Secured)	16,701	41,340
Investor loans to subsidiaries (Unsecured)	45,156	27,914
Total Non-Current Loans and Borrowings	61,857	69,254

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

			2022 Carrying Amount \$'000	2021 Carrying Amount \$'000
Current	Nominal Interest Rate	Financial Year of Maturity		
Commercial bills (Secured)	BBSY+2.00%	2022	1,500	1,500
Commercial bills (Secured)	BBSY+2.00%	2023	21,840	-
Investor loans to subsidiaries (Unsecured)	BBSY+1.50%	2022	-	728
Total Current Loans and Borrowings			23,340	2,228
Non-Current				
Commercial bills (Secured)	BBSY+2.00%	2024	16,701	19,500
Commercial bills (Secured)	BBSY+2.00%	2023	-	21,840
Investor loans to subsidiaries (Unsecured)*		2024	33,434	9,347
Investor loans to subsidiaries (Unsecured)	3.00%	2023	-	18,567
Investor loans to subsidiaries (Unsecured)*		2024	10,000	-
Investor loans to subsidiaries (Unsecured)*		2024	1,722	-
Total Non-Current Loans and Borrowings			61,857	69,254

* These are loans from land owners which are non interest bearing.

Financing Arrangements

Commercial bills

Commercial bills (refer Note 24) are denominated in Australian dollars.

The commercial bill loans of the Subsidiaries are secured by registered first mortgages over the investment property land and buildings of the Controlled entity as well as a registered mortgage debenture over the Controlled entity's assets and undertakings.

Investor Loans

Investor Loans are repayable upon the completion of the project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

22. Employee Benefits

	2022 \$'000	2021 \$'000
Current		
Liability for annual leave	153	87
Liability for long-service leave	639	480
Total Current Employee Benefits	792	567

Non-Current

Liability for long-service leave	6	60
Total Non-Current Employee Benefits	6	60

23. Trade and Other Payables

	2022 \$'000	2021 \$'000
Current		
Trade and other payables	10,185	21,262
Other payables and accrued expenses	691	978
Total Current Trade and Other Payables	10,876	22,240

Non-Current

Other payables and accrued expenses	166	37
Total Non-Current Trade and Other Payables	166	37

At 30 June 2022, consolidated trade and other payables include retentions of \$204,000 (2021: \$217,000) relating to construction contracts in progress.

The Group's exposure to liquidity risk related to trade and other payables is disclosed at Note 24.

24. Financial Instruments

Credit Risk

Exposure to Credit Risk

The carrying amount of the Group's financial assets represent the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
	Note	2022 \$'000	2021 \$'000
Trade and other receivables - current	17	20,037	8,085
Trade and other receivables - non-current	17	30,799	26,024
Cash and cash equivalents	18a	33,202	52,599
		84,038	86,708
The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by receivable category was:			
Equity Accounted Investees		21,847	8,575
GST refunds due and other trade debtors		11,508	9,922
Other receivables		13,716	10,971
Working capital advances and bonds		3,765	4,641
		50,836	34,109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

24. Financial Instruments (continued)

Credit Risk (continued)

Impairment Losses

None of the Group's trade or other receivables are past due and based on historic default rates and security held the Group believes that no impairment allowance is necessary in respect of trade or other receivables.

Liquidity Risk

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2022					
Note	Carrying Amount \$'000	Contractual Cash Flows \$'000	1 Year or Less \$'000	1-3 Years \$'000	
Non-derivative Financial Liabilities					
Commercial bills*	21	40,041	41,880	24,704	17,176
Investor Loans*	21	45,156	45,156	-	45,156
Trade and other payables	23	11,042	11,042	10,876	166
		96,239	98,078	35,580	62,498

30 June 2021					
Note	Carrying Amount \$'000	Contractual Cash Flows \$'000	1 Year or Less \$'000	1-3 Years \$'000	
Non-derivative Financial Liabilities					
Commercial bills*	21	42,840	44,037	2,081	41,956
Investor Loans*	21	28,642	28,813	899	27,914
Trade and other payables	23	22,277	22,277	22,240	37
		93,759	95,127	25,220	69,907

* Refer to Note 21 Loan and Borrowings for details on loan maturity.

Interest Rate Risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial assets and liabilities was:

Carrying Amount		
	2022 \$'000	2021 \$'000
Variable Rate Instruments		
Financial Assets	57,202	61,175
Financial Liabilities	(40,041)	(43,568)
	17,161	17,607

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

24. Financial Instruments (continued)

Interest Rate Risk (continued)

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates would have [decreased]/increased the Group's equity and profit or loss by the amounts shown below. This analysis assumes that all variables remain constant. The analysis is on the same basis for 2022.

Fair Values

Fair Values Versus Carrying Amounts

30 June 2022

Variable rate instruments

Profit or Loss		Equity	
100bp Increase \$'000	100bp Decrease \$'000	100bp Increase \$'000	100bp Decrease \$'000
(460)	-	(460)	-

30 June 2021

Variable rate instruments

100bp Increase \$'000	100bp Decrease \$'000	100bp Increase \$'000	100bp Decrease \$'000
(914)	-	(914)	-

The fair values of financial assets and liabilities, as detailed below, approximates to the carrying amounts shown on the balance sheet:

Fair Values			
Note	2022 \$'000	2021 \$'000	
Trade and other receivables	17	50,836	34,109
Cash and cash equivalents	18a	33,202	52,599
Secured bank loans	21	(40,041)	(42,840)
Investor loans	21	(45,156)	(28,642)
Trade and other payables	23	(11,042)	(22,277)

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Unsecured shareholder loans

Due to the short term nature of these financial rights and obligations, their carrying values approximate to their fair values.

Long term loans are secured and interest bearing at bank business interest rates.

Cash and short term deposits

The carrying amount is fair value due to the liquid nature of these assets.

Bank loans

The carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
25. Operating Leases			
Leases as Lessor			
The Group leases out its investment properties held under operating leases.			
Rental income received from investment property		8,235	7,724
Other rental property income received		229	147
	7	8,464	7,871
Future minimum lease receipts			
At 30 June, the future minimum lease receipts under non-cancellable leases are receivable as follows:			
Less than one year		5,325	4,349
Between one and five years		3,835	3,622
More than 5 years		107	188
		9,267	8,159
26. Capital and Other Commitments			
Commitments and Contingent Liabilities			
Property Development			
Contracted but not provided for and payable:			
Within one year		225,462	97,610
Later than one year		2,133	66,264
Total Property Development Commitments		227,595	163,874
Property Development - Equity Accounted Investees			
Contracted but not provided for and payable:			
Within one year		13,891	33,772
Later than one year		-	57
Total Property Development Commitments - Equity Accounted Investees		13,891	33,829
Group's Share of Property Development - Equity Accounted Investees			
Within one year		6,946	16,886
Later than one year		-	29
Total Share of Property Development Commitments - Equity Accounted Investees		6,946	16,915
Group's Property Development Commitments including Equity Accounted Investees			
Contracted but not provided for and payable:			
Within one year		232,408	114,496
Later than one year		2,133	66,293
Total Property Development Commitments including Equity Accounted Investees		234,541	180,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
27. Contingencies		
The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.		
Guarantees		
The Company has guaranteed the bank facilities of certain controlled entities	20,385	23,184
28. Related Parties		
The key management personnel compensation included in 'personnel expenses' is as follows:		
Short term employee benefits	2,882	2,493
Other long term benefits	67	31
Post employment benefits	108	96
Employee benefits	3,057	2,620
Individual Directors and Executives Compensation Disclosures		
Information regarding individual directors and executives compensation are provided in the Remuneration Report section of the Directors' report on pages 45 to 49.		
On 25th August 2016, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares under the rules of the Director Share Plan 2014. Payment was by way of an interest free loan of \$207,500 which was repaid in August 2021. The related benefit is disclosed in table 4.3.2 on page 47.		
On 13th September 2017, Finbar Group Limited issued 250,000 fully paid ordinary shares to Darren Pateman as Director Incentive Shares under the rules of the Director Share Plan 2014. Payment was by way of an interest free loan of \$202,500 which is repayable by 13th September 2022. The related benefit is disclosed in table 4.3.2 on page 47.		
Other Related Party Transactions		
Equity Accounted Investees		
Loans are made by the Group to equity accounted investees for property development undertakings. Loans outstanding between the Group and joint ventures are interest bearing and are repayable at the completion of the equity accounted investees development project.		
	2022 \$'000	2021 \$'000
As at 30 June the balance of these loans were as follows:		
Garden Towers East Perth Pty Ltd	1,990	334
240 Adelaide Terrace Pty Ltd	19,720	3,360
647 Murray Street Pty Ltd	-	-
Axis Linkit Pty Ltd	1	1
Finbar Sub 5050 Pty Ltd	3	2
Lot 1001 - 1003 Rowe Avenue Pty Ltd	-	4,775
Rowe Avenue Pty Ltd	134	103
	21,848	8,575

In the financial statements of the Group, investments in equity accounted investees are carried at the lower of the equity accounted amount and the recoverable amount.

Ventrade Australia Pty Ltd and Ventrade Maylands Pty Ltd are related parties of Chuan Hup Holdings Limited who owns 20.53% of Finbar Group. The Company entered into a joint venture arrangement with Ventrade Australia Pty Ltd, under Garden Towers East Perth Pty Ltd, during the financial year ended 30 June 2021. The project end value is estimated at \$200 million.

Included within the trade and other payables balance is \$1,115,000 (2021: \$3,793,000) owing to Ventrade Maylands Pty Ltd. Included within the trade and other receivables balance is nil (2021: \$207,000 payable) receivable from Ventrade Australia Pty Ltd. The payables and receivables are in relation to development projects, are at arms length, non-interest bearing and at call.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

29. Group Entities	Country of Incorporation	Shareholding/ Unit Holding \$	Ownership Interest	
			2022	2021
Parent Company				
Finbar Group Limited				
Subsidiaries				
1 Mends Street Pty Ltd	Australia	1	100%	100%
2 Homelea Court Springs Pty Ltd	Australia	1	100%	100%
31 Rowe Avenue Pty Ltd	Australia	1	100%	100%
32 Riversdale Road Pty Ltd	Australia	1	100%	100%
36 Chester Avenue Pty Ltd	Australia	2	100%	100%
43 McGregor Road Pty Ltd	Australia	1	100%	100%
5-7 Harper Terrace Pty Ltd	Australia	1	100%	100%
63 Adelaide Terrace Pty Ltd	Australia	1	100%	100%
88 Terrace Road Pty Ltd	Australia	1	100%	100%
96 Mill Point Road Pty Ltd	Australia	1	100%	100%
172 Railway Parade West Leederville Pty Ltd (Deregistered)	Australia	-	-	100%
175 Adelaide Terrace Pty Ltd	Australia	1	100%	100%
239 Great Eastern Highway Pty Ltd	Australia	1	100%	100%
241 Railway Parade Pty Ltd	Australia	1	100%	100%
269 James Street Pty Ltd (Deregistered)	Australia	-	-	100%
Finbar Applecross Pty Ltd	Australia	1	100%	100%
Finbar Commercial Pty Ltd	Australia	1	100%	100%
Finbar Finance Pty Ltd	Australia	1	100%	100%
Finbar Fund Pty Ltd	Australia	1	100%	100%
Finbar Karratha Pty Ltd	Australia	1	100%	100%
Finbar Port Hedland Pty Ltd	Australia	1	100%	100%
Finbar Project Management Pty Ltd	Australia	2	100%	100%
Finbar To Rent Pty Ltd	Australia	1	100%	100%
Finbar Sales Pty Ltd	Australia	1	100%	100%
Finbar Sub 104 Pty Ltd	Australia	1	100%	100%
Finbar Executive Rentals Pty Ltd	Australia	1	100%	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	Australia	1	100%	100%
		27		

30. Subsequent Events

With the ongoing COVID-19 pandemic, increasing inflation rates and cash rates, there is continuing economic uncertainties which may influence the Australian economy and property market, and consequently impact property valuations.

Other than mentioned, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2022

31. Auditors' Remuneration

Audit Services:

Auditors of the Group

Audit and review of financial statements - KPMG

Audit and review of trust accounts - Other Auditors

	2022 \$	2021 \$
Audit and review of financial statements - KPMG	146,970	124,138
Audit and review of trust accounts - Other Auditors	4,382	4,977
	151,352	129,115
Services other than Statutory Audit:		
Taxation advice and tax compliance services - KPMG	20,700	16,560
	20,700	16,560

Services other than Statutory Audit:

Taxation advice and tax compliance services - KPMG

32. Parent Entity Disclosures

As at, and throughout the financial year ending 30 June 2022 the parent company of the Group was Finbar Group Limited.

Result of the Parent Entity

	2022 \$'000	2021 \$'000
Profit for the year	9,158	11,285
Total Comprehensive Income for the year	9,158	11,285

Financial Position of the Parent Entity

Current Assets	32,194	43,094
Total Assets	214,029	215,702
Current Liabilities	1,186	1,107
Total Liabilities	1,222	1,168
Total Equity of the Parent Entity comprising of:		
Share capital	194,484	194,484
Retained earnings	18,323	20,050
Total Equity	212,807	214,534

Parent Entity Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is capable of reliable measurement.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Finbar Group Limited ('the Company'):
 - a) The Consolidated Financial Statements and notes that are contained in Pages 57 to 94 and the Remuneration report in the Directors' report, set out on Pages 45 to 49, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2022.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which contains a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Board of Directors:



Darren Pateman
Managing Director

Dated at Perth this Twenty-third day of August 2022.



Independent Auditor's Report

To the shareholders of Finbar Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Finbar Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2022.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of Investment Properties; and
- Carrying Value of Inventory.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties (\$102.2 million)	
Refer to Note 12 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>Valuation of investment properties is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Significance of the balance to the financial statements (30% of total assets); • Judgement required by the Group in assessing the capitalisation rates applied to the projected income of individual properties in the income valuation model. A small percentage movement in the capitalisation rate would result in a significant financial impact to the investment property balance and the income statement; • Timing of the valuations performed by the Group's external valuer. It is the Group's policy when the external valuation was not performed at year end for the directors to assess and confirm the valuation to be adopted in the financial report. We involved KPMG Real Estate Specialists to inform our evaluation of the external and internal valuations for specific properties; and • Consideration of the economic impacts of COVID-19 on valuations including leasing and rental relief assumptions. 	<p>Working with our KPMG Real Estate specialists our procedures included:</p> <ul style="list-style-type: none"> • We assessed the Group's policies for the valuation of investment properties against the requirements of the accounting standards and our understanding of the business. • We obtained an understanding of the Group's process regarding the valuation of investment property, including specific considerations of the impact of COVID-19. • We assessed the scope, objectivity, and competence of the Group's external valuer. • We assessed the property valuation methodology adopted by the Group, key assumptions and market commentary in the valuations for specific properties against accepted industry practices, using the nature of the properties, and requirements of the accounting standards. • We compared the valuations prepared using the capitalisation of income valuation technique to the alternate discounted cashflow method valuation where prepared by the Group's external valuers in December 2021. • We compared the Group's external valuations in December 2021 and the director's internal valuations in June 2022, to recent sales evidence and other published reports of industry commentators. • We challenged the capitalisation rates applied by the Group, based on our knowledge of the property portfolio and other published reports of industry commentators. • We also tested, on a sample basis, the following key inputs to the valuations to existing lease contracts and published CPI statistics by the Australian Bureau of Statistics: <ul style="list-style-type: none"> ○ Gross rent; ○ Occupancy rate; ○ Lease term remaining; and ○ CPI.

<ul style="list-style-type: none"> • We assessed the Group's COVID-19 leasing and rental relief assumptions with consideration of the industry sector of the Group's tenants and the current economic environment. • We assessed the disclosures in the financial report, using our understanding obtained from our testing, against accounting standards requirements. 	
Carrying Value of Inventory (\$142.4 million)	
Refer to Notes 3(e) and 16 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>Valuation of inventory, being both completed units and work in progress, is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Significance of the balance to the financial statements (41% of total assets); • Significant judgement and our effort applied to assessing forecast selling prices and costs of completion and selling expenses for work in progress. These factors impact the assessment of net realisable value as the Group's policy, in accordance with accounting standards, is inventory must be carried at the lower of cost and net realizable value; and • Work in progress comprises developments currently under construction and future projects, which are long term in nature where forecast costs could be negatively impacted by issues encountered during planning or construction. In addition, forecast selling prices can fluctuate significantly based on property market conditions. This includes consideration of economic impacts of COVID-19 on forecast selling prices and increases in supplier costs. <p>These factors increase the level of forecasting judgement and audit complexity when assessing forecast selling prices and costs of completion and selling expenses for inventory.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the Group's policies for the valuation of inventory against the requirements of the accounting standards and our understanding of the business. • We challenged the Group's assumptions of forecast costs of completion and selling expenses by selecting a sample of significant developments under construction and future projects to understand project design complexity, sub-contractor reliance, other project risks and project funding which could negatively impact costs of completion and selling expenses including consideration of supplier costs increases. This was done through enquiry of senior management, and comparison to documentation such as budgets, funding agreements, supplier contracts and internal reports. • We compared a sample of actual selling prices of inventory during the current year to the previous year forecast selling prices. We also compared actual construction costs during the current year to the previous year forecast construction costs to inform our evaluation of current forecast selling prices and costs of completion (including selling expenses) respectively. We have considered the impact of COVID-19 on the forecast selling prices of inventory based on the current economic environment and resulting property market conditions.

	<ul style="list-style-type: none"> We performed sample testing of sales of inventory during the year and subsequent to year end to executed settlement statements to assess sales margins achieved during the year and post year end. This informed our evaluation of the carrying value of inventory at balance date against the Group's policy for recording inventory at the lower of cost and net realisable value. We compared forecast selling prices to total costs incurred to date and forecast costs of completion (including selling expenses) for significant projects. We did this to assess the carrying value of inventory against the Group's policy for recording at the lower of cost and forecast net realisable value. We assessed the disclosures in the financial report, using our understanding obtained from our testing, against accounting standards requirements.
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Other Information

Other Information is financial and non-financial information in Finbar Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, The Key Financial Metrics, Chairman's Report, Managing Directors' Report, Finbar Overview, Key Achievements, Development Overview and Finbar's Investment Properties are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* 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 Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Finbar Group Limited for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in paragraph 4.3 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Derek Meates
Partner

Perth

23 August 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Finbar Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Finbar Group Limited for the financial year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Derek Meates
Partner
Perth
23 August 2022

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 30 June 2022)

Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder Name	Number	%
Chuan Hup Holdings Limited	55,871,363	20.53
Thorney Holdings Proprietary Limited	28,688,116	10.54
Forward International Pty Ltd	28,568,265	10.50
Wilson Asset Management Group	23,615,000	8.68

Ordinary shares

Refer to Note 19 in the Notes to the Financial Statements.

Distribution of Equity Security Holders

Range	Number of Holders	Ordinary Shares
1-1,000	401	106,096
1,001-5,000	482	1,412,324
5,001-10,000	310	2,416,031
10,001-100,000	772	24,481,453
100,001-over	147	243,707,238
	2,112	272,123,142

The number of shareholders holding less than a marketable parcel of ordinary shares is 337.

Stock Exchange

The Company is listed on the Australian Securities Exchange. The Home exchange is Perth.
ASX Code: FRI

Other Information

Finbar Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

ASX ADDITIONAL INFORMATION (Continued)

Twenty largest shareholders of ordinary shares as disclosed in the share register:

	Number of Ordinary Shares Held	%
Chuan Hup Holdings Limited	53,837,175	19.78
UBS Nominees Pty Ltd	27,865,536	10.24
Citicorp Nominees Pty Limited	27,467,507	10.09
BNP Paribas Nominees Pty Ltd (DRP)	9,063,016	3.33
Rubi Holdings Pty Ltd (John Rubino S/F A/C)	7,912,358	2.91
Blair Park Pty Ltd	7,685,726	2.82
J P Morgan Nominees Australia Pty Limited	7,193,944	2.64
3RD Wave Investors Pty Ltd	6,650,000	2.44
Forward International Pty Ltd	6,472,922	2.38
Mr James Chan	6,328,032	2.33
Hanssen Pty Ltd	5,000,000	1.84
Mrs Siew Eng Mah	4,820,000	1.77
Forward International Pty Ltd	4,492,901	1.65
Chan Family Super (WA) Pty Ltd (Chan Family S/F A/C)	4,277,072	1.57
Apex Investments Pty Ltd	3,645,446	1.34
Milton Corporation Limited	3,163,226	1.16
Mr Ah-Hwa Lim	3,155,770	1.16
Ms Yi Xian Chan	2,892,126	1.06
Denshir Pty Ltd	2,739,322	1.01
Mr Wan Soon Chan	2,435,137	0.89
TOP 20	197,097,216	72.43

ASX ADDITIONAL INFORMATION (Continued)

Offices and Officers

Directors

Mr John Chan (Executive Chairman)
Mr Darren John Pateman (Managing Director)
Mr Ronald Chan (Chief Operations Officer)
Mr Kee Kong Loh
Mr Lee Verios
Mr Terence Siong Woon Peh

Company Secretary

Mr Edward Guy Bank (Chief Financial Officer)

Principal Registered Office

Finbar Group Limited
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Website: www.finbar.com.au

ABN 97 009 113 473
ACN 009 113 473

Share Registry

Computershare Investor Services Pty Ltd
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172 St Georges Terrace
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Telephone: +61 8 9323 2000

Auditors

KPMG
235 St Georges Terrace
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