

# Appendix 4D

For the Six Months Ended 31 December 2021

## 1. Details of the reporting period

This report details the consolidated results of Finbar Group Limited and its controlled entities for the six months ended 31 December 2021.

Comparatives are for the six months ended 31 December 2020.

## 2. Results for announcement to the market

	31-Dec-21	31-Dec-20	Change %
2.1 Revenue from ordinary activities	63,728	40,964	55.57%
2.2 Profit from ordinary activities after tax attributable to members	9,419	4,000	135.48%
2.3 Net Profit for the period attributable to members	9,558	4,023	137.58%
2.4 Final 2021 Dividend per share, fully franked	2.0 cents	1.0 cent	100.00%
Declared Interim 2022 Dividend per share, fully franked	2.0 cents	2.0 cents	0.00%
Earnings per share (cents per share)	3.46	1.48	134.11%
2.5 Record date for dividend	4 March 2022		
2.6 Explanation	Refer to Company Announcement		

## 3. Net tangible assets per share

	31-Dec-21	31-Dec-20
Net tangible assets per share (cents per share)	90.68	89.39

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

Not Applicable.

## 5. Details of dividends

The Board has declared a dividend of 2.0 cents per share payable on 18 March 2022.

The record date for the dividend is 4 March 2022.

## 6. Details of subsidiaries

	Ownership
1 Mends Street Pty Ltd	100%
2 Homelea Court Springs Pty Ltd	100%
31 Rowe Avenue Pty Ltd	100%
32 Riversdale Road Pty Ltd	100%
36 Chester Avenue Pty Ltd	100%
43 McGregor Road Pty Ltd	100%
5-7 Harper Terrace Pty Ltd	100%
63 Adelaide Terrace Pty Ltd	100%

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For the Six Months Ended 31 December 2021

88 Terrace Road Pty Ltd	100%
96 Mill Point Road Pty Ltd	100%
172 Railway Parade West Leederville Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
239 Great Eastern Highway Pty Ltd	100%
241 Railway Parade Pty Ltd	100%
269 James Street Pty Ltd	100%
Finbar Applecross Pty Ltd	100%
Finbar Finance Pty Ltd	100%
Finbar Fund Pty Ltd	100%
Finbar Karratha Pty Ltd	100%
Finbar Port Hedland Pty Ltd	100%
Finbar Project Management Pty Ltd	100%

## 6. Details of subsidiaries (continued)

### Ownership

Finbar Sub 104 Pty Ltd	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	100%
Finbar To Rent Pty Ltd	100%
Finbar Executive Rentals Pty Ltd	100%
Finbar Commercial Pty Ltd	100%
Finbar Sales Pty Ltd	100%

## 7. Details of joint venture entities

### Ownership

240 Adelaide Terrace Pty Ltd	50%
647 Murray Street Pty Ltd	50%
Axis Linkit Pty Ltd	50%
Finbar Sub 5050 Pty Ltd	50%
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50%
Rowe Avenue Pty Ltd	50%
Garden Towers East Perth Pty Ltd	50%

## 8. Foreign entities

Not Applicable.

## 9. Auditor's review report

No dispute or qualification exists in the auditor's review report.



FINBAR GROUP LIMITED AND ITS  
CONTROLLED ENTITIES

# INTERIM FINANCIAL REPORT

For the financial period ended 31st December 2021

ABN 97 009 113 473  
ACN 009 113 473



# Interim Financial Report

For the Six Months Ended 31 December 2021

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## DIRECTORS' REPORT

### 1. Directors

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The Directors present their report together with the consolidated financial report of Finbar Group Limited ('the Company') for the six months ended 31 December 2021 and the auditor's review report thereon.

The Directors of the Company at any time during or since the end of the six months ended 31 December 2021:

#### Executive Director and Chairman

John CHAN - BSc, MBA, MAICD

Director since 27 April 1995

Chairman since 15 July 2010

#### Managing Director

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

Director since 6 November 2008

Managing Director since 15 July 2010

#### Executive Director and Chief Operations Officer

Ronald CHAN

Director since 24 February 2017

#### Non-executive Directors

Kee Kong LOH - B Acc, CPA

Director since 28 April 1993

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

Director since 24 April 2018

#### Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

### 2. Company Secretary

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Edward Guy BANK - B Bus, ASCPA

Company Secretary since 2 December 2016

### 3. Principal Activities

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The principal activities of the consolidated group during the course of the six months ended 31 December 2021 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 properties 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 consolidated group during the financial half-year.

### 4. Operating Results

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Total comprehensive profit attributable to owners of the group amounted to \$9,558,000 (2020: \$4,023,000).

## DIRECTORS' REPORT (Continued)

For the Six Months Ended 31 December 2021

### 5. Review of Operations

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#### Completed Projects

Concerto - 193 Adelaide Terrace, East Perth: 1 unit has settled in the reporting period. The 227 unit development is now fully sold and settled.

Reva - 5 Harper Terrace, South Perth: 3 commercial 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: 4 residential units and 1 commercial unit have settled in the reporting period. 1 commercial unit remains for sale in the 250 unit development.

Sabina - 908 Canning Highway, Applecross: 25 residential units and 3 commercial units have settled in the reporting period. 4 residential units remain for sale in the development of 164 residential apartments and 3 commercial units.

One Kennedy - 241 Railway Parade, Maylands: 29 residential units have settled in the reporting period. 5 residential units remain for sale in the development of 120 residential apartments and 3 commercial units.

Riverena - Lot 1001-1003 Rowe Avenue, Rivervale: 23 units have settled in the reporting period. The 125 unit development is now fully sold.

Dianella Apartments - 36 Chester Avenue, Dianella: 66 units have settled in the reporting period. 46 units remain for sale in the development of 128 units.

#### Currently Under Construction

Civic Heart - 1 Mends Street, South Perth: Construction works continues to progress well, with completion expected during financial year ending 30 June 2024. To date 119 residential sales and 22 commercial sales have been achieved in the development of 309 residential apartments and 26 commercial units.

AT238 - 240 Adelaide Terrace, Perth: Construction works continues to progress well, with completion expected during financial year ending 30 June 2023. To date 39 residential sales and 1 commercial sale have been achieved in the development of 119 residential apartments and 2 commercial units.

Aurora Applecross - 3 Kintail Road, Applecross (Stage 2): Construction works commenced in February 2022, with completion expected during the financial year ending 30 June 2024. To date 42 residential sales have been achieved in the development of 118 residential apartments and 3 commercial units.

#### Future Projects

The Point - 31 Rowe Avenue, Rivervale: Marketing of The Point is currently underway and construction is anticipated to commence in financial year ending 30 June 2022. To date 81 residential sales and 1 commercial sale have been achieved in the development of 167 residential apartments and 9 commercial units.

912 Canning Highway, Applecross (Stage 3): Development Approval has been received for 148 residential apartments and 3 commercial units.

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

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

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: Finbar through a wholly owned subsidiary holds an additional four abutting parcels of land in the Springs precinct in Rivervale for a combined value of \$5.15m. The four vacant sites are located on the corners of Rowe Avenue and Homelea Court and comprise a total of 3,770 square metres of land which Finbar intends to amalgamate to develop a project consisting of approximately 185 apartments within a 10 level building.

Lot 1000 - 32 Riversdale Road, Rivervale: Development options are currently being explored.

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

Garden Towers - 101 Hay Street, East Perth - A development application has been lodged comprising 331 residential apartments and 13 commercial units.

**DIRECTORS' REPORT (Continued)**

For the Six Months Ended 31 December 2021

**5. Review of Operations (continued)****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 56% 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 96% 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.

**6. Dividends**

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

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

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.

Interim 2022 ordinary	2.00	5,442	Franked	18 March 2022
Total Dividend Proposed		5,442		

The financial effect of this dividend has not been brought to account in the financial statements for the six months ended 31 December 2021 and will be recognised in subsequent financial reports.

	Note	\$'000
Dealt with in the financial report as - Dividends	12	5,442

**Dividend Reinvestment Plan**

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

**DIRECTORS' REPORT (Continued)**

For the Six Months Ended 31 December 2021

**7. Lead Auditor's Independence Declaration**

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The Lead Auditor's Independence Declaration is set out on Page 20 and forms part of the Directors' Report for the six months ended 31 December 2021.

Dated at Perth this 22nd day of February 2022.

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



**Darren Pateman**  
Managing Director



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Six Months Ended 31 December 2021

	Note	31-Dec-21 \$'000	31-Dec-20 \$'000
Revenue		63,728	40,964
Cost of sales		(51,226)	(32,520)
<b>Gross Profit</b>		12,502	8,444
Other income	8	1,016	1,000
Administrative expenses		(4,469)	(3,587)
Advertising expenses		(399)	(517)
Revaluation increase of investment property		6,914	1,609
Revaluation increase of property, plant and equipment		178	110
Rental Expenses		(2,975)	(2,834)
<b>Results from Operating Activities</b>		12,767	4,225
Finance income		297	519
Finance costs		(466)	(30)
<b>Net Finance Income</b>		(169)	489
Share of profit of Equity Accounted Investees (net of income tax)		198	569
<b>Profit before Income Tax</b>		12,796	5,283
Income tax expense	9	(3,377)	(1,283)
<b>Profit for the period</b>		9,419	4,000
<b>Other comprehensive income</b>			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		198	33
Income tax relating to components of other comprehensive income		(59)	(10)
<b>Other comprehensive income for the period, net of income tax</b>		139	23
<b>Total comprehensive income for the period</b>		9,558	4,023
<b>Earnings per Share:</b>			
Basic earnings per share (cents per share)		3.46	1.48
Diluted earnings per share (cents per share)		3.46	1.48
Dividends per share (cents per share)	12	2.00	1.00

The condensed notes on pages 10 to 16 are an integral part of these Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the Six Months Ended 31 December 2021

	Note	Share Capital \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2020		194,484	47,013	444	241,941
<b>Total comprehensive income for the period</b>					
Profit		-	4,000	-	4,000
Other comprehensive income		-	-	23	23
<b>Transactions with owners, recognised directly in equity</b>					
Dividends to shareholders	12	-	(2,721)	-	(2,721)
<b>Balance as at 31 December 2020</b>		194,484	48,292	467	243,243
Balance as at 1 July 2021		194,484	47,697	460	242,641
<b>Total comprehensive income for the period</b>					
Profit		-	9,419	-	9,419
Other comprehensive income		-	-	139	139
<b>Transactions with owners, recognised directly in equity</b>					
Dividends to shareholders	12	-	(5,442)	-	(5,442)
<b>Balance as at 31 December 2021</b>		194,484	51,674	599	246,757

Amounts are stated net of tax

The condensed notes on pages 10 to 16 are an integral part of these Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021

	Note	31-Dec-21 \$'000	30-Jun-21 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		49,201	52,599
Trade and other receivables		7,906	8,085
Inventories	10	28,664	57,736
Investments in Equity Accounted Investees		1,031	139
Other assets		62	65
<b>Total Current Assets</b>		<b>86,864</b>	<b>118,624</b>
<b>Non Current Assets</b>			
Trade and other receivables		34,997	26,024
Inventories	10	95,018	82,105
Investment property	11	102,339	97,925
Prepayments		554	434
Investments in Equity Accounted Investees		1,487	2,235
Property, plant and equipment		10,085	9,218
Deferred Tax Assets		4,432	6,719
Other assets		105	154
<b>Total Non Current Assets</b>		<b>249,017</b>	<b>224,814</b>
<b>Total Assets</b>		<b>335,881</b>	<b>343,438</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		9,169	22,240
Loans and borrowings	13	1,500	2,228
Current tax payable		780	1,454
Employee benefits		702	567
<b>Total Current Liabilities</b>		<b>12,151</b>	<b>26,489</b>
<b>Non Current Liabilities</b>			
Trade and other payables		89	37
Loans and borrowings	13	71,955	69,254
Deferred tax liabilities		4,916	4,957
Employee benefits		13	60
<b>Total Non Current Liabilities</b>		<b>76,973</b>	<b>74,308</b>
<b>Total Liabilities</b>		<b>89,124</b>	<b>100,797</b>
<b>Net Assets</b>		<b>246,757</b>	<b>242,641</b>
<b>EQUITY</b>			
Share capital		194,484	194,484
Retained earnings		51,674	47,697
Reserves		599	460
<b>Total Equity</b>		<b>246,757</b>	<b>242,641</b>

The condensed notes on pages 10 to 16 are an integral part of these Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the Six Months Ended 31 December 2021

	31-Dec-21 \$'000	31-Dec-20 \$'000
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	62,368	43,927
Cash paid to suppliers and employees	(53,928)	(30,917)
<b>Cash generated from Operating Activities</b>	8,440	13,010
Interest paid	(1,909)	(47)
Income tax paid	(1,062)	(1,120)
<b>Net Cash generated from Operating Activities</b>	5,469	11,843
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	1,392	-
Interest received	94	218
Dividends received from equity accounted investees	55	451
Acquisition of property, plant and equipment	(60)	(61)
Proceeds from sale of property, plant and equipment	14	-
Acquisition of investment property	(331)	-
Acquisition of other investments	(3)	-
Loans to related party	(2,399)	-
Loans to Equity Accounted Investees	(10,077)	(5,672)
Proceeds from loans to Equity Accounted Investees	4,721	7,253
<b>Net Cash (used in)/provided by Investing Activities</b>	(6,594)	2,189
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	25,919	13,268
Repayment of borrowings	(22,750)	(23,668)
Dividends paid (net of DRP)	(5,442)	(2,721)
<b>Net Cash used in Financing Activities</b>	(2,273)	(13,121)
Net (decrease)/increase in cash and cash equivalents	(3,398)	911
Cash and cash equivalents at 1 July	52,599	30,591
<b>Cash and Cash Equivalents at 31 December</b>	49,201	31,502

The condensed notes on pages 10 to 16 are an integral part of these Condensed Consolidated Interim Financial Statements.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 31 December 2021

### 1. Reporting Entity

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Finbar Group Limited (the 'Company') is a public company domiciled in Australia. These condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in equity accounted investees. The Group is primarily involved in property development and investment.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2021 are available on request from the Company's registered office at Level 6, 181 Adelaide Terrace, East Perth, WA, 6004 or can be downloaded from the Company's website at [www.finbar.com.au](http://www.finbar.com.au).

### 2. Basis of Preparation

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The condensed consolidated interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 30 June 2021.

The condensed consolidated interim financial statements were approved by the Board of Directors on 22nd day of February 2022.

### 3. Significant Accounting Policies

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The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2021. A number of new standards are effective from 1 July 2021 but they do not have a material effect on the Group's financial statements.

### 4. Judgements and Estimates

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In preparing these condensed interim financial statements management 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2021.

### 5. Financial Risk Management

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The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

### 6. Changes in Accounting Policies

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the Six Months Ended 31 December 2021

**7. Operating Segments**

The Group operates predominantly in the property development sector and has identified four 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 Six Months ended 31 December 2021	Residential Apartment Development \$'000	Commercial Office/Retail Development \$'000	Rental of Property \$'000	Corporate \$'000	Total \$'000
External Revenues - Company and Subsidiaries	57,086	2,268	4,156	859	64,369
External Revenues - Equity Accounted Investees	4,658	-	-	-	4,658
External Revenues - Total	61,744	2,268	4,156	859	69,027
Reportable Segment Profit before Income Tax - Company and Subsidiaries	6,045	(493)	929	3,290	9,771
Reportable Segment Profit before Income Tax - Equity Accounted Investees	301	(4)	-	(14)	283
Reportable Segment Profit before Income Tax - Total	6,346	(497)	929	3,276	10,054
Information about Reportable Segments as at 31 December 2021					
Reportable Segment Assets - Company and Subsidiaries	119,659	14,250	104,112	27,773	265,794
Reportable Segment Assets - Equity Accounted Investees	26,143	2,925	-	-	29,068
Reportable Segment Liabilities - Company and Subsidiaries	38,515	1,457	41,760	1,695	83,427
Reportable Segment Liabilities - Equity Accounted Investees*	18,600	795	-	1	19,396
Capital Expenditure	-	-	-	54	54
Information about Reportable Segments For the Six Months ended 31 December 2020					
External Revenues - Company and Subsidiaries	36,012	678	3,802	1,472	41,964
External Revenues - Equity Accounted Investees	9,646	-	-	-	9,646
External Revenues - Total	45,658	678	3,802	1,472	51,610
Reportable Segment Profit before Income Tax - Company and Subsidiaries	2,666	(184)	925	2,686	6,093
Reportable Segment Profit before Income Tax - Equity Accounted Investees	821	-	-	(17)	804
Reportable Segment Profit before Income Tax - Total	3,487	(184)	925	2,669	6,897
Information about Reportable Segments as at 31 December 2020					
Reportable Segment Assets - Company and Subsidiaries	132,189	18,098	99,230	23,095	272,612
Reportable Segment Assets - Equity Accounted Investees	17,785	2,049	-	-	19,834
Reportable Segment Liabilities - Company and Subsidiaries	39,395	945	35,422	1,128	76,890
Reportable Segment Liabilities - Equity Accounted Investees*	13,382	59	-	1	13,442
Capital Expenditure	-	-	-	36	36

\* 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the Six Months Ended 31 December 2021

**7. Operating Segments (continued)**

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities		
Revenues	31-Dec-21 \$'000	31-Dec-20 \$'000
Total revenue for development reportable segments	59,354	36,690
Total revenue for rental segments	4,156	3,802
Total revenue for other reportable segments	859	1,472
Consolidated Revenue	64,369	41,964
Total revenue for development reportable segments - Equity Accounted Investees	4,658	9,646
Total Reportable Segments Revenue	69,027	51,610
<b>Profit or Loss</b>		
Total profit or loss for reportable segments	10,054	6,897
Finance income - Company and Subsidiaries	297	519
Finance costs - Company and Subsidiaries	(466)	(30)
Unallocated amounts:		
Administrative expenses	(4,469)	(3,587)
Revaluation of investment property	6,914	1,609
Revaluation of property, plant and equipment	178	110
Gain on disposal of investment properties	374	-
Income tax applicable to share of profit of Equity Accounted Investees	(86)	(235)
Consolidated Profit before Income Tax	12,796	5,283
<b>Assets</b>	31-Dec-21 \$'000	30-Jun-21 \$'000
Total assets for reportable segments	265,794	273,171
Cash and cash equivalents	49,201	52,599
Investments in Equity Accounted Investees	2,518	2,374
Other assets*	18,368	15,294
Consolidated Total Assets	335,881	343,438
<b>Liabilities</b>		
Total liabilities for reportable segments	83,427	94,386
Other liabilities	5,697	6,411
Consolidated Total Liabilities	89,124	100,797

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

**Geographical Segments**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the Six Months Ended 31 December 2021

<b>8. Other Income</b>	<b>31-Dec-21 \$'000</b>	<b>31-Dec-20 \$'000</b>
Management Fees	415	611
Other	227	389
Gain on disposal of investment properties	374	-
<b>Total Other Income</b>	<b>1,016</b>	<b>1,000</b>

**9. Income Tax Expense**

The Group's consolidated effective tax rate in respect of continuing operations (excluding equity accounted investees) for the six months ended 31 December 2021 was 26.9% (2020: 27.2%). After adjusting for the write off of previously recognised tax assets, non deductible expenses, non recoverable amounts and amounts over provided in prior years, the underlying tax rate is 33.1% (2020: 24.6%).

<b>10. Inventories</b>	<b>31-Dec-21 \$'000</b>	<b>30-Jun-21 \$'000</b>
<b>Current</b>		
Work in progress	-	24,000
Completed Stock	28,664	33,736
<b>Total Current Inventories</b>	<b>28,664</b>	<b>57,736</b>
<b>Non Current</b>		
Work in progress	87,251	78,246
Completed Stock	7,767	3,859
<b>Total Non Current Inventories</b>	<b>95,018</b>	<b>82,105</b>

**11. Investment Property**

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 2021 for Aurelia in South Perth.

All investment properties of the Group have been categorised on a Level 3 fair value basis under AASB 13 Fair Value Measurement, as some of the inputs required to value the properties are not based on "observable market data". The updated significant unobservable inputs for the discounted cash flow and capitalisation of income valuation techniques as at 31 December 2021 are detailed below.

Discounted cash flows:

- 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 97.15%;
- Risk-adjusted discounted rates (weighted average 7.00%).

Capitalisation of income valuation:

- Capitalisation Rate 7.00%-10.00%;
- Occupancy Rate 56.36%-97.15%
- Rent free period 30 months.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the Six Months Ended 31 December 2021

**12. Capital and Reserves**

	Company Ordinary shares	
	31-Dec-21	31-Dec-20
Share Capital		
On issue at 1 July	272,123,142	272,123,142
On Issue at 31 December - Fully Paid	272,123,142	272,123,142

**Dividends**

The following dividends were declared and paid by the Group:

	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
<b>Dividend Paid During the six months ended 31 December 2021</b>				
Final 2021 ordinary	2.00	5,442	Franked	10 September 2021
Total Amount		5,442		

**Dividend Paid During the six months ended 31 December 2020**

Final 2020 ordinary	1.00	2,721	Franked	21 September 2020
Total Amount		2,721		

**13. Loans and Borrowings****Terms and debt repayment schedule**

Terms and conditions of outstanding loans are as follows:

Terms and debt repayment schedule			31-Dec-21 \$'000	30-Jun-21 \$'000
Terms and conditions of outstanding loans are as follows:				
	Nominal Interest Rate	Financial Year of Maturity	Carrying Amount	Carrying Amount
Current				
Commercial bills (Secured)	BBSY+2.00%	2022	1,500	1,500
Investor loans to subsidiaries (Unsecured)	BBSY+1.50%	2022	-	728
Total Current Loans and Borrowings			1,500	2,228
Non Current				
Commercial bills (Secured)	BBSY+2.00%	2024	17,700	19,500
Commercial bills (Secured)	BBSY+2.00%	2023	21,840	21,840
Investor loans to subsidiaries (Unsecured)*		2024	32,415	9,347
Investor loans to subsidiaries (Unsecured)	3%	2023	-	18,567
Total Non Current Loans and Borrowings			71,955	69,254

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**

For the Six Months Ended 31 December 2021

	31-Dec-21 \$'000	30-Jun-21 \$'000
<b>14. Capital and Other Commitments</b>		
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	108,431	97,610
Later than one year	30,913	66,264
Total Property Development Commitments	139,344	163,874
Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	19,408	33,772
Later than one year	-	57
Total Property Development Commitments - Equity Accounted Investees	19,408	33,829
Group's Share of Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	9,704	16,886
Later than one year	-	29
Total Share of Property Development Commitments - Equity Accounted Investees	9,704	16,915
Group's Property Development Commitments including Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	118,135	114,496
Later than one year	30,913	66,293
Total Property Development Commitments including Equity Accounted Investees	149,048	180,789

**15. 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.

	31-Dec-21 \$'000	30-Jun-21 \$'000
<b>Guarantees</b>		
The Company has guaranteed the bank facilities of certain Controlled entities	21,384	23,184

**16. Related Parties**

Arrangements with related parties continue to be in place on the same basis as at 30 June 2021. For full disclosure of transactions refer to 30 June 2021 annual financial report.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the Six Months Ended 31 December 2021

### 17. Subsequent Events

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With continuing economic uncertainty from the COVID-19 pandemic, the Company may require to grant further rent abatements and/or rent deferrals. Further mandatory closures and government mandated restrictions will influence the Australian economy and property market which may have a future impact on property valuations.

Other than the above, there has not arisen in the interval between the end of the financial half-year and the date of this report any other 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 consolidated group, the results of those operations, or the state of affairs of the consolidated group, in future financial years.

## Directors' Declaration

In the opinion of the Directors of Finbar Group Limited ('the Company'):

1. The Condensed Consolidated Interim Financial Statements and notes that are contained in Pages 6 to 16 are in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the six month period ended on that date; and
  - ii) complying with Australian Accounting Standards AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company and the group entities will be able to pay its debts as and when they become due and payable.

Dated at Perth this 22nd day of February 2022.

Signed in accordance with a resolution of the Directors:



**Darren Pateman**  
Managing Director



# Independent Auditor's Report

To the shareholders of Finbar Group Limited

## Conclusion

We have audited the accompanying **Interim Financial Report** of Finbar Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Finbar Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated interim statement of financial position as at 31 December 2021.
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed interim consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** consists of Finbar Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Responsible Entity are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the audit of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Derek Meates  
Partner

Perth

22 February 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 review of Finbar Group Limited for the half-year ended 31 December 2021 there have been:

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

A stylized, handwritten-style logo of the letters 'KPMG' in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'Derek Meates'.

Derek Meates  
*Partner*

Perth

22 February 2022



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