

Appendix 4D

For The Six Months Ended 31 December 2022

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 2022.

Comparatives are for the six months ended 31 December 2021.

2. Results for announcement to the market

	31-Dec-22	31-Dec-21	Change %
2.1 Revenue from ordinary activities	18,239,000	63,728,000	-71.38%
2.2 Profit from ordinary activities after tax attributable to members	(412,000)	9,419,000	-104.37%
2.3 Net Profit for the period attributable to members	(765,000)	9,558,000	-108.00%
2.4 Final 2022 Dividend per share, fully franked	2.0 cents	2.0 cents	0.00%
Declared Interim 2023 Dividend per share, fully franked	0.0 cents	2.0 cents	-100.00%
Earnings per Share (Cents per Share)	(0.15)	3.46	-104.38%
2.5 Record date for dividend	Not Applicable		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	31-Dec-22	31-Dec-21
Net tangible assets per share (Cents per Share)	86.92	90.68

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

Not Applicable.

5. Details of dividends

Not Applicable.

Appendix 4D (continued)

For The Six Months Ended 31 December 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%
88 Terrace Road Pty Ltd	100%
96 Mill Point Road Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
239 Great Eastern Highway Pty Ltd	100%
241 Railway Parade 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%
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 Six Months Ended
31 December 2022

Garden Towers (artist impression)

ABN 97 009 113 473

ACN 009 113 473

INTERIM FINANCIAL REPORT

For the Six Months Ended 31 December 2022
FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

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DIRECTORS' REPORT

For the Six Months Ended 31 December 2022

1. Directors

The Directors present their report together with the consolidated financial report of Finbar Group Limited ('the Company') for the six months ended 31 December 2022 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 2022:

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

Resigned on 31 January 2023

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

Director since 24 April 2018

Eldon WAN - B Acc, FCA

Director since 31 January 2023

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011

2. Company Secretary

Edward Guy BANK - B Bus, ASCPA

Company Secretary since 2 December 2016

3. Principal Activities

The principal activities of the consolidated group during the course of the six months ended 31 December 2022 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 consolidated group during the financial half-year.

4. Operating Results

Total comprehensive (loss)/profit attributable to owners of the group amounted to (\$765,000) (2021: \$9,558,000).

DIRECTORS' REPORT (Continued)

For the Six Months Ended 31 December 2022

5. Review of Operations

Completed Projects

Reva - 5 Harper Terrace, South Perth: 3 commercial units have settled in the reporting period. 4 commercial units remain for sale in the 59 unit development.

Vue Tower - 63 Adelaide Terrace, East Perth: 1 commercial unit has settled in the reporting period. The 250 unit development is now fully sold and settled.

One Kennedy - 241 Railway Parade, Maylands: 2 residential units have settled in the reporting period. The 123 unit development is now fully sold and settled.

Dianella Apartments - 36 Chester Avenue, Dianella: 19 residential units have settled in the reporting period and 3 residential units have settled post reporting period. 13 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 185 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 well, with completion expected during financial year ending 30 June 2023. To date 64 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 continue to progress well, with completion expected during the financial year ending 30 June 2024. To date 55 residential sales have been achieved in the development of 118 residential and 3 commercial units.

The Point - 31 Rowe Avenue, Rivervale: Construction works continue to progress well, with completion expected during financial year ending 30 June 2024. To date 130 residential sales and 1 commercial sale have been achieved in the development of 167 residential and 9 commercial units.

Future Projects

Garden Towers - 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 2024. To date 117 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 152 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.

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.

Lot 1000 - 32 Riversdale Road, 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 a \$3,000,000 reduction 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 \$45,000 increase in value of the property. The company continues to benefit from the investment income generated from the leased property. The property is currently 66% leased. The company continues to actively market the remaining tenancies for rental.

DIRECTORS' REPORT (Continued)

For the Six Months Ended 31 December 2022

5. Review of Operations (continued)

Investment Property (continued)

Pelago Residential - 23 & 26 Sharpe Avenue, Karratha: The Pelago residential property has been revalued during the reporting period. The valuation resulted in a \$1,637,500 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 100% leased. The company continues to actively market tenancies for rental as they become available.

Vue Tower Commercial - 63 Adelaide Terrace, East Perth: Lot 2 at Vue Tower was acquired in December 2022 under Finbar Commercial Pty Ltd. The purchase price was \$753,500. The company is marketing the tenancy for rental. 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 in the prior period. The company is actively marketing the tenancies for rental.

6. Dividends

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

Dividend Paid During the six months ended 31 December 2022	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2022 ordinary	2.00	5,442	Franked	9 September 2022
Total Dividends Paid		5,442		

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

	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.

7. Events Subsequent to Reporting Date

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.

Subsequent to period end, Lot 183 and Lot 184 Pelago East Commercial units were reclassified as held for sale. As a result, these two investment properties have been classified as current assets as at 31 December 2022.

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' REPORT (Continued)

For the Six Months Ended 31 December 2022

8. Lead Auditor's Independence Declaration

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 2022.

Dated at Perth this 23rd day of February 2023.

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 2022

	Note	31-Dec-22 \$'000	31-Dec-21 \$'000
Revenue		18,239	63,728
Cost of sales		(11,607)	(51,226)
Gross Profit		6,632	12,502
Other income	8	411	1,016
Administrative expenses		(3,634)	(4,469)
Advertising expenses		(79)	(399)
Revaluation (decrease)/increase of investment property		(813)	6,914
Revaluation increase of property, plant and equipment		55	178
Rental Expenses		(2,746)	(2,975)
Results from Operating Activities		(174)	12,767
Finance income		445	297
Finance costs		(530)	(466)
Net Finance Cost		(85)	(169)
Share of (loss)/profit of Equity Accounted Investees (net of income tax)		(237)	198
(Loss)/Profit before Income Tax		(496)	12,796
Income tax refund/(expense)	9	84	(3,377)
(Loss)/Profit for the period		(412)	9,419
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		(504)	198
Income tax relating to components of other comprehensive income		151	(59)
Other comprehensive income for the period, net of income tax		(353)	139
Total comprehensive (loss)/income for the period		(765)	9,558
Earnings per Share:			
Basic earnings per share (cents per share)		(0.15)	3.46
Diluted earnings per share (cents per share)		(0.15)	3.46
Dividends per share (cents per share)	12	2.00	2.00

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 2022

	Note	Share Capital \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2021		194,484	47,697	460	242,641
Total comprehensive income for the period					
Profit		-	9,419	-	9,419
Other comprehensive income		-	-	139	139
Transactions with owners, recognised directly in equity					
Dividends to shareholders	12	-	(5,442)	-	(5,442)
Balance as at 31 December 2021		194,484	51,674	599	246,757
Balance as at 1 July 2022		194,484	47,719	529	242,732
Total comprehensive loss for the period					
Loss		-	(412)	-	(412)
Other comprehensive loss		-	-	(353)	(353)
Transactions with owners, recognised directly in equity					
Dividends to shareholders	12	-	(5,442)	-	(5,442)
Balance as at 31 December 2022		194,484	41,865	176	236,525

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 2022

	Note	31-Dec-22 \$'000	30-Jun-22 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		25,641	33,202
Trade and other receivables		16,159	20,037
Inventories	10	9,452	19,338
Investments in Equity Accounted Investees		1	590
Assets Held for Sale	11	1,130	-
Other assets		41	49
Total Current Assets		52,424	73,216
Non-current Assets			
Trade and other receivables		27,378	30,799
Inventories	10	181,132	123,048
Investment property	11	100,962	102,189
Prepayments		778	738
Investments in Equity Accounted Investees		753	990
Property, plant and equipment		9,517	9,932
Deferred Tax Assets		7,116	5,366
Other assets		132	123
Total Non-current Assets		327,768	273,185
Total Assets		380,192	346,401
LIABILITIES			
Current Liabilities			
Trade and other payables		9,167	10,876
Loans and borrowings	13	30,349	23,340
Current tax payable		2,505	1,936
Employee benefits		800	792
Total Current Liabilities		42,821	36,944
Non-current Liabilities			
Trade and other payables		295	166
Loans and borrowings	13	95,291	61,857
Deferred tax liabilities		5,250	4,696
Employee benefits		10	6
Total Non-current Liabilities		100,846	66,725
Total Liabilities		143,667	103,669
Net Assets		236,525	242,732
EQUITY			
Share capital		194,484	194,484
Retained earnings		41,865	47,719
Reserves		176	529
Total Equity		236,525	242,732

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 2022

	31-Dec-22 \$'000	31-Dec-21 \$'000
Cash Flows from Operating Activities		
Cash receipts from customers	19,189	62,368
Cash paid to suppliers and employees	(67,194)	(53,928)
Cash (used in)/generated from Operating Activities before tax and interest paid	(48,005)	8,440
Interest paid	(221)	(1,909)
Income tax paid	(388)	(1,062)
Net Cash (used in)/generated from Operating Activities	(48,614)	5,469
Cash Flows from Investing Activities		
Proceeds from sales of investments	961	1,392
Interest received	358	94
Dividends received from equity accounted investees	589	55
Acquisition of property, plant and equipment	(193)	(60)
Proceeds from sale of property, plant and equipment	-	14
Acquisition of investment property	(716)	(331)
Acquisition of other investments	-	(3)
Loans to related party	(1,674)	(2,399)
Loans to Equity Accounted Investees	(1,174)	(10,077)
Proceeds from loans to Equity Accounted Investees	7,925	4,721
Net Cash provided by/(used in) Investing Activities	6,076	(6,594)
Cash Flows from Financing Activities		
Proceeds from borrowings	41,169	25,919
Repayment of borrowings	(750)	(22,750)
Dividends paid	(5,442)	(5,442)
Net Cash generated from/(used in) Financing Activities	34,977	(2,273)
Net decrease in cash and cash equivalents	(7,561)	(3,398)
Cash and cash equivalents at 1 July	33,202	52,599
Cash and Cash Equivalents at 31 December	25,641	49,201

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 2022

1. Reporting Entity

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 2022 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 2022 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.

2. Basis of Preparation

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 2022. 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 2022.

The condensed consolidated interim financial statements were approved by the Board of Directors on 23rd day of February 2023.

3. Significant Accounting Policies

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 2022. A number of new standards are effective from 1 July 2022 but they do not have a material effect on the Group's financial statements.

4. Judgements and Estimates

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 2022.

5. Financial Risk Management

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 2022.

6. Changes in Accounting Policies

The Group's accounting policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2022.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 31 December 2022

7. Operating Segments (continued)

Information about Reportable Segments For the Six Months ended 31 December 2022	Residential Apartment Development \$'000	Commercial Office/Retail Development \$'000	Rental of Property \$'000	Corporate \$'000	Total \$'000
External Revenues - Company and Subsidiaries	10,390	3,137	4,713	410	18,650
External Revenues - Equity Accounted Investees	11	-	-	-	11
External Revenues - Total	10,401	3,137	4,713	410	18,661
Reportable Segment Profit before Income Tax - Company and Subsidiaries	1,031	(19)	1,967	1,239	4,218
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(327)	(15)	-	3	(339)
Reportable Segment Profit before Income Tax - Total	704	(34)	1,967	1,242	3,879
Information about Reportable Segments as at 31 December 2022					
Reportable Segment Assets - Company and Subsidiaries	183,143	17,594	102,932	27,911	331,580
Reportable Segment Assets - Equity Accounted Investees	44,806	3,244	-	-	48,050
Reportable Segment Liabilities - Company and Subsidiaries	83,682	4,811	46,385	1,033	135,911
Reportable Segment Liabilities - Equity Accounted Investees*	39,220	1,126	-	2	40,348
Capital Expenditure	-	-	-	193	193
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

* 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 2022

7. Operating Segments (continued)

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

	31-Dec-22 \$'000	31-Dec-21 \$'000
Revenues		
Total revenue for development reportable segments	13,527	59,354
Total revenue for rental segments	4,713	4,156
Total revenue for other reportable segments	410	859
Consolidated Revenue	18,650	64,369
Total revenue for development reportable segments - Equity Accounted Investees	11	4,658
Total Reportable Segments Revenue	18,661	69,027
Profit or Loss		
Total profit or loss for reportable segments	3,879	10,054
Finance income - Company and Subsidiaries	445	297
Finance costs - Company and Subsidiaries	(530)	(466)
Unallocated amounts:		
Administrative expenses	(3,634)	(4,469)
Revaluation of investment property	(813)	6,914
Revaluation of property, plant and equipment	55	178
Gain on disposal of investment properties	-	374
Income tax applicable to share of profit of Equity Accounted Investees	102	(86)
Consolidated Profit before Income Tax	(496)	12,796
Assets		
Total assets for reportable segments	331,580	284,404
Cash and cash equivalents	25,641	33,202
Investments in Equity Accounted Investees	754	1,580
Other assets*	22,217	27,215
Consolidated Total Assets	380,192	346,401
Liabilities		
Total liabilities for reportable segments	135,911	97,036
Other liabilities	7,756	6,633
Consolidated Total Liabilities	143,667	103,669

* 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 2022

8. Other Income	31-Dec-22 \$'000	31-Dec-21 \$'000
Management Fees	370	415
Other	41	227
Gain on disposal of investment properties	-	374
Total Other Income	411	1,016

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 2022 was 30.8% (2021: 26.9%). 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 30.2% (2021: 33.1%).

10. Inventories	31-Dec-22 \$'000	30-Jun-22 \$'000
Current		
Completed Stock	9,452	19,338
Total Current Inventories	9,452	19,338
Non-current		
Work in progress	181,132	122,277
Completed Stock	-	771
Total Non-current Inventories	181,132	123,048

11. Investment Property

In accordance with the Company's policy, independent valuations were undertaken in December 2022 on Pelago in Karratha and Fairlanes in East Perth and in June 2022 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 2022 are detailed below.

Discounted cash flows:

- Expected market rental growth 1.00%-4.00%, weighted average 3.15%;
- Void periods (average 8.1 months after the end of each lease);
- Occupancy Rate 97.15%;
- Risk-adjusted discounted rates (weighted average 7.75%).

Capitalisation of income valuation:

- Capitalisation Rate 7.50%-9.00%;
- Occupancy Rate 66.08%-100%;
- Rent free period 30 months.

Lot 2 at Vue Tower was acquired in December 2022 under Finbar Commercial Pty Ltd. The purchase price was \$753,500. The company is marketing the tenancy for rental.

Subsequent to period end, Lot 183 and Lot 184 Pelago East Commercial units were reclassified as held for sale. As a result, these two investment properties have been classified as current assets as at 31 December 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 31 December 2022

12. Capital and Reserves	Company Ordinary shares	
	31-Dec-22	31-Dec-21
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
Dividend Paid During the six months ended 31 December 2022				
Final 2022 ordinary	2.00	5,442	Franked	9 September 2022
Total Amount		5,442		

Dividend Paid During the six months ended 31 December 2021

Final 2021 ordinary	2.00	5,442	Franked	10 September 2021
Total Amount		5,442		

13. Loans and Borrowings

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	Nominal Interest Rate	Financial Year of Maturity	Carrying Amount \$'000	Carrying Amount \$'000
Current				
Commercial bills (Secured)	BBSY+2.00%	2023	1,500	1,500
Commercial bills (Secured)	BBSY+2.00%	2023	21,840	21,840
Investor loans to subsidiaries (Secured)	BBSY+1.50%	2024	7,009	-
Total Current Loans and Borrowings			30,349	23,340
Non-current				
Commercial bills (Secured)	BBSY+2.00%	2024	22,380	16,701
Commercial bills (Secured)	BBSY+1.60%	2024	12,932	-
Investor loans to subsidiaries (Unsecured)*		2024	44,174	33,434
Investor loans to subsidiaries (Unsecured)*		2024	10,000	10,000
Investor loans to subsidiaries (Unsecured)*		2024	5,805	1,722
Total Non-current Loans and Borrowings			95,291	61,857

* 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 2022

	31-Dec-22 \$'000	30-Jun-22 \$'000
14. Capital and Other Commitments		
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	154,248	225,462
Later than one year	51,583	2,133
Total Property Development Commitments	205,831	227,595
Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	4,488	13,891
Later than one year	-	-
Total Property Development Commitments - Equity Accounted Investees	4,488	13,891
Group's Share of Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	2,244	6,946
Later than one year	-	-
Total Share of Property Development Commitments - Equity Accounted Investees	2,244	6,946
Group's Total Property Development Commitments including Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	156,492	232,408
Later than one year	51,583	2,133
Group's Total Property Development Commitments including Equity Accounted Investees	208,075	234,541

	31-Dec-22 \$'000	30-Jun-22 \$'000
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.		
Guarantees		
The Company has guaranteed the bank facilities of certain Controlled entities	26,064	20,385

16. Related Parties

Arrangements with related parties continue to be in place on the same basis as at 30 June 2022. For full disclosure of transactions refer to 30 June 2022 annual financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the Six Months Ended 31 December 2022

17. Subsequent Events

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.

Subsequent to period end, Lot 183 and Lot 184 Pelago East Commercial units were reclassified as held for sale. As a result, these two investment properties have been classified as current assets as at 31 December 2022.

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 2022 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 23rd day of February 2023.

Signed in accordance with a resolution of the Directors:



Darren Pateman
Managing Director



Independent Auditor's Review Report

To the shareholders of Finbar Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed 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 2022 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 statement of financial position as at 31 December 2022;
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and condensed consolidated interim 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; and
- The Directors' Declaration.

The **Group** comprises 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 these requirements.



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 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 Review 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 2022 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

Glenn Brooks

Partner

Perth

23 February 2023



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 2022 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 handwritten signature of 'KPMG' in blue ink.

KPMG

A handwritten signature of 'Glenn Brooks' in blue ink.

Glenn Brooks

Partner

Perth

23 February 2023



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