

Appendix 4E

PRELIMINARY FINAL REPORT

Period ending on or after 30 June 2024
For FINBAR GROUP LIMITED (ACN 009 113 473)

Results for Announcement to the Market

Note: To be read in conjunction with 2024 Financial Report, lodged on the same date as this document

The following information must be given to ASX under listing rule 4.3A.

1. Details of the reporting period and the previous corresponding period.
Refer to 30th June 2024 Financial Report attached
2. Key information in relation to the following. This information must be identified as **“Results for announcement to the market”**.
 - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.
Revenue \$194,344,000 (2023: \$33,965,000)
Percentage change 472.19% (2023: -62.72%)
 - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.
Comprehensive Profit* \$16,427,000 (2023: \$2,782,000)
Percentage change 490.47% (2023: -74.65%)
**Profit for year including revaluation of property, plant and equipment recognised through reserves.*
 - 2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.
Comprehensive Profit* \$16,427,000 (2023: \$2,782,000)
Percentage change 490.47% (2023: -74.65%)
**Profit for year including revaluation of property, plant and equipment recognised through reserves.*
 - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
Final Dividend 2023 Paid during period: \$0.00 (2022: \$0.02)
Interim Dividend 2024 Paid during period: \$0.00 (2023: \$0.00)
Final Dividend 2024 Proposed: \$0.08
 - 2.5 The record date for determining entitlements to the dividends (if any).
12 September 2024
 - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.
Refer to attached information release
3. A statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 Presentation of Financial Statements or the equivalent foreign accounting standard.
Refer to 30th June 2024 Financial Report attached
Note: statement of comprehensive income may be referred to as profit and loss statement in certain jurisdictions.
4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.
Refer to 30th June 2024 Financial Report attached
Note: statement of financial position may be referred to as balance sheet in certain jurisdictions.

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5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.

Refer to 30th June 2024 Financial Report attached

6. A statement of retained earnings, or a statement of changes in equity, showing movements.

Refer to 30th June 2024 Financial Report attached

7. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.

Final Dividend 2024 Declared to be paid 10 October 2024: \$21,770,000

8. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution 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 being paid in cash. The DRP will not be active for dividends relating to the 2024 financial year.

9. Net tangible assets per security with the comparative figure for the previous corresponding period.

\$256,499,000/272,123,142 (issued capital) = \$0.94 per share (2023: \$0.88)

10. Details of entities over which control has been gained or lost during the period, including the following:

Refer to 30th June 2024 Financial Report attached

- 10.1 Name of the entity.

Refer to 30th June 2024 Financial Report attached

- 10.2 The date of the gain or loss of control.

Refer to 30th June 2024 Financial Report attached

- 10.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Refer to 30th June 2024 Financial Report attached

11. Details of associates and joint venture entities including the following.

- 11.1 Name of the associate or joint venture entity.

Refer to 30th June 2024 Financial Report attached

- 11.2 Details of the reporting entity's percentage holding in each of these entities.

Refer to 30th June 2024 Financial Report attached

- 11.3 Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Refer to 30th June 2024 Financial Report attached

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12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer to 30th June 2024 Financial Report attached

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).

Not applicable

14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following:

Refer to attached information release

- 14.1 The earnings per security and the nature of any dilution aspects.

Refer to 30th June 2024 Financial Report attached

- 14.2 Returns to shareholders including distributions and buy backs.

Refer to 30th June 2024 Financial Report attached

- 14.3 Significant features of operating performance.

Refer to 30th June 2024 Financial Report attached

- 14.4 The results of segments that are significant to an understanding of the business as a whole.

Refer to 30th June 2024 Financial Report attached

- 14.5 A discussion of trends in performance.

Refer to attached information release

- 14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Refer to attached information release

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.

Based on accounts that have been audited

16. If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

Not applicable

17. If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

Not applicable

2024

ANNUAL REPORT





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Chairman's Report



“ Now, with the completion of Civic Heart and additional completions due shortly, we are in a position to begin returning these earnings to our loyal shareholders who have demonstrated patience and trust in our strategy. ”

JOHN CHAN

Dear Shareholders,

I am pleased to present Finbar Group's Annual Report for the 2024 financial year. This year has been marked by significant achievements and a strong financial result for our company.

Finbar has reported a total comprehensive income of \$16.4 million for the year ended June 30, 2024. This result represents a substantial improvement from the previous year's figure of just under \$3 million, especially considering the challenging market conditions we have faced. Our flagship project, Civic Heart, has been the most significant contributor to this year's results.

I am delighted to announce that the Board has resolved to declare a dividend of \$0.08 per share, fully franked. This dividend recognises the absence of distributions over the past couple of years as we retained capital for our major

projects. Now, with the completion of Civic Heart and additional completions due shortly, we are in a position to begin returning these earnings to our loyal shareholders who have demonstrated patience and trust in our strategy.

The Civic Heart development, which has spanned a decade from planning to completion stands as Perth's tallest building outside the CBD.

We are immensely proud of this achievement, particularly given the tough conditions faced by our industry in recent years. In the final days of the financial year, we settled 194 lots at Civic Heart, with a value of \$212 million.

I extend my thanks and acknowledge the commitment of our primary contractor

- Hanssen in concluding the Civic Heart construction through an incredibly challenging construction environment.

The past few years have presented significant challenges for the property development industry, with rapidly rising construction costs, labour shortages, and supply chain disruptions. Despite these headwinds, we have successfully navigated this period, thanks in large part to our long-standing partnerships and the dedication of our team.





Finbar has reported a total comprehensive income of \$16.4 million for the year ended June 30, 2024.

I would like to extend my sincere thanks to our joint venture partners for their continuing commitments to our success. These enduring relationships have been crucial in enabling us to undertake large-scale projects like Civic Heart, providing the capital and support necessary for such ambitious developments.

Looking ahead, we see positive signs in the Perth property market. The continued lift in property values is helping to offset the COVID related increased construction costs, although we still need to see further price

growth to improve project feasibility. With only 2,016 houses and 914 apartments currently available for sale across Perth, we anticipate ongoing strong demand for our products.

In closing, I would like to acknowledge our executive team and all Finbar staff for their hard work and commitment over the past year. Their efforts, particularly on long-term projects like Civic Heart, involve significant emotional investment and dedication, which is evident in the quality of our developments.

I would also like to announce that our long-serving Chief Financial Officer and Company Secretary, Ed Bank, will be retiring at the end of December this year. On behalf of the Board, I extend our deepest gratitude for his invaluable contribution over the past 19 years. Ed's commitment to our Company over a long period of time has been most valued.

Thank you to all our shareholders for your ongoing support and patience. We look forward to rewarding your faith in Finbar in the coming year as we continue to deliver high-quality residential developments and see the significant return of additional capital from the imminent completion of major projects.

John Chan
Chairman

Managing Director's Report



“ The completion of Civic Heart has been the defining achievement of this financial year. As Western Australia's largest residential project and Perth's tallest building outside the CBD, it represents a decade of planning, perseverance, challenges, and execution. ”

DARREN PATEMAN

Dear Shareholders,

The 2024 financial year has been a period of significant achievement for Finbar, marked by the completion of our landmark Civic Heart project and a strong financial performance in the face of ongoing industry challenges. I am pleased to present to you a detailed overview of our performance and outlook.

Financial performance

I am delighted to report a total comprehensive income of \$16.4 million for the year ended June 30, 2024. This result, a substantial improvement from the previous year's figure of just under \$3 million, reflects the successful delivery of our key project and the resilience of our business model during challenging market conditions.

Our strong financial position is further evidenced by our cash balance of \$220 million at year-end. While this figure is noteworthy, it should be considered alongside the \$173.5 million in loans and borrowings on our balance sheet on June 30, directly related to Civic Heart's construction facility which was subsequently repaid on July 4, ensuring

all remaining unsettled stock at Civic Heart is now debt free.

Project delivery

The completion of Civic Heart has been the defining achievement of this financial year. As Western Australia's largest residential project and Perth's tallest building outside the CBD, it represents a decade of planning, perseverance, challenges, and execution.

The settlement of 194 lots valued at \$212 million in the final days of the financial year was a satisfying conclusion to this monumental project. Civic Heart, which has achieved a total of \$355.5 million in sales to date with \$266 million now settled, stands as a testament to Finbar's capability to deliver large-scale, complex developments even in challenging market conditions. Just 55 of the total 334 lots are yet to sell at Civic Heart.

We are now in the final stages of completing The Point in Rivervale and Aurora in Applecross, with both projects expected to reach completion in September and October this year, respectively. We have secured \$81.5 million in sales at The Point, equating to

82% of the stock on offer. At Aurora, we have sold 70 of 121 lots, totalling \$67.65 million.

While The Point has been more exposed to the construction cost increases of recent years, potentially impacting its profitability, Aurora's premium location is expected to deliver more robust margins. These projects will add to our portfolio of completed stock, providing ongoing sales opportunities in the coming year.

We have commenced construction on Garden Towers in East Perth, with 65% of the 344 lots having sold. We have also seen strong sales for our recently launched Bel-Air project in Rivervale, with 57% of its apartments sold since marketing began in May 2024.

We anticipate commencing construction on Bel-Air before the end of the calendar year. These new projects demonstrate our confidence in the market and our ability to continue delivering quality developments that meet buyer expectations despite the higher construction price environment in which we are now operating.



Market conditions and outlook

The Perth property market continues to present both challenges and opportunities. While we have seen some stabilisation in construction costs, labour costs remain elevated. The long anticipated and now continual increase in values of our product is helping the Company adapt to this new construction cost environment. Our experienced team is focused on innovative design to meet evolving market needs, and efficient construction methods to mitigate these cost pressures.

The chronic undersupply of housing in Perth, with only 2,016 houses and 914 apartments currently available for sale, underpins the ongoing demand for our products. We believe the medium and high-density sector will play a crucial role in meeting the state's housing needs, with WA on track to fall more than 15,000 homes short of its National Housing Accord target. This scenario positions Finbar favourably to contribute significantly to addressing this shortfall and should also support further pricing growth whilst this demand remains unsatisfied.

Our project pipeline remains strong, with several approved developments ready to launch when market conditions align. This positions us well to meet future demand without the immediate need for new site acquisitions. However, we remain alert to potential opportunities that may arise in the market, maintaining our disciplined approach to land acquisition.

Strategic focus

As we move forward, our focus remains on efficient project delivery, prudent capital management, and an agile structure to help us respond rapidly to changing market demands and conditions. We continue to advocate for policy changes that would support the property sector, including the extension of stamp duty concessions to completed stock and a review of the foreign buyer surcharge. These measures could stimulate further activity in the market and support the delivery of much-needed housing stock.

Our Finbar to Rent and Finbar Sales divisions continue to grow, contributing \$414,000 and \$436,000 respectively to our after-tax profit. These divisions provide valuable diversification to our income streams, enable us to stay connected and engaged with our valued clients after delivery, and enhance our understanding of the rental market, informing our development decisions.

The performance of our investment property in Karratha, Pelago has been particularly noteworthy, contributing \$2.34 million to our profit before tax, excluding a lift in book value of the underlying asset.

Acknowledgements

I would like to extend my sincere thanks to our financiers CBA, NAB, Westpac for their continued support and confidence in our business. Our design and construction partners, SS Chang Architects and Hanssen, have been instrumental in our success, and we are grateful for their ongoing collaboration.

To our Finbar team, your dedication and hard work over multiple years, especially on long-term projects like Civic Heart, is deeply appreciated. The emotional investment you bring to each project is evident in the quality of our developments and the satisfaction of our customers.

Lastly, I join our chairman in extending our gratitude to Ed Bank, our retiring CFO and Company Secretary, for his 19 years of outstanding service to Finbar. Ed's contribution to the company's growth and financial management has been invaluable, and we wish him all the best in his well-earned retirement from corporate life.

As we look to the future, we are well-positioned to capitalise on the opportunities in the Perth property market. Our strong balance sheet, experienced team, and pipeline of quality projects provide a solid foundation for continued success. We thank our shareholders for their continued support and look forward to delivering strong results and the distribution of earnings to you in the coming year.

A handwritten signature in dark ink, appearing to read 'Darren Pateman'.

Darren Pateman
Managing Director

FY24 Highlights

Total Revenue

\$194.3M

Total Comprehensive Income

\$16.4M

Dividend

8c per share

Earnings Per Share

6.1c

Total Sales*

319

Settlements*

233 Lots

Valued at \$246.4M

\$4.2m

average sales of completed
apartments per month*

*This is a non-statutory (non-IFRS) measure used by management to assess the performance of the business and includes information from equity accounted investees.

Other Highlights

► Presale Book Value*

602 Lots | Valued at \$439.7M

► Future Pipeline*

\$1.1B

► Under Construction*

641 Lots | Valued at \$536.7M

► \$18.4m

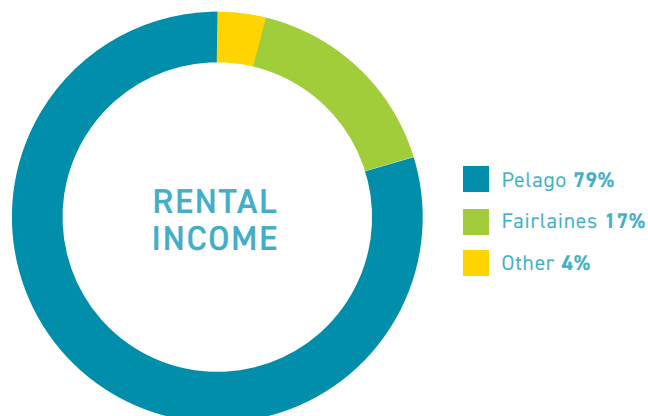
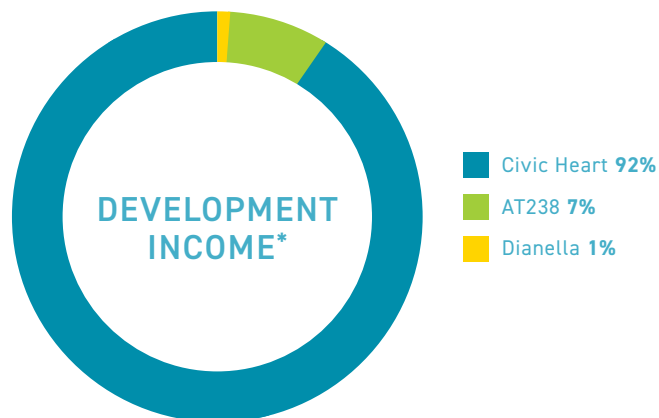
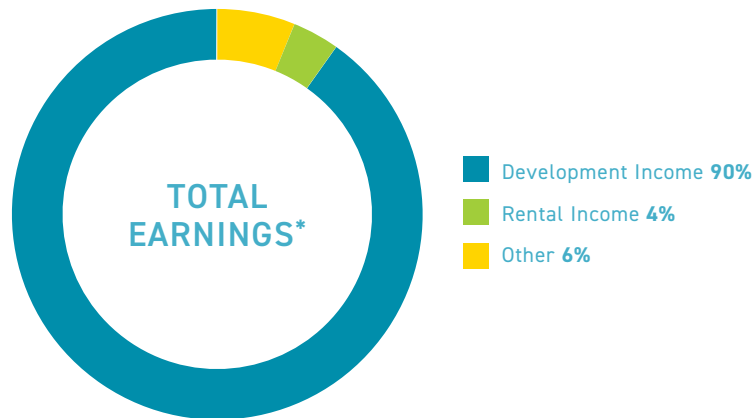
average sales of off-the-plan
apartments per month*

*This is a non-statutory (non-IFRS) measure used by management to assess the performance of the business and includes information from equity accounted investees.



Key Financial Metrics

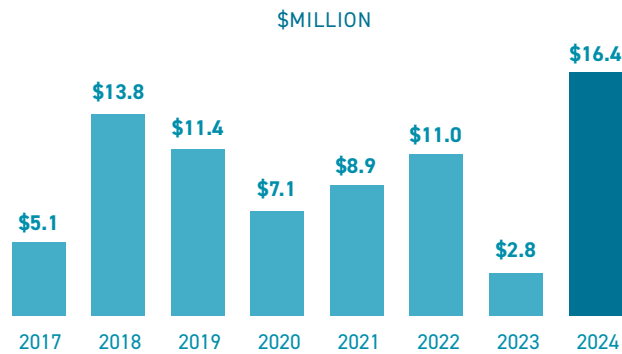
SOURCE OF EARNINGS



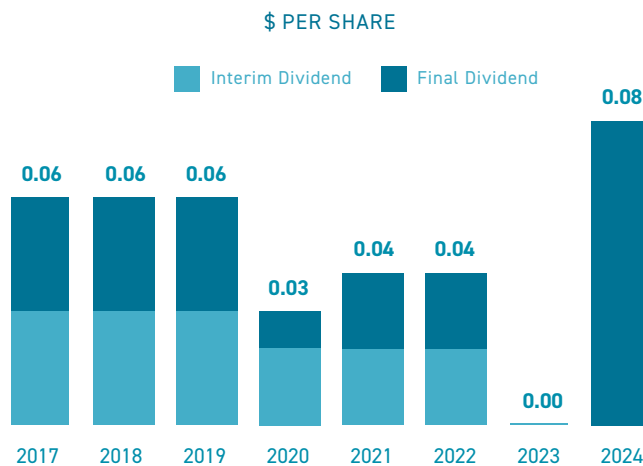
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Key Financial Metrics (continued)

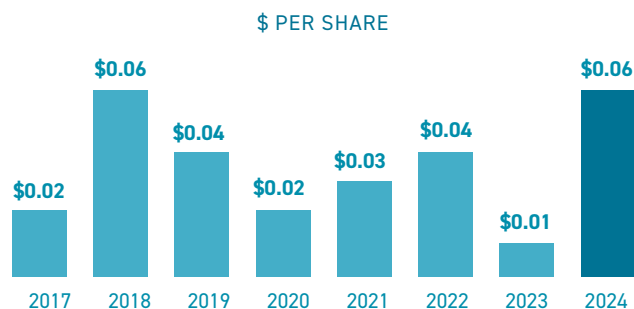
TOTAL COMPREHENSIVE INCOME



FULLY FRANKED DIVIDEND

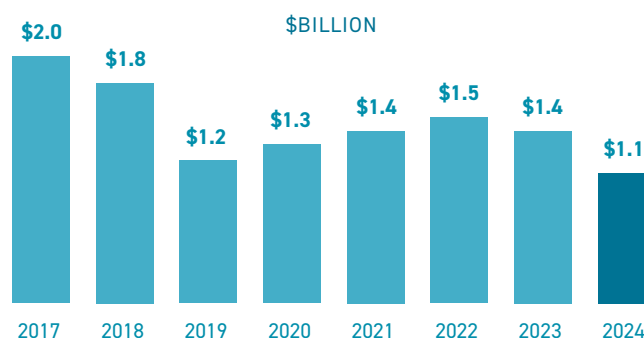


EARNINGS PER SHARE



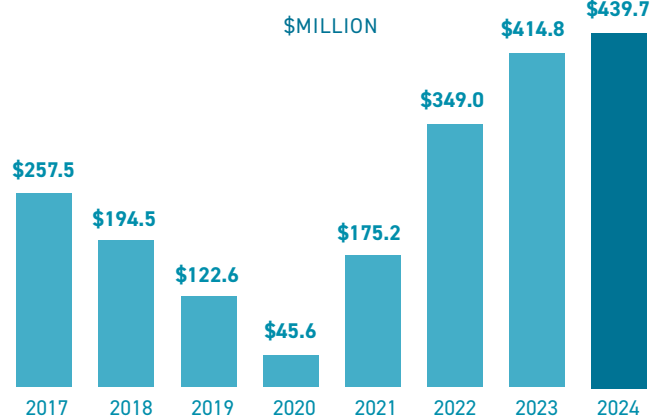
Key Financial Metrics (continued)

PROJECT PIPELINE VALUE*



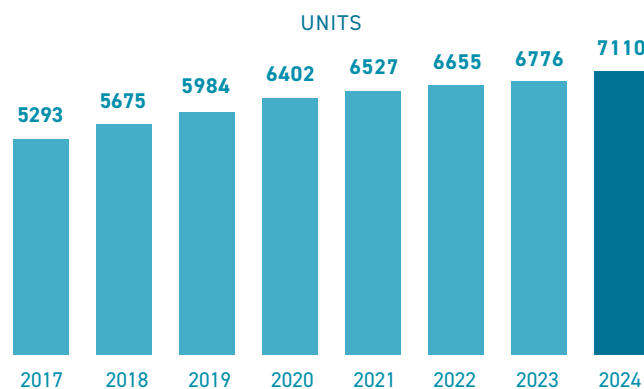
Finbar maintains a robust Project Pipeline of **\$1.1 BILLION** to ensure that the company can capitalise on changing market conditions and bring new product to the market as quickly and efficiently as possible to maximise shareholder returns.

PRESALES BOOK VALUE*



Sales achieved at Bel-Air, Civic Heart, Aurora, The Point and Garden Towers has contributed to FY2024 presales of **\$439.7 MILLION**.

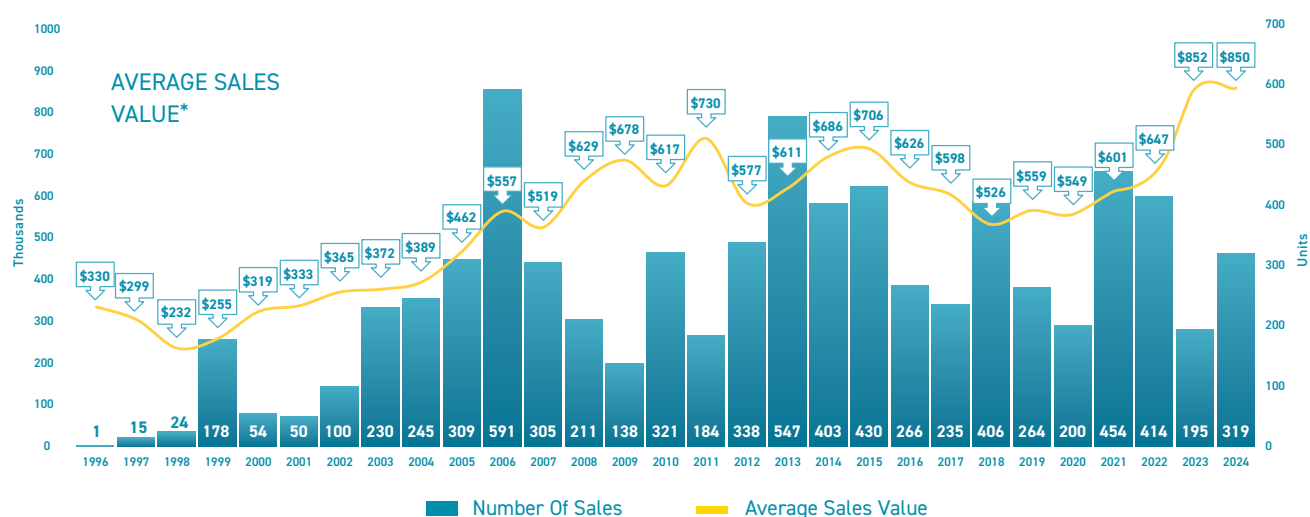
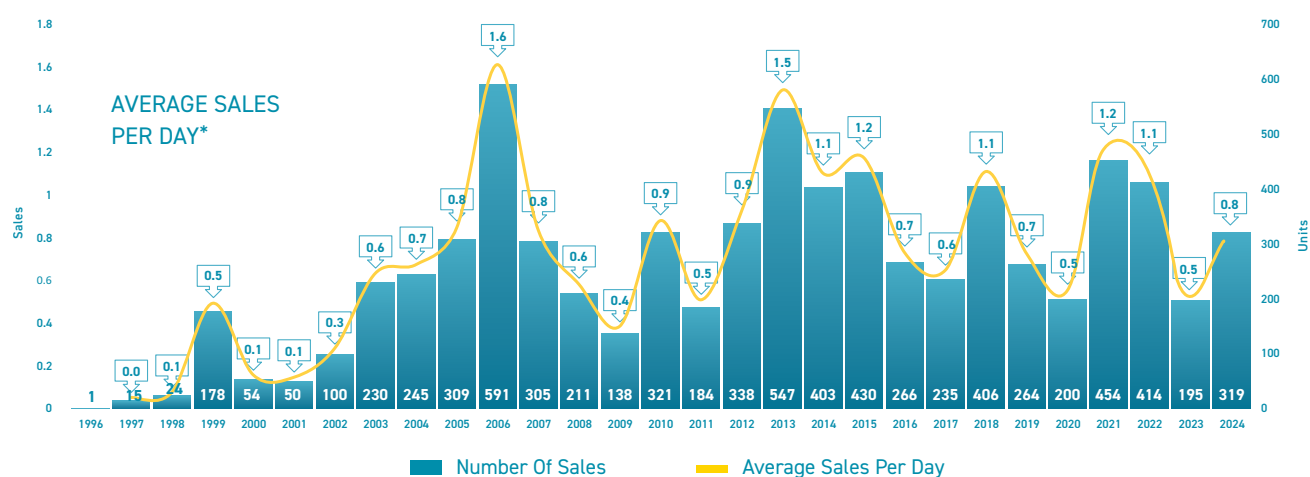
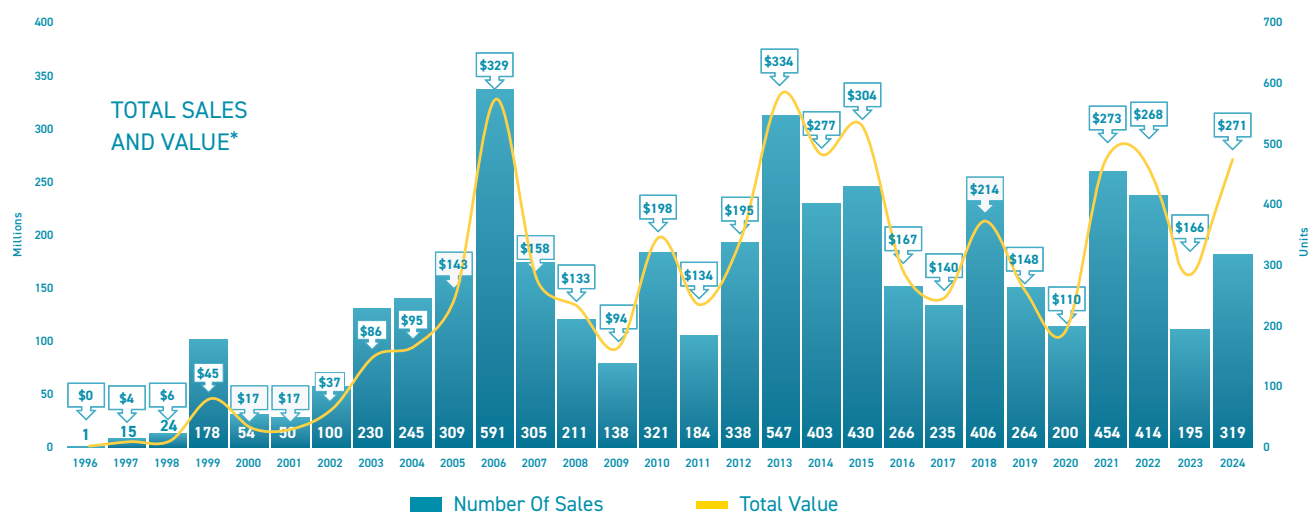
TOTAL DEVELOPED UNITS*



Total Developed Units reached **7,110** by the end of FY2024 with the addition of **334 units** from the completion of Civic Heart. Finbar continues to position itself as the largest residential apartment developer in Western Australia.

*This is a non-statutory (non-IFRS) measure used by management to assess the performance of the business and includes information from equity accounted investees.

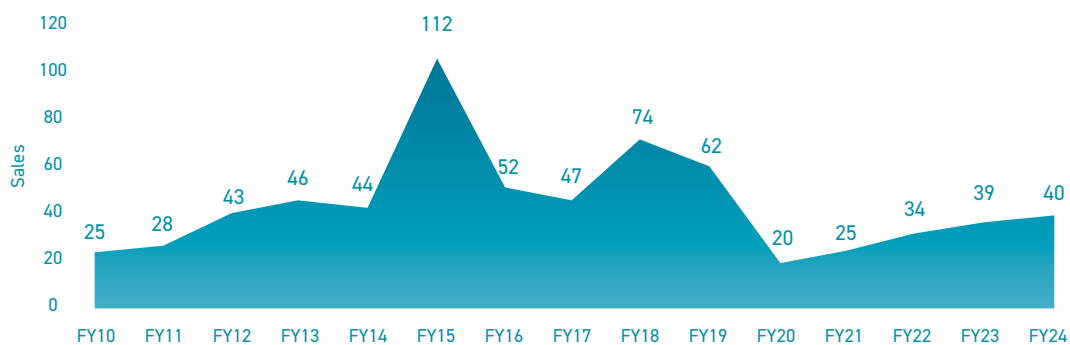
Key Financial Metrics (continued)



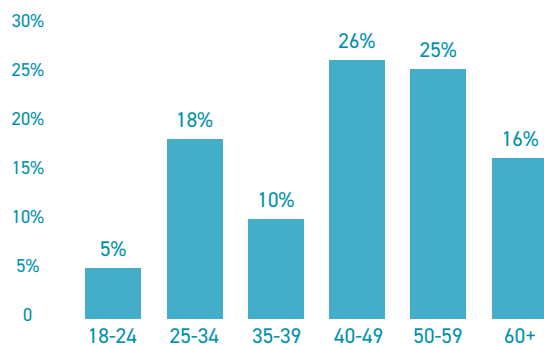
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Key Financial Metrics (continued)

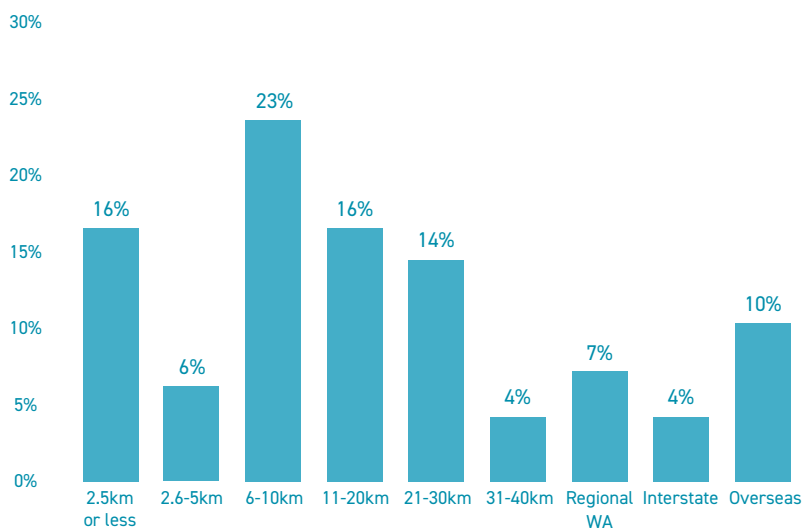
FOREIGN BUYER SALES*



FY24 - SALES ACROSS AGE GROUP*



FY24 - LOCATION OF BUYER FROM THE DEVELOPMENTS*



*This is a non-statutory (non-IFRS) measure used by management to assess the performance of the business and includes information from equity accounted investees.

Project History

29 YEARS
77 LANDMARK DEVELOPMENTS
7110 UNITS COMPLETED

2024	334	CIVIC HEART South Perth
2023	121	AT238 Perth
2021	128 125	DIANELLA APARTMENTS Dianella RIVERENA Rivervale
2020	123 167	ONE KENNEDY Maylands SABINA Applecross
2019	128 59 250	PALMYRA APARTMENTS EAST Palmyra REVA SOUTH PERTH South Perth VUE TOWER East Perth
2018	244 138	AIRE WEST PERTH West Perth AURELIA South Perth
2017	227 143	CONCERTO East Perth MOTIVE West Leederville
2016	116 169	LINQ Northbridge UNISON ON TENTH Maylands
2015	154 63 47 264	ARBOR NORTH Rivervale NORWOOD PERTH Perth TOCCATA East Perth SUBI STRAND Subiaco
2014	188 8 98 194	SPRING VIEW TOWERS Rivervale 52 MILL POINT RD South Perth ECCO APARTMENTS Perth AU APARTMENTS East Perth
2013	188 131 115 43	PELAGO EAST Pegs Creek (Karratha) ST MARKS Highgate ADAGIO East Perth KNIGHTSGATE Currambine
2012	111 114 128 31	LIME Victoria Park PELAGO WEST Pegs Creek (Karratha) FAIRLANES PERTH East Perth 18 ON PLAIN East Perth
2011	202	X2 APARTMENTS East Perth
2010	75 85	THE EDGE Victoria Park THE SAINT East Perth
2009	34 50 62 197 71 71	VERVE Perth HORIZON CENTRAL Maylands HORIZON SIXTH Maylands ROYALE Perth REFLECTIONS EAST East Perth REFLECTIONS WEST East Perth

2009	21 16 114	CIRCLE EAST Northbridge CIRCLE WEST Northbridge CODE Perth
2008	113 111 123 81 49	CERESA Rivervale INFINITY East Perth ALTAIR East Perth DOMUS Perth DEL MAR Mandurah
2007	80 76 60 104	SOHO East Perth AVENA Rivervale SOL APARTMENTS West Perth ONE28 East Perth
2005	54 43 98 64 14	ARUM Rivervale SAMPHIRE Rivervale WESTRALIAN East Perth COSMOPOLITAN East Perth RIVERSTONE South Perth
2004	94 51 25 45	MARKETRISE West Perth 175 HAY East Perth BLUE 2 South Perth KINGSTON West Perth
2003	30 47	ST THOMAS SQUARE Subiaco MONTEREY BAY Port Mandurah
2001	54 47 11 25	BLUEWATER South Perth CHELSEA GARDENS West Perth 85 MILL POINT ROAD South Perth THE 10TH TEE The Vines
2000	68 76 1	THE RISE East Perth WELLINGTON PLACE East Perth ALBANY HIGHWAY MEDICAL CENTRE Victoria Park
1999	1 12	CORFIELD STREET MEDICAL CENTRE Gosnells MATILDA BAY APARTMENTS Crawley
1998	78	PADDINGTON PLACE West Perth
1997	5 15	167 MELVILLE PARADE South Perth SEVILLE ON THE POINT South Perth
1996	3 5	THE LINKS South Perth 19 RENWICK STREET South Perth

Finbar Milestones

1990s



1995

Lists on ASX as Property Development Company operating out of a 2 bedroom Como apartment

Commenced 1st Development Seville on the Point, South Perth

1997

Completed 1st Development Seville on the Point, South Perth

Maiden net profit \$0.7m

1998

\$1m net profit milestone

2010s

2010

Secured first Pilbara project, Pelago West, Karratha

\$20m net profit milestone

2012



3000 apartments milestone

Completed company's first Pilbara project

Relocated to Fairlanes building, East Perth (13 staff)

Fairlanes awarded winner UDIA High Density Development



2012 WINNER

2013

Pelago West awarded Judge's and UDIA High Density Development



2013 WINNER

\$30m net profit milestone

2020s

2020

25th Year on the ASX

2021

Launched internal sales division – **Finbar Sales**

Sabina awarded Property Council WA Best Residential Development and UDIA Judges Commendation in the High Density Development Category



2021 FINALIST



29 years on the ASX

Our reputation is everything to us. Since we listed Finbar on the ASX 29 years ago, we have built our name on the back of an uninterrupted run of successful developments, from our first project, Seville on the Point, to Westralian, Pelago, Fairlanes, Subi Strand, Concerto and our award-winning Sabina Applecross. With the successful completion of our landmark Civic Heart development, Finbar continues to prove why it is WA's leading and most trusted residential apartment developer.

2000s

2001

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

2005

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

2006

\$100m market capitalisation



1000
apartments
milestone

2008

\$10m
net profit
milestone

2009

Inclusion in All Ordinaries Index



2000
apartments
milestone

2014

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



2014
WINNER



4000
apartments
milestone

2015

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

Completed Finbar's largest development to date, Subi Strand
Launched the Finbar Loyalty Club. An exclusive rewards program for all Finbar buyers, past & present

Spring View Towers awarded winner UDIA High Density Development



2015
WINNER

2017

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

Concerto awarded winner UDIA High Density Development



2017
WINNER

Completed over \$3b worth of developments since 1995



5000
apartments
milestone

2019

Launched Property management division – **Finbar to Rent**



6000
apartments
milestone

2024

Completed landmark Civic Heart project; Perth's tallest residential building and WA's largest single-stage strata development



7000
apartment
milestone

CIVIC HEART

SOUTH PERTH



CIVIC HEART

We are proud to announce the completion of our landmark Civic Heart development in FY24.

Civic Heart is Western Australia's largest single-stage strata development and stands as the tallest residential tower in Perth. It also holds the title of being the tallest building in the state outside the Perth CBD.

This landmark development lights up the south-of-the-river skyline, with the epitome of prestigious living and phenomenal views across the cityscape.

308 exceptionally inspired residences set within two iconic towers offer a mixture of apartments, sky homes and penthouses designed to exude luxury living through every perfect detail from the sweeping curves of the podium and tower, to its beautifully appointed finishes and illuminated crown.

Three levels of world-class amenities dedicated to a range of facilities and outdoor spaces including guest apartments, putting green, wellness spa, gyms, theatres, kids indoor and outdoor play areas, and a sky deck on level 37 with private dining rooms.



FOLLOW THE JOURNEY

Civic Heart began as a vision to realise a once-in-a-generation, 360-degree architectural landmark that weaves together past, present, and future. In 2024, that dream became a beautiful reality, with the apartments and plazas now alive with the sounds of happy people from near and far.

The journey has been truly remarkable. Beginning all the way back in 2020, we navigated the uncertainty of a global pandemic and overcame many challenges to reach successful completion of what is now officially Finbar's largest and most impressive project to date.

GRAND PUBLIC LAUNCH

SEPT 2020

A grand welcoming. From the moment we launched, Civic Heart was met with a groundswell of positive support, enquiries and sales.



CIVIC
HEART
SOUTH PERTH



TURNING OF THE SOIL & CONSTRUCTION COMMENCEMENT

FEB 2021

The journey begins. Buyers and stakeholders gathered to celebrate the start of construction with an exciting soil turning ceremony.



2021



2022

CONSTRUCTION

2021 – 2024

A monumental effort. The sheer scale of the project brought a range of construction challenges. Despite these, we successfully completed WA's largest residential building.



2023



2024



TOPPING OUT DEC 2023

A labour of love. We celebrated 'topping out' the Mill Point Tower with our builder, architect, and partners in recognition of everyone's hard work and dedication.



PROJECT COMPLETION JUNE 2024

A masterpiece is complete. The special occasion was honoured with a luxurious grand opening party, bringing together all who brought Civic Heart to life, and the lucky new residents who will call it home.



THE PULSE OF PRESTIGE

South Perth has a new landmark. Civic Heart's iconic form rises above the cityscape with its sweeping curves and illuminated crown, claiming the mantle as Perth's tallest residential tower.

Eateries and laneways bring the streetscape to life. Here, Civic Heart caters to your every daily need while treating residents to a sophisticated lifestyle of colour, culture, and quiet indulgence.



SOPHISTICATION REACHES NEW HEIGHTS

Civic Heart delivers 308 beautifully appointed 1, 2, and 3 bedroom apartments across two towers, thoughtfully crafted to offer the utmost comfort and luxury matched with phenomenal views across the cityscape.

The Platinum apartments blend elegance with functionality, capped by the expansive living space in the Sky Homes and the unparalleled experience of the Penthouses.



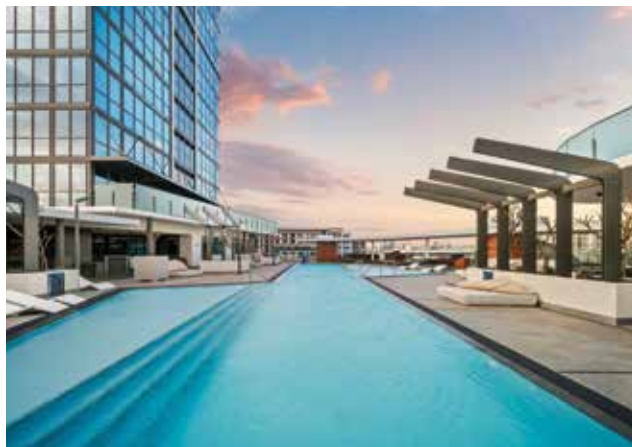
A CROWNING MASTERPIECE

Sitting proudly atop the 37th floor of the Mill Point Tower, The South Perth Skydeck's tasteful collection of dining rooms and social spaces treat residents and guests to mesmerising views across the river and skyline, day, and night.



INDULGENT AT-HOME EXPERIENCES

Civic Heart offers world-class amenities unlike anything seen in Perth, from an opulent swimming pool and lounges to theatrettes, outdoor spaces, kids' play areas, pet play and wash areas, putting greens, wellness centres, and private dining rooms.





REJUVENATING THE SOUTH PERTH COMMUNITY

Nestled in South Perth by the beautiful Swan River, Civic Heart pays homage to the surrounding heritage precinct, blending old with new to create a vibrant hotspot for residents and locals to gather, meet, mingle, and explore.

Cafes, restaurants & retail will activate the streetscape with interlinked alfresco laneways and canopied piazzas, blending into a rejuvenated, pedestrian-friendly Mends Street alive with art, culture, and a vibrant community atmosphere.

Our Finbar



JOHN CHAN
Executive Chairman
29 years



DARREN PATEMAN
Managing Director
29 years



RONALD CHAN
Executive Director
20 years

We've come a long way since the dream started as 3 people working out of a makeshift office in Como. Now a 29-strong team led by experienced and long serving management, we're in prime position to push the boundaries at the forefront of Western Australia's lifestyle property market.

OUR PEOPLE

- A team of 17 staff in Finbar's head office
- A team of 9 staff in Finbar to Rent
- A team of 3 staff in Finbar Sales
- Led by an experienced and long serving management team, with strong leadership skills and an excellent track record

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

**TERENCE PEH**

Non-Executive Director

ELDON WAN

Non-Executive Director

Finbar continues to elevate the quality of inner city living in Perth, delivering prestigious, well-appointed lifestyle apartments that artfully fuse office and public spaces in progressive and innovative designs.

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 revenue 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

Modern Amenities

INSPIRED BY MODERN LIFESTYLES

At Finbar, we're forever evolving to treat residents to the most thoughtful amenities in sync with how they like to live. From working out to working from home, accomodating guests to treating pets like family, each development is customised to the needs of its residents to ensure we continue to offer the most relevant and responsive inner-city lifestyles.



PLAYTIME IN THE CITY

No longer the exclusive domain of couples and professionals, inner city apartments are growing in demand from young families seeking low-care minimalist living close to entertainment precincts. Civic Heart and Garden Towers raise the energy with exciting kids' playrooms and outdoor playgrounds, while AT238's gaming zone complete with an arcade machine and PS5 mean it's on for young and old.



GLAMPING

Garden Towers will pioneer a one-of-a-kind glamping nook, treating residents to a rare staycation experience overlooking the shimmering river and stadium lights.



IMMERSIVE EXPERIENCES

Finbar developments understand resident needs to a tee. Garden Towers' state-of-the-art virtual golf driving range offers an immersive experience where players can finetune their swing in the comfort of their own home, while putting greens at Civic Heart and Aurora offer the chance to work on your short game at anytime.

WORKS FOR YOU

Working from home has become the new normal in a post-pandemic world. As thought leaders in this space, Finbar is innovating ahead of the trend with dedicated 'WFH' spaces in Civic Heart, Aurora, AT238 and Garden Towers, from business centres, to meeting rooms and zoom pods that make staying connected seamless.



DRIVING A BETTER FUTURE

Current and future projects will have an allowance in building design and management provisions that enable you to install an EV charging station on your car bay at any time. Enjoy seamless transition to electric transport down the road, when you're ready.





STAY A LITTLE LONGER

Our residents said they wanted the flexibility of having family and friends visit, without having to send them away to stay at a hotel – and we listened. Following the overwhelming success at Sabina Applecross, Civic Heart and Aurora have incorporated Finbar's guest apartment concept, allowing residents to book a suite to accommodate their loved ones while visiting.

BEST FRIENDS WELCOME

Dog ownership in Australia is increasing – and so is inner-city apartment living. Finbar brings the two worlds together thoughtfully and naturally, with pet wash facilities and pet play areas at Civic Heart, Garden Towers and AT238 inviting residents to embrace all the physical and emotional benefits that come from sharing an active city life with your four-legged friend.



MOVIE LOVERS

At Garden Towers, Civic Heart, Aurora and AT238 residents can enjoy the latest movies, sports or big events in the luxury of their own air-conditioned cinema, with plush seating and the latest home entertainment system on the big screen.



HEALTH AND WELLNESS

We value the importance of holistic wellness. At Civic Heart, Garden Towers and Aurora, residents can enjoy a selection of state-of-the-art gyms, soothing massage rooms, private consultation areas, rejuvenating sauna and steam rooms.

ESG at Finbar

As WA's largest and most trusted apartment developer, Finbar is committed to operating in a manner that shows the highest levels of environmental, social and governance standards.

From its very early days, Finbar's success has been guided by an ethos to have positive environmental and social impacts and to be ethical and transparent in its approach to meeting and exceeding all regulations that govern how it operates.

The company's ethos is to develop better lifestyles for people and this guides the approach to ESG. Finbar strives to be a leader in WA, to be a trusted and respected joint venture partner, employer and neighbour to its stakeholders across the community.



Environment

- Using innovative, contemporary, and light-weight construction techniques to reduce carbon emissions
- Optimising design and material selection to reduce energy usage after handover
- Aiming to achieve high energy efficiency and thermal comfort ratings for each project
- Reducing waste through compaction and building management of diverse waste streams
- Reducing land clearing through offering affordable and diverse infill housing options
- Promoting adoption of EV through providing backbone infrastructure to catalyse the future installation of chargers



Social

- Providing affordable & diverse housing options across the Perth metro area
- Providing a wide range of amenities in each project with a focus on health and wellness
- Supporting local community organisations
- Importance of employee diversity & wellbeing
- Ensuring all our contractors and suppliers comply with the modern slavery initiatives and requirements.
- Providing positive policy outcomes through membership and committee input into the Property Council of Australia (WA) & the Urban Development Institute of Australia (WA)
- Broadening the rate base of local governments, supporting the delivery of services they provide to the local community



Governance

- Corporate Governance Statement
- Materiality assessment and identification of key ESG issues
- Long serving and experienced management and leadership team
- Ethical conduct and responsible business practices
- Risk management and long term strategic direction
- Nurturing employee growth & enhancing skills through training and professional development.
- Data security and privacy

COMPLETED PROJECTS



CIVIC HEART
SOUTH PERTH

AT238
PERTH

REVA
SOUTH PERTH

CIVIC HEART

SOUTH PERTH

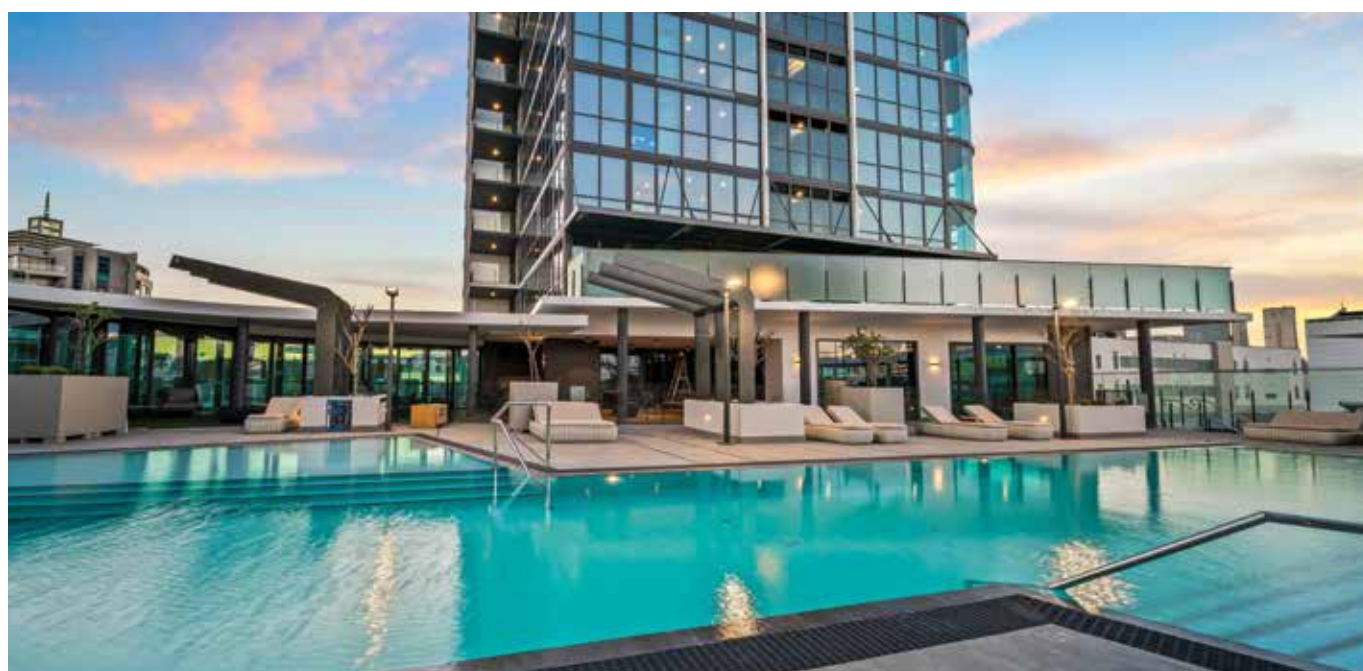


CIVIC HEART

99 Mill Point Road & 3 Mends Street, South Perth

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.

Project Company	1 Mends Street Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	52.5%
Construction Commenced	Feb 21
Construction Completed	Jun 24
Total Lots	334
Approximate Total Project Sales Value	\$448.1m
Value of Sales to Date	\$335.5m
Lots Sold	279 (84%)
Lots Unsold	55 (16%)



AT 238

PERTH

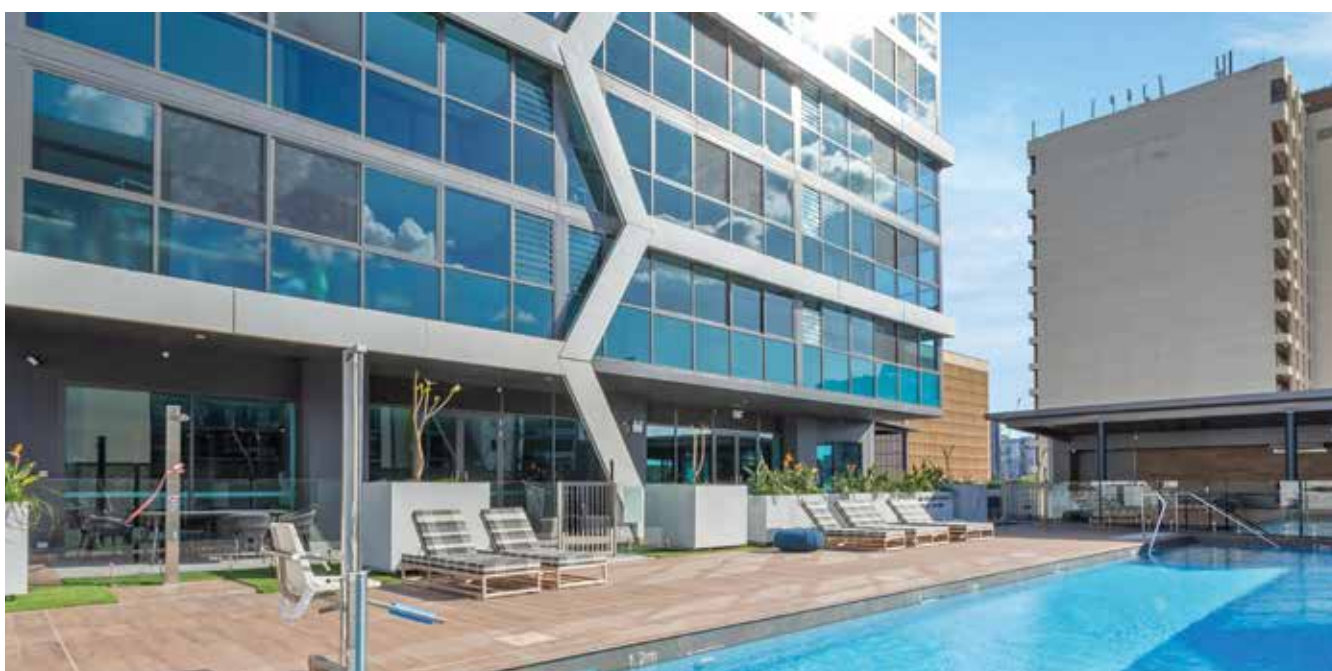


AT238

238 Adelaide Terrace, Perth

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 an unique apartment product with a striking glazed façade and rooftop amenities that take full advantage of the expansive views.

Project Company	240 Adelaide Terrace Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Share of Project Profit	50%
Construction Commenced	Mar 21
Construction Completed	Apr 23
Total Lots	121
Approximate Total Project Sales Value	\$99.7m
Value of Sales to Date	\$82.0m
Lots Sold	106 (88%)
Lots Unsold	15 (12%)





REVA

5 Harper Terrace, South Perth

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.

Project Company	5-7 Harper Terrace Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	100%
Construction Commenced	Nov 17
Construction Completed	Feb 19
Total Lots	59
Approximate Total Project Sales Value	\$45.7m
Value of Sales to Date	\$44.0m
Lots Sold	56 (95%)
Lots Unsold	3 (5%)



PROJECTS UNDER CONSTRUCTION



AURORA
APPLECROSS

THE POINT
RIVERVALE

**GARDEN
TOWERS**
EAST PERTH

AURORA

APPLECROSS



AURORA APPLECROSS

3 Kintail Road, Applecross

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.

Project Company	Finbar Applecross Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	50%
Construction Commenced	FY22
Estimated Completion	1H FY25
Total Lots	121
Approximate Total Project Sales Value	\$155.4m
Value of Sales to Date	\$67.7m
Lots Sold	70 (58%)
Lots Unsold	51 (42%)



THE POINT

SPRINGS RESIDENCES



THE POINT

31 Rowe Avenue, Rivervale

The Point comprises 167 one, two, and three bedroom apartments and 9 commercial lots on the ground floor and will be situated at the main entrance to the Springs precinct, opposite the Aloft Hotel.

Project Company	31 Rowe Avenue Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	65%
Construction Commenced	FY22
Estimated Completion	1H FY25
Total Lots	176
Approximate Total Project Sales Value	\$111.5m
Value of Sales to Date	\$81.5m
Lots Sold	145 (82%)
Lots Unsold	31 (18%)



EAST PERTH

GARDEN

TOWERS



GARDEN TOWERS

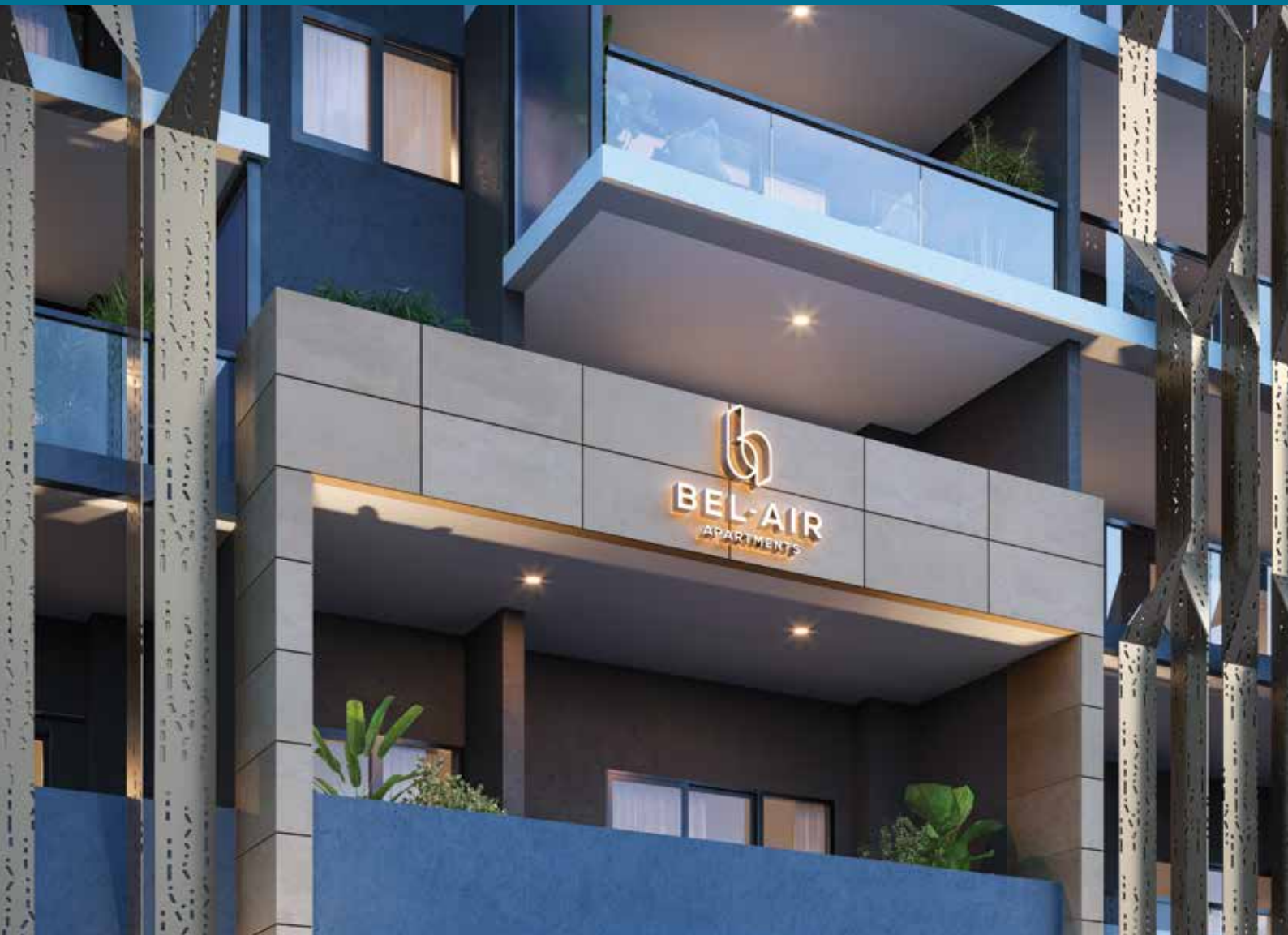
110 Plain Street & 8 DeVlamingh Ave, East Perth

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

Project Company	Garden Towers East Perth Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Share of Project Profit	50%
Construction Commenced	Apr 24
Estimated Completion	FY27
Total Lots	344
Approximate Total Project Sales Value	\$270.2m
Value of Sales to Date	\$148.8m
Lots Sold	223 (65%)
Lots Unsold	121 (35%)



NEW TO MARKET



**BEL-AIR
APARTMENTS**
BELMONT



BEL-AIR

APARTMENTS



BEL-AIR APARTMENTS

239 Great Eastern Highway, Belmont

Bel-Air Apartments has 194 one, and two bedroom apartments plus 2 ground floor commercial spaces.

Project Company	239 Great Eastern Highway Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	100%
Construction Commencement	FY25
Estimated Completion	TBC
Total Lots	196
Approximate Total Project Sales Value	\$113.1m
Value of Sales to Date	\$65.1m
Lots Sold	112 (57%)
Lots Unsold	84 (43%)



FUTURE PROJECTS



ROMEO

APPLECROSS

PALMYRA APARTMENTS WEST

PALMYRA

LOT 1000

RIVERVALE

2 HOMELEA COURT

RIVERVALE

LOT 888

RIVERVALE

FORMER ABC STUDIOS

EAST PERTH



ROMEO

912 Canning Highway, Applecross

Located only metres from the Swan River and approximately 600 metres to the Canning Bridge Train Station, this 2,620sqm site fronting Canning Highway has DA approval as the third of three stages for 152 residential apartments and 3 ground floor commercial tenancies within a podium and 26 storey tower built form.

Project Company	Finbar Applecross Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	50%
Construction Commencement	TBC
Total Lots	155



PALMYRA APARTMENTS WEST

45 McGregor Road, Palmyra

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.

Project Company	43 McGregor Road Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	50%
Construction Commencement	TBC
Total Lots	130
Approximate Total Project Sales Value	\$73m

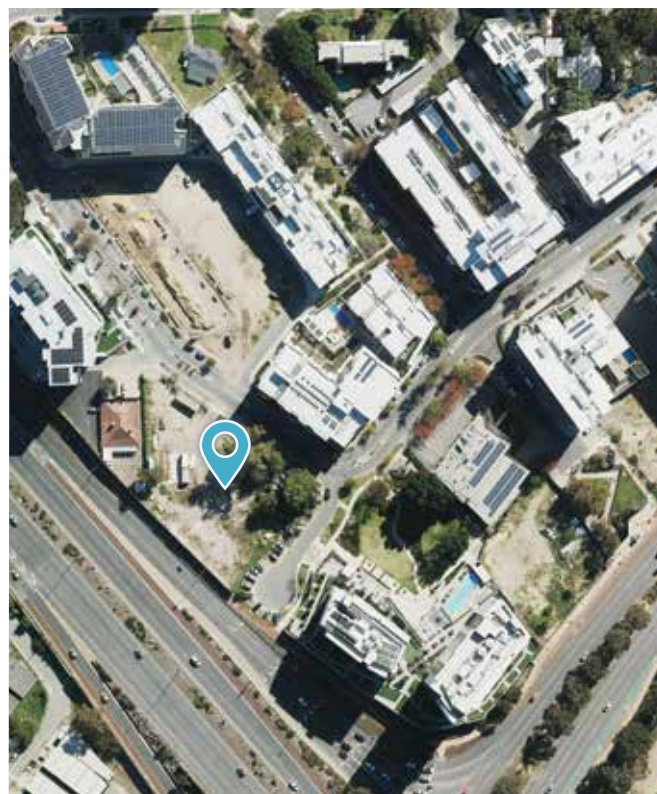


LOT 1000

32 Riversdale Road, Rivervale

Lot 1000 comprises 4,069 square metres of absolute waterfront land with expansive views of the Swan River, Stadium Precinct, and Perth CBD. Development approval has been received for a 19 storey tower with 143 units, an expansive 19th floor rooftop Sky Deck.

Project Company	32 Riversdale Road Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	50%
Construction Commencement	TBC
Total Lots	143

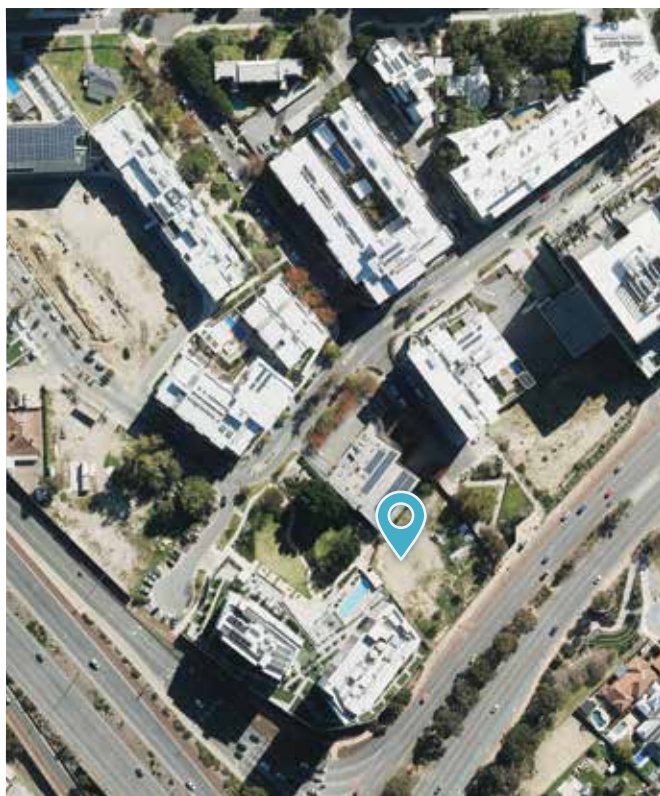


2 HOMELEA COURT

Cnr Rowe Avenue & Homelea Court, Rivervale

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 171 apartments within an 12 level building.

Project Company	2 Homelea Court Springs Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	100%
Construction Commencement	TBC
Total Lots	TBC
Approximate Total Project Sales Value	\$92m

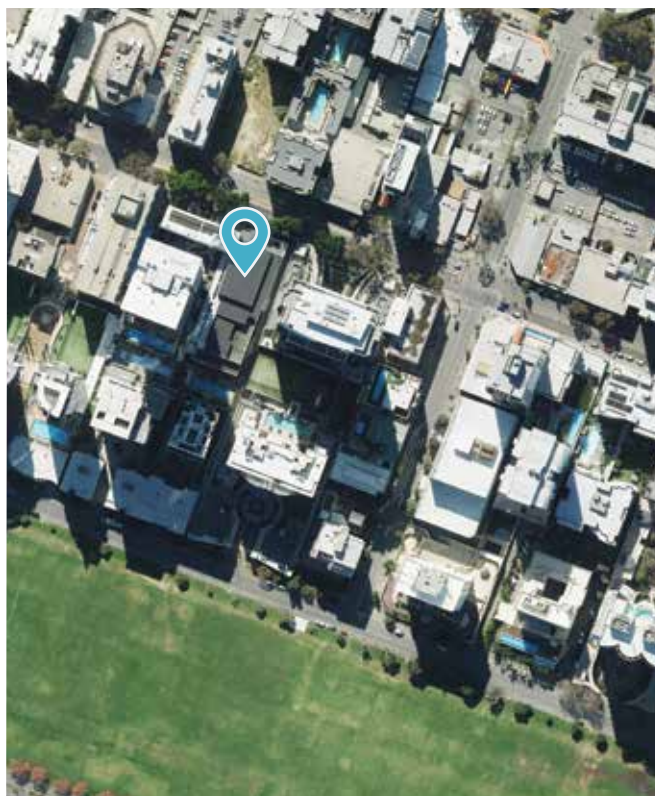


LOT 888

2 Hawksburn Road, Rivervale

The current approved DA comprises a six level office building with 6,250sqm NLA and 236 carbays.

Project Company	Rowe Avenue Pty Ltd
Entity Type	Equity Accounted Investee
Finbar's Share of Project Profit	50%
Construction Commencement	TBC
Total Lots	TBC



FORMER ABC STUDIOS

187 Adelaide Terrace, East Perth

The former ABC Radio Studios heritage building provides a GFA of 3,711sqm over three levels. The Company continues to explore feasible development outcomes in the context of recently announced City of Perth proposed planning scheme changes. These planning changes seek to support residential development in the city through providing significant increases in plot ratio.

Project Company	Finbar Sub 104 Pty Ltd
Entity Type	Fully Owned Subsidiary
Finbar's Share of Project Profit	100%
Construction Commencement	TBC
Total Lots	TBC

INVESTMENT PROPERTIES



FAIRLANES
EAST PERTH

PELAGO
KARRATHA

AURELIA
SOUTH PERTH



FAIRLANES OFFICE

FAIRLANES

181 Adelaide Terrace, East Perth

Total SQM	7,584
Office SQM	7,114
Retail SQM	470
FY25 Forecast Rent	\$1.05m
SQM Leased	4260.4

PELAGO KARRATHA

PELAGO

Sharpe Avenue, Karratha

Total Lots	116
Residential Lots	98
Commercial Lots	18
FY25 Forecast Rent	\$7.6m
Lots Leased	86
Residential Lots Leased	74
Commercial Lots Leased	12



AURELIA SOUTH PERTH

AURELIA

1 Harper Terrace, South Perth

Total SQM	788
Estimated sales value	\$5.3m
Estimated income value	\$169,000 p.a.

Finbar Group Limited

Financial Report

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DIRECTORS' REPORT

For the Year Ended 30 June 2024

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 2024 and the independent auditor's report thereon.

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DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

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 its 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 29 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, is a Member of the Australian Institute of Company Directors, and is the Division Vice President (WA Division Council) for the Property Council of Australia.

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 20 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

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 25 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.

Non-executive Director

Eldon WAN - B Acc, FCA Singapore

Director since 31 January 2023

Eldon Wan joined the Board on 31 January 2023. Eldon is the Chief Operating Officer of Chuan Hup Holdings Limited, an investment company listed on the Singapore Stock Exchange, and Finbar's largest corporate shareholder.

Eldon has over 26 years of experience in the finance and accounting sectors. He has accumulated industry experience in mergers and acquisitions, financial and management reporting, budgeting, taxation, treasury as well as corporate governance and risk management matters.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

1. Directors (continued)

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD

Director since 6 December 2011 to 18 October 2023

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).

Lee retired as a director of Finbar on 18 October 2023.

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 Practicing Accountant with 30 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	1	1	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
Lee VERIOS*	2	2	1	1	1	1	1
Terence Siong Woon PEH	4	4	3	2	2	2	2
Eldon WAN	4	4	3	1	1	1	1

* Lee Verios retired on 18 October 2023.

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 2024

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 are set out in the Directors Report (pages 48 and 49).

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 following directors serve on the Remuneration Committee:

- Terence Siong Woon PEH (Chairman) - Non-executive Director
- John CHAN - Executive Director
- Lee VERIOS - Non-executive Independent Director (Retired on 18 October 2023)
- Eldon WAN - Non-executive Director

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 Charter also 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.

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 of the Directors and Executives of 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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.1 Principles of Remuneration (continued)

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;
- the key management personnel's length of service;
- project outcomes; 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, business 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 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 the Director Share Plan 2014. As at 30 June 2024, 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 the 2024 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's contribution to the Group. The performance evaluation in respect of the year ended 30 June 2024 has taken place in accordance with this process.

Long-term Incentive

Incentive shares or options issued under the Employee Incentive Plan 2013 or the 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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.1 Principles of Remuneration (continued)

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:

	2024	2023	2022	2021	2020
Total comprehensive income	\$16,427,000	\$2,782,000	\$10,975,000	\$8,863,000	\$7,068,000
Profit before tax	\$24,002,000	\$3,948,000	\$15,048,000	\$12,043,000	\$10,488,000
Dividends paid	\$0	\$5,442,000	\$10,884,000	\$8,163,000	\$13,606,000
Change in share price	\$0.18	-\$0.02	-\$0.17	\$0.15	-\$0.14
Return on capital employed	8.49%	1.84%	5.06%	3.82%	4.47%
Return on total equity	6.40%	1.16%	4.52%	3.65%	2.92%

'Profit before tax' is considered 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

The base Directors fees for Non-executive Directors, last voted upon by the shareholders at the November 2013 AGM, is not to exceed \$360,000 per annum in total. Non-executive Directors base fees (excluding Committee Fees) are presently \$161,786 per annum.

4.3.2 Directors' and Executive Officers' Remuneration

Details of the nature and amount of each major element of remuneration of each Director and key management personnel of the Company are:

	Short-Term				Post - Employment			Total
	Directors Fees and Committee Fees \$	Salary \$	STI Cash Bonus (A) \$	Non Monetary Benefits \$	Total \$	Superannuation \$	Other Long Term \$	
For the year ended 30 June 2024								
Executive Directors								
Mr John Chan, Executive Chairman	-	454,269	260,192	-	714,461	27,500	7,753	749,714
Mr Darren John Pateman, Managing Director	-	727,821	260,192	-	988,013	27,399	12,381	1,027,793
Mr Ronald Chan, Chief Operating Officer	-	403,844	130,096	-	533,940	27,399	6,573	567,912
Non-executive Directors								
Mr Terence Siong Woon Peh	82,270	-	-	-	82,270	-	-	82,270
Mr Lee Verios*	22,216	-	-	-	22,216	2,333	-	24,549
Mr Eldon Wan	78,988	-	-	-	78,988	-	-	78,988
Executives								
Mr Edward Guy Bank, Chief Financial Officer	-	314,576	130,096	-	444,672	27,399	5,070	477,141
	183,474	1,900,510	780,576	-	2,864,560	112,030	31,777	3,008,367

* Lee Verios retired on 18 October 2023.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.2 Directors' and Executive Officers' Remuneration (continued)

For the year ended 30 June 2023	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	-	550,124	44,795	-	594,919	27,500	(3,535)	618,884
Mr Darren John Pateman, Managing Director	-	726,846	44,795	7,852	779,493	25,292	12,441	817,226
Mr Ronald Chan, Chief Operating Officer	-	404,330	22,398	-	426,728	25,292	6,707	458,727
Non-executive Directors								
Mr Kee Kong Loh**	41,574	-	-	-	41,574	-	-	41,574
Mr Terence Siong Woon Peh	82,270	-	-	-	82,270	-	-	82,270
Mr Lee Verios	74,452	-	-	-	74,452	7,818	-	82,270
Mr Eldon Wan**	29,696	-	-	-	29,696	-	-	29,696
Executives								
Mr Edward Guy Bank, Chief Financial Officer	-	315,141	22,398	-	337,539	25,292	5,199	368,030
	227,992	1,996,441	134,386	7,852	2,366,671	111,194	20,812	2,498,677

** Kee Kong Loh retired on 31 January 2023. Eldon Wan was appointed on 31 January 2023.

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 51.

Details of the Group's policy in relation to the remuneration that is performance related is discussed on Page 51.

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 was repaid in September 2022. The related non-monetary benefit is disclosed in table 4.3.2 on page 53.

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 and key management personnel of the Company are detailed below.

	Short Term Incentive Bonus	
	Included in Remuneration \$	% vested in year
Executive Directors		
Mr John Chan	260,192	100%
Mr Darren John Pateman	260,192	100%
Mr Ronald Chan	130,096	100%
Executives		
Mr Edward Guy Bank	130,096	100%
	780,576	100%

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.3 Analysis of Bonuses included in Remuneration (continued)

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 51). No discretionary bonus was paid to the Executives in the 2024 financial year (2023: NIL). Any discretionary amounts of executive bonuses relating to 2024 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 2023	Purchases	Sales/Retired	Held at 30 June 2024
Directors				
Mr John Chan*	30,556,452	423,357	-	30,979,809
Mr Darren John Pateman**	3,662,493	-	-	3,662,493
Mr Ronald Chan***	21,487,554	373,357	-	21,860,911
Mr Terence Siong Woon Peh****	68,550,866	-	-	68,550,866
Mr Lee Verios (Retired on 18 October 2023)	72,393	-	(72,393)	-
Mr Eldon Wan	-	-	-	-
Executives				
Mr Edward Guy Bank	300,000	-	-	300,000

	Held at 1 July 2022	Purchases	Sales/Retired	Held at 30 June 2023
Directors				
Mr John Chan*	28,568,265	1,988,187	-	30,556,452
Mr Darren John Pateman**	3,632,493	30,000	-	3,662,493
Mr Ronald Chan***	18,894,133	2,593,421	-	21,487,554
Mr Kee Kong Loh (Retired on 31 January 2023)	2,000,904	-	(2,000,904)	-
Mr Terence Siong Woon Peh****	60,431,843	8,119,023	-	68,550,866
Mr Lee Verios	72,393	-	-	72,393
Mr Eldon Wan (Appointed on 31 January 2023)	-	-	-	-
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 hold shares in Finbar Group Limited.

** Darren John Pateman has interest in Pateman Equity 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 or rights 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 the Director Share Plan 2014. As at 30 June 2024, there were no options or rights on issue.

End of Audited Remuneration Report.

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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.4 Audit Committee (continued)

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:

- Eldon WAN (Chairman) - Non-executive Director (Appointed on 18 October 2023)
- Terence Siong Woon PEH - Non-executive Director
- John CHAN - Executive Director
- Lee VERIOS (Chairman) - Non-executive Independent Director (Retired 18 October 2023)

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.

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. 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 on 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 site environmental licences were 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.

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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

4. Corporate Governance Statement (continued)

4.6 Ethical Standards (continued)

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;
- 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 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.

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 individuals achievements, skill and expertise.

Gender representation	2024		2023	
	Female	Male	Female	Male
Board	0%	100%	0%	100%
Key Management Personnel	0%	100%	0%	100%
Senior Management	50%	50%	50%	50%
Group	58%	42%	56%	44%

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

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 in East Perth, South Perth and Karratha.

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

6. Operating and Financial Review

	2024	2023	2022	2021	2020
Total comprehensive income attributable to Owners of the Group	\$16,427,000	\$2,782,000	\$10,975,000	\$8,863,000	\$7,068,000
Basic and Diluted EPS	\$0.06	\$0.01	\$0.04	\$0.03	\$0.02
Dividends paid	\$0	\$5,442,000	\$10,884,000	\$8,163,000	\$13,606,000
Dividends paid per share	\$0.00	\$0.02	\$0.04	\$0.03	\$0.05
Market price per share	\$0.84	\$0.66	\$0.68	\$0.85	\$0.70
Change in share price	\$0.18	-\$0.02	-\$0.17	\$0.15	-\$0.14
Return on capital employed attributable to Owners of the Group	8.49%	1.84%	5.06%	3.82%	4.47%
Return on total equity attributable to Owners of the Group	6.40%	1.16%	4.52%	3.65%	2.92%

No dividends were paid in 2024.

Key transactions that contributed to the consolidated net profit of the Company for the 2024 financial year were the completion of Civic Heart Apartments, sales and settlements of completed stock held at 30 June 2023 and the ongoing rental of the Company's commercial and residential properties. See below for further information on the Company's project completions and overview.

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 through wholly owned subsidiaries, development agreements with landowners or incorporated entities, and equity accounted investees. Development arrangements and equity partners are sought to allow the Company to leverage into larger development projects to take advantage of the benefits of economies of scale, to help spread project risk, and to leverage the Company's intellectual property.

The Company operates predominantly within the central suburbs of the Perth metropolitan area. The ability to source new viable development opportunities and develop product that meets the needs of an evolving residential market is central to Finbar's ongoing success. The Board and Management has a long-proven track record of such success.

The administration of the Group 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 staff in the regional Karratha office.

The Company's Management has remained diligent in ensuring a strong balance sheet is maintained to protect and improve the Company's market position through market cycles. The Company completed Civic Heart Apartments in South Perth during the financial year. Focusing on its main principal activity into the next financial year, construction continues to progress at Aurora in Applecross, The Point in Rivervale and Garden Towers East Perth in East Perth. The building and completion of the projects will further strengthen the Company's financial and operating position, generating revenue, and building cash flows to fund future opportunities and the payment of dividends to shareholders.

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 property sales and rental revenue through property development and investment.

Material Business Risks

With multiple projects in the pipeline, current property shortages and supply constraints, the outlook of the Group is optimistic. Nonetheless, the Group is exposed to various risk factors which could be business specific or generally macroeconomic. The Group's operational structure and unique business relationship arrangements mitigates the inherent risk of the business.

Supply chain and cost control risk – Building and architectural costs are the key development costs of a project. Finbar outsources its design and construction activities to long-standing external parties. The stable affiliation and adequate project contingencies help cushion project margins from significant price fluctuations, milestone delays, and contract default risk by key providers. 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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

6. Operating and Financial Review (continued)

Material Business Risks (continued)

Funding and interest rates risk – As property development requires a large initial capital outlay before property settlement, restricted access to funds will limit and affect the Company's ability to pursue new opportunities and to deliver projects in a timely manner. The Company addresses this as follows:

- Depending on the development arrangement, we have access to capital from equity accounted investees partners and landowners;
- Construction does not commence until sufficient pre-sales are achieved to prove up project viability and provide comfort to project financiers;
- Where financing criteria is met, development funding from major Australian banks over the specific project is utilised; and
- Land acquisitions and associated holding costs are funded without the use of external debt funding.

Valuation of property – The value of land, building, and investment properties may be affected by a wide range of factors which are beyond of the Company's control. The effect may be adverse on the overall business result due to impact on net realisable value of inventory, selling price, compliance on lending covenants and ultimately the liquidity of the Group. 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.

Additionally, changes in government legislation, regulation, rebates, and incentives may impact the Company's operations. Management mitigates regulatory risks through constant monitoring, providing appropriate staff training, maintaining relationships with regulatory bodies, and actively engaging with industry groups conducting property related advocacy work in the Company's sector.

The Board and Management do not currently have the view that there is a requirement to reposition the Company's overall business model.

Completed Projects

Dianella Apartments - 36 Chester Avenue, Dianella: 1 residential unit has settled in the reporting period. The 128 unit development is now fully settled.

Reva - 5 Harper Terrace, South Perth: 1 commercial unit settled in the reporting period. 3 commercial units remain for sale in the 59 unit development.

AT238 - 238 Adelaide Terrace, Perth: 34 units have settled in the reporting period and 3 units settled post the reporting period. 15 units remain for sale in the 121 unit development.

Civic Heart - 1 Mends Street, South Perth: Construction of the Civic Heart project completed in the second half of the financial year. 194 units have settled in the reporting period and 50 units settled post the reporting period. 55 units remain for sale in the 334 unit development.

Currently Under Construction

Aurora Applecross - 3 Kintail Road, Applecross (Stage 2): Construction works continue to progress, with completion expected during the financial year ending 30 June 2025. To date 70 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, with completion expected during the financial year ending 30 June 2025. To date 143 residential sales and 2 commercial sales have been achieved in the development of 167 residential and 9 commercial units.

Garden Towers East Perth - 101 Hay Street, East Perth: Marketing of the Garden Towers project continues to progress well, with construction commenced in April 2024 and completion expected during financial year ending 30 June 2027. To date 217 residential sales and 6 commercial sales have been achieved in the development of 331 residential and 13 commercial units.

Future Projects

Bel-Air Apartments - 239 Great Eastern Highway, Belmont: Marketing of the Bel-Air project continues to progress, with construction expected to commence in the financial year ending 30 June 2025. To date 110 residential sales and 2 commercial sale have been achieved in the development of 194 residential and 2 commercial units.

Romeo - 912 Canning Highway, Applecross (Stage 3): Development approval in place for 152 residential and 3 commercial units.

Palmyra West Apartments - 43 McGregor Road, Palmyra (Stage 2): Development approval in place for 130 residential units.

Lot 1000 - 32 Riversdale Road, Rivervale: Development approval in place for 143 residential units.

Lot 888 - 2 Hawksburn Road, Rivervale: Development options are currently being explored.

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

Former ABC Studio - 187 Adelaide Terrace, East Perth: Development options are currently being explored.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

6. Operating and Financial Review (continued)

Investment Property

Fairlanes - 181 Adelaide Terrace, East Perth: The Fairlanes property has been revalued during the reporting period. The valuation resulted in a \$1,248,000 decrease to the 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 Commercial - 23 & 26 Sharpe Avenue, Karratha: The Pelago commercial property has been revalued during the reporting period. The valuation resulted in a \$145,000 decrease to the 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.

Pelago Residential - 23 & 26 Sharpe Avenue, Karratha: The Pelago residential property has been revalued during the reporting period. The valuation resulted in a \$5,020,000 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 89% 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 is being marketed for rental. Lot 4 at Vue Tower 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 133, 135-138 at Aurelia were revalued during the period. The valuation resulted in \$220,000 increase to the value of the property. Lots 135, 136 and 137 are currently being leased. The company is actively marketing the remaining 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.

7. Dividends

Proposed Dividend

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

	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2024 ordinary	8.00	21,770	Franked	10 October 2024
Total Dividends Proposed		21,770		

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2024 and will be recognised in subsequent financial reports.

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 2024 financial year until further notice.

8. Events Subsequent to Reporting Date

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 through 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.

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

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	30,979,809
Mr Darren John Pateman	3,662,493
Mr Ronald Chan	21,860,911
Mr Terence Siong Woon Peh	68,550,866
Mr Eldon Wan	-

11. Indemnification and Insurance of Officers

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 lack of good faith.

The Company has not provided any insurance or indemnity to the auditor of the Company.

Insurance Premiums

During the financial year the Company has paid insurance premiums of \$95,000 (2023: \$86,000) 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 auditors 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	
	2024 \$	2023 \$
Audit Services:		
Auditors of the Company		
Audit and review of financial statements of the Group - KPMG	189,824	181,778
Audit and review of financial statements of Subsidiaries - KPMG	14,000	-
	203,824	181,778
Services Other Than Statutory Audit:		
Taxation advice and tax compliance services - KPMG	26,888	21,527
	26,888	21,527

DIRECTORS' REPORT (Continued)

For the Year Ended 30 June 2024

13. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 103 and forms part of the Directors' Report for the financial year ended 30 June 2024.

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



Darren Pateman
Managing Director

Dated at Perth this Twentieth day of August 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
Revenue	7	194,344	33,965
Cost of sales		(161,266)	(19,022)
Gross Profit		33,078	14,943
Other income	8	2,937	226
Administrative expenses		(9,254)	(7,283)
Advertising expenses		(395)	(152)
Revaluation increase/(decrease) of investment property		3,847	(243)
Revaluation increase of property, plant and equipment		230	151
Rental expenses		(3,955)	(3,671)
(Loss)/Gain on disposal of investment properties		(222)	491
Results from Operating Activities		26,266	4,462
Finance income	10	1,104	945
Finance costs	10	(3,205)	(2,239)
Net Finance Costs		(2,101)	(1,294)
Share of (loss)/profit of equity accounted investees (net of income tax)	14	(163)	780
Profit before Income Tax		24,002	3,948
Income tax expense	11	(7,399)	(813)
Profit for the year		16,603	3,135
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation decrease of property, plant and equipment		(252)	(504)
Tax on items that will not be reclassified to profit or loss	11	76	151
Other comprehensive loss for the year, net of income tax		(176)	(353)
Total comprehensive income for the year		16,427	2,782
Earnings per Share:			
Basic earnings per share (cents per share)	20	6.10	1.15
Diluted earnings per share (cents per share)	20	6.10	1.15

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 66 to 95.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

	Note	Share Capital \$'000	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2022		194,484	47,719	529	242,732
Total comprehensive income for the year					
Profit		-	3,135	-	3,135
Other comprehensive loss		-	-	(353)	(353)
Transactions with owners, recognised directly in equity					
Dividends to shareholders	19	-	(5,442)	-	(5,442)
Balance as at 30 June 2023		194,484	45,412	176	240,072
Balance as at 1 July 2023		194,484	45,412	176	240,072
Total comprehensive income for the year					
Profit		-	16,603	-	16,603
Other comprehensive loss		-	-	(176)	(176)
Transactions with owners, recognised directly in equity					
Dividends to shareholders	19	-	-	-	-
Balance as at 30 June 2024		194,484	62,015	-	256,499

Amounts are stated net of tax

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on Pages 66 to 95.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
Current Assets			
Cash and cash equivalents	18a	220,138	18,176
Trade and other receivables	17	21,465	20,486
Inventories	16	304,960	145,883
Investment property	12	-	2,050
Prepayments		334	716
Investments in equity accounted investees	14	8	2
Other assets		48	51
Total Current Assets		546,953	187,364
Non-current Assets			
Trade and other receivables	17	11,875	19,917
Inventories	16	26,806	114,878
Investment property	12	102,316	98,902
Prepayments		-	115
Investments in equity accounted investees	14	1,595	1,767
Property, plant and equipment	13	9,176	9,486
Deferred tax assets	15	5,725	8,053
Other assets		88	83
Total Non-current Assets		157,581	253,201
Total Assets		704,534	440,565
Current Liabilities			
Trade and other payables	23	48,973	15,086
Loans and borrowings	21	346,447	162,337
Current tax payable	15	2,554	1,882
Employee benefits	22	899	807
Total Current Liabilities		398,873	180,112
Non-current Liabilities			
Trade and other payables	23	-	257
Loans and borrowings	21	42,319	14,803
Deferred tax liabilities	15	6,793	5,310
Employee benefits	22	50	11
Total Non-current Liabilities		49,162	20,381
Total Liabilities		448,035	200,493
Net Assets		256,499	240,072
EQUITY			
Share capital	19	194,484	194,484
Retained earnings		62,015	45,412
Reserves	19	-	176
Total Equity		256,499	240,072

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on Pages 66 to 95.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Cash receipts from customers		226,401	76,994
Cash paid to suppliers and employees		(229,535)	(186,127)
Cash used in Operating Activities before tax and interest paid		(3,134)	(109,133)
Interest paid		(10,342)	(1,738)
Income tax paid		(2,841)	(2,788)
Net Cash used in Operating Activities	18b	(16,317)	(113,659)
Cash Flows from Investing Activities			
Proceeds from sale of investment properties		2,365	3,238
Interest received		1,186	483
Dividends received from equity accounted investees		4	590
Acquisition of property, plant and equipment	13	(168)	(206)
Proceeds from sale of property, plant and equipment	13	14	-
Acquisition of investment property		-	(716)
Repayment of loans to related party		-	(2,136)
Loans to equity accounted investees		(3,721)	(5,555)
Proceeds from loans to equity accounted investees		6,935	16,488
Net Cash provided by Investing Activities		6,615	12,186
Cash Flows from Financing Activities			
Proceeds from borrowings	21	214,250	100,739
Repayment of borrowings	21	(2,586)	(8,850)
Dividends paid	19	-	(5,442)
Net Cash provided by Financing Activities		211,664	86,447
Net increase/(decreased) in cash and cash equivalents			
Cash and cash equivalents at 1 July		18,176	33,202
Cash and Cash Equivalents at 30 June	18a	220,138	18,176

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on Pages 66 to 95.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

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For the Year Ended 30 June 2024

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

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 2024 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 20th August 2024.

(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 2024 are included in the following notes:

- Note 12 - Valuation of investment property;
- Note 13 - Valuation of property, plant & equipment; and
- Note 16 - Valuation of inventory.

(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. The Managing Director and Chief Financial Officer have the 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

2. Basis of Preparation (continued)

(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 2023.

3. Material 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 are changed when necessary to align them with the policies adopted by the Group.

(ii) Equity Accounted Investees (Joint Ventures)

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 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.

(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 investees. 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.

(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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

3. Material Accounting Policies (continued)

(b) Financial Instruments (continued)

(i) Non-derivative Financial Instruments (continued)

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.

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.

Losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant & equipment item 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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

3. Material Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

(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 depreciation and 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:

• 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.

(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. When a development is completed and ceases to be a qualifying asset, borrowing costs and other costs are expensed as incurred.

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.

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.

(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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

3. Material Accounting Policies (continued)

(f) Impairment (continued)

(i) Financial Assets (continued)

- 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.

(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.

(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.

(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 landowners; and
- profit share fees which represent percentage profit sharing revenue based on net project profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

3. Material Accounting Policies (continued)

(i) Revenue (continued)

(i) Property Sales (continued)

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.

(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.

(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 property settlement and is measured based on the contracted amount.

Management fees include the fees earned by providing property management services exclusively to Finbar-built properties. Revenue is recognised in profit or loss at the end of each month.

(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 and changes in the fair value of financial assets at fair value through 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 and impairment losses recognised on financial assets. 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 expected to be applied to the temporary differences when they reverse, based on the laws 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

3. Material Accounting Policies (continued)

(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 which directly relates to or supports its core business. 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. Reportable segments that are significant to the CODM include residential apartment development, commercial development, property rental, and business units which generate revenue by providing supporting services to the core business (Corporate).

Segment results reported to the CODM include items directly attributable to a segment and those that can be allocated on a reasonable basis. Unallocated items comprise cash, balances relating to equity accounted investees, and tax obligations.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant, and equipment.

(o) New Standards and Interpretations

The Group adopted Disclosure of Accounting Policies (Amendments to AASB 101 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 3 in certain instances.

A number of new standards are effective for annual periods beginning after 1 July 2024 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 statements.

Accounting standards issued but not yet effective

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to AASB 101) - The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in Notes 21, 24 and 27, the Group has secured commercial bills subject to specific covenants. While the liabilities are classified as non-current at 30 June 2024, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

4. Determination of Fair Values (continued)

(a) Investment Property and Property carried at fair value (continued)

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.

(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) Financial Guarantees

For financial guarantee contract 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 Group's risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board on its activities.

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's Audit and Risk 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 18.10% (2023: 10.12%) of the Group's revenue is attributable to multiple sales transactions with single customers.

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 expenses directly recoverable from landowners at project completion and loans to equity accounted investees and associates. The loans to equity accounted investees bear interest at BBSY plus an agreed margin and are repaid from proceeds on property settlement.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

5. Financial Risk Management (continued)

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 2024 the return was 3.68% (2023: 1.09%). In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 5.60% (2023: 3.66%).

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

	Note	2024 \$'000	2023 \$'000
Interest-bearing debt	21	309,147	107,661
Market Capitalisation as at 30 June		228,583	179,601
Total Capital		537,730	287,262
Debt-to-capital ratio at 30 June		57%	37%

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 2024 financial year until further notice.

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 Corporate and overheads. 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 and overheads represents Finbar Group Limited (parent entity) and business units which generates project management fees, property management fees and sales commission. This also includes net assets attributable to the corporate offices and other administrative expenses, commission and property management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

6. Operating Segments (continued)

Information about Reportable Segments For the Year ended 30 June 2024	Residential Apartment Development \$'000	Commercial Office/Retail Development \$'000	Rental of Property \$'000	Corporate and Overheads \$'000	Total \$'000
External Revenues - Company and Subsidiaries	164,458	11,862	9,822	11,139	197,281
External Revenues - Equity Accounted Investees	13,197	-	-	-	13,197
External Revenues - Total	177,655	11,862	9,822	11,139	210,478
Reportable Segment Profit before Income Tax - Company and Subsidiaries	8,460	874	6,870	7,960	24,164
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(280)	(6)	-	54	(232)
Reportable Segment Profit before Income Tax - Total	8,180	868	6,870	8,014	23,932
Reportable Segment Assets - Company and Subsidiaries	313,009	25,819	103,040	27,483	469,351
Reportable Segment Assets - Equity Accounted Investees	23,787	2,816	-	-	26,603
Reportable Segment Liabilities - Company and Subsidiaries	371,931	21,270	39,235	6,253	438,689
Reportable Segment Liabilities - Equity Accounted Investees*	20,898	756	-	2	21,656
Capital Expenditure	-	-	-	168	168

For the Year ended 30 June 2023

External Revenues - Company and Subsidiaries	19,214	3,137	9,454	2,386	34,191
External Revenues - Equity Accounted Investees	20,573	790	-	-	21,363
External Revenues - Total	39,787	3,927	9,454	2,386	55,554
Reportable Segment Profit before Income Tax - Company and Subsidiaries	2,137	(236)	4,020	(2,753)	3,168
Reportable Segment Profit before Income Tax - Equity Accounted Investees	1,047	34	-	32	1,113
Reportable Segment Profit before Income Tax - Total	3,184	(202)	4,020	(2,721)	4,281
Reportable Segment Assets - Company and Subsidiaries	249,321	22,467	101,634	28,225	401,647
Reportable Segment Assets - Equity Accounted Investees	31,968	2,653	-	-	34,621
Reportable Segment Liabilities - Company and Subsidiaries	132,802	9,295	40,433	10,772	193,302
Reportable Segment Liabilities - Equity Accounted Investees*	28,749	629	-	2	29,380
Capital Expenditure	-	-	-	206	206

* Excludes liabilities payable to Finbar Group Limited.

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 2024

6. Operating Segments (continued)

Reconciliation of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities	2024 \$'000	2023 \$'000
Revenues including Other Income		
Total revenue for development reportable segments	176,320	22,351
Total revenue for rental segments	9,822	9,454
Total revenue for other reportable segments	11,139	2,386
Consolidated Revenue including Other Income	197,281	34,191
Total revenue for development reportable segments - Equity Accounted Investees	13,197	21,363
Total Reportable Segments Revenue including Other Income	210,478	55,554
Profit or Loss		
Total profit or loss for reportable segments	23,932	4,281
Income tax applicable to share of loss/(profit) of equity accounted investees	70	(333)
Consolidated Profit before Income Tax	24,002	3,948
Assets		
Total assets for reportable segments	469,351	401,647
Cash and cash equivalents	220,138	18,176
Investments in equity accounted investees	1,603	1,769
Unallocated assets**	13,442	18,973
Consolidated Total Assets	704,534	440,565
Liabilities		
Total liabilities for reportable segments	438,689	193,302
Unallocated liabilities	9,346	7,191
Consolidated Total Liabilities	448,035	200,493

** 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 2024

	Note	2024 \$'000	2023 \$'000
7. Revenue			
Property development sales		176,320	22,351
Rental income	25	9,822	9,454
Management fees		8,202	2,160
Total Revenue		194,344	33,965
8. Other Income			
Sales commission income		2,873	158
Administration fees		32	35
Other		32	33
Total Other Income		2,937	226
9. Personnel Expenses			
Wages and salaries		6,311	4,589
Superannuation contributions		421	378
Increase/(Decrease) in liability for annual leave		44	(30)
Increase in liability for long service leave		86	51
Directors and committee fees		183	228
Non-executive directors - superannuation contributions		2	8
Total Personnel Expenses		7,047	5,224
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 2024.			
10. Finance Income and Finance Costs			
Recognised in Profit or Loss			
Interest income on loans		810	690
Interest income on bank deposits		284	230
Interest income on loans to equity accounted investees		5	3
Interest income on property settlements		5	22
Total Finance Income		1,104	945
Interest expense		2,196	1,350
Bank charges		1,009	889
Total Finance Costs		3,205	2,239
Net Finance Costs		(2,101)	(1,294)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
11. Income Tax Expense		
Recognised in Income Statement		
Current Tax Expense		
Current year	3,441	3,024
Adjustments for prior periods	-	(3)
Write off/(Reversal) of previously recognised deferred tax	44	(162)
Non-recoverable amounts	102	27
	3,587	2,886
Deferred Tax Expense Movement		
Origination and reversal of temporary differences	3,812	(2,073)
Income Tax Expense recognised in profit or loss	7,399	813
Income tax recognised in other comprehensive income	(76)	(151)
Total Income Tax Expense recognised in total comprehensive income for the year	7,323	662
Numerical Reconciliation between Tax Expense and Pre-tax Net Profit		
Profit before Income Tax	24,002	3,948
Income tax using the domestic rate of 30% (2023: 30%)	7,201	1,185
Movement in income tax expense due to:		
Non-deductible expenses	3	-
Non-recoverable amounts	102	27
Write off/(Reversal) of previously recognised tax assets	44	(162)
Tax effect of share of equity accounted investees loss/(profit)	49	(234)
Total Income Tax Expense before prior year adjustments	7,399	816
Over provided in prior years	-	(3)
Total Income Tax Expense	7,399	813
Income tax recognised in other comprehensive income	(76)	(151)
Total Income Tax Expense recognised in total comprehensive income for the year	7,323	662
12. Investment Property		
12a. Reconciliation of Carrying Amount		
Balance at 1 July	100,952	102,189
Sale of investment property	(2,483)	(1,710)
Acquisition of investment property	-	716
Change in fair value	3,847	(243)
Balance at 30 June	102,316	100,952

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 fair value was primarily as a result of higher rental yields from the residential properties compared to the prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

12. Investment Property (continued)

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 as follows:

- Pelago (Karratha) and Fairlanes (East Perth) in December 2023; and
- Aurelia (South Perth) in June 2024.

The Directors have adopted the Aurelia independent valuation at 30 June 2024 and have performed an internal valuation assessment for Pelago and Fairlanes at 30 June 2024. No material change was identified for these assets from the December 2023 independent valuations.

The fair value assessment of the Company as at the reporting date includes the best estimates 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 \$102,316,000 (2023: \$100,952,000) 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
Discounted cash flows: 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 2.00% - 4.00%; Weighted average 3.15%; Void periods (average 7.5 months after the end of each lease); Occupancy rate 70%; Risk-adjusted discounted rates (weighted average 8.00%).	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).
Capitalisation of income valuation: 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 6.75% - 12.00%; Gross rent per annum \$450 - \$724 per sqm; Occupancy rate 47% - 89%; and Rent free period 27 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 2024

	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 2022	8,223	757	3,489	91	12,560
Additions	-	18	187	1	206
Change in fair value	(544)	-	-	-	(544)
Disposals	-	(2)	-	-	(2)
Balance at 30 June 2023	7,679	773	3,676	92	12,220
Balance at 1 July 2023	7,679	773	3,676	92	12,220
Additions	-	16	152	-	168
Change in fair value	(213)	-	-	-	(213)
Disposals	-	(11)	(187)	-	(198)
Balance at 30 June 2024	7,466	778	3,641	92	11,977

Depreciation

Balance at 1 July 2022	-	571	1,975	82	2,628
Disposals	-	(2)	-	-	(2)
Revaluation	(191)	-	-	-	(191)
Depreciation and amortisation charge for the year	191	35	71	2	299
Balance at 30 June 2023	-	604	2,046	84	2,734
Balance at 1 July 2023	-	604	2,046	84	2,734
Disposals	-	(11)	(15)	-	(26)
Revaluation	(191)	-	-	-	(191)
Depreciation and amortisation charge for the year	191	40	51	2	284
Balance at 30 June 2024	-	633	2,082	86	2,801

Carrying Amounts

At 1 July 2022	8,223	186	1,514	9	9,932
At 30 June 2023	7,679	169	1,630	8	9,486
At 1 July 2023	7,679	169	1,630	8	9,486
At 30 June 2024	7,466	145	1,559	6	9,176

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

	Property \$'000
Revalued assets at cost	
Cost	7,626
Less accumulated depreciation	(2,157)
Net book value at 30 June 2024	5,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

13. Property, Plant and Equipment (continued)

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 2023 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 2023, other than the movements at Note 13(ii).

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

The fair value measurement for property of \$7,466,000 (2023: \$7,679,000) 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

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

	2024 \$'000	2023 \$'000
Balance at 1 July	7,679	8,223
Revaluation increase included in 'profit or loss'	230	151
Revaluation decrease included in 'other comprehensive income'	(252)	(504)
Depreciation	(191)	(191)
Balance at 30 June	7,466	7,679

(iii) Valuation technique and significant unobservable inputs

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

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: 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 2.00% - 4.00%; Weighted average 3.15%; Void periods (average 7.5 months after the end of each lease); Occupancy rate 70%; Risk-adjusted discounted rates (weighted average 8.00%).	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).
Capitalisation of income valuation: 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 6.75% - 12.00%; Gross rent per annum \$450 - \$724 per sqm; Occupancy rate 47% - 89%; and Rent free period 27 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 2024

14. Investments in 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 Net Assets/(Liabilities)	Ownership	Garden Towers East Perth Pty Ltd \$'000	240 Adelaide Terrace Pty Ltd \$'000	647 Murray Street Pty Ltd* \$'000	Axis Linkit Pty Ltd* \$'000	Finbar Sub 5050 Pty Ltd \$'000	Lot 1001 - 1003 Pty Ltd \$'000	Rowe Avenue Pty Ltd \$'000	Total \$'000
2024									
Assets - Current Assets ¹		504	19,268	-	-	-	21	7	19,800
Assets - Non-current		31,742	51	-	-	2	-	4,447	36,242
Liabilities - Current ²		(397)	(17,843)	-	-	-	(7)	(13)	(18,260)
Liabilities - Non-current ³		(33,477)	(191)	-	-	(7)	-	(902)	(34,577)
Net Assets/(Liabilities)	100%	(1,628)	1,285	-	-	(5)	14	3,539	3,205
Group's share of net assets/(liabilities)	50%	(814)	643	-	-	(3)	7	1,770	1,603

¹ Includes cash and cash equivalents ² Includes current financial liabilities ³ Includes non-current financial liabilities

2023

Assets - Current Assets ¹		986	45,394	1	-	-	5	2	46,388
Assets - Non-current		24,141	51	-	1	2	-	4,360	28,555
Liabilities - Current ²		(62)	(43,591)	-	-	-	(1)	-	(43,654)
Liabilities - Non-current ³		(26,495)	(428)	-	(2)	(7)	-	(819)	(27,751)
Net Assets/(Liabilities)	100%	(1,430)	1,426	1	(1)	(5)	4	3,543	3,538
Group's share of net assets/(liabilities)	50%	(715)	713	1	(1)	(3)	2	1,772	1,769

¹ Includes cash and cash equivalents ² Includes current financial liabilities ³ Includes non-current financial liabilities

Profit/(Loss) Before Income Tax Recognised from Equity Accounted Investees	Ownership	Garden Towers East Perth Pty Ltd \$'000	240 Adelaide Terrace Pty Ltd \$'000	647 Murray Street Pty Ltd* \$'000	Axis Linkit Pty Ltd* \$'000	Finbar Sub 5050 Pty Ltd \$'000	Lot 1001 - 1003 Pty Ltd \$'000	Rowe Avenue Pty Ltd \$'000	Total \$'000
2024									
Revenue		-	26,550	-	3	-	28	-	26,581
Expenses		(299)	(25,846)	-	-	-	-	11	(26,134)
Interest income		18	122	-	-	-	1	-	141
Interest expense		-	(1,033)	-	-	(1)	-	(18)	(1,052)
Income tax (expense)/refund		84	62	-	(1)	-	(9)	2	138
Profit/(Loss) after income tax	100%	(197)	(145)	-	2	(1)	20	(5)	(326)
Group's share of Profit/(Loss) after income tax	50%	(99)	(73)	-	1	-	10	(2)	(163)

2023

Revenue		32	42,686	-	-	-	8	-	42,726
Expenses		113	(38,504)	-	-	-	(6)	(3)	(38,400)
Interest income		11	104	-	-	-	5	-	120
Interest expense		(863)	(1,342)	-	-	(1)	-	(11)	(2,217)
Income tax (expense)/refund		212	(883)	-	-	-	(2)	4	(669)
Profit/(Loss) after income tax	100%	(495)	2,061	-	-	(1)	5	(10)	1,560
Group's share of Profit/(Loss) after income tax	50%	(248)	1,031	-	-	(1)	3	(5)	780

* 647 Murray Street Pty Ltd and Axis Linkit Pty Ltd were deregistered during the 2024 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

15. Tax Assets and Liabilities

The current tax liability for the Group of \$2,554,000 (2023: \$1,882,000) 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Inventories	-	-	(9,113)	(7,068)
Interest bearing loans and borrowings	567	602	-	-
Revaluation of investment property	-	-	(2,646)	(1,725)
Revaluation of property, plant and equipment*	-	-	(65)	(129)
Other items	2,872	3,416	(32)	(83)
Tax value of carry-forward losses recognised	7,349	7,730	-	-
Tax assets/(liabilities)	10,788	11,748	(11,856)	(9,005)
Set off of tax	(5,063)	(3,695)	5,063	3,695
Net Tax	5,725	8,053	(6,793)	(5,310)

* The tax effect on the revaluation of property, plant and equipment recognised in other comprehensive income in the current period was \$76,000 (2023: \$151,000).

16. Inventories

	2024 \$'000	2023 \$'000
Current		
Work in progress	163,109	143,199
Completed stock	141,851	2,684
Total Current Inventories	304,960	145,883
Non-current		
Work in progress	26,806	114,878
Total Non-current Inventories	26,806	114,878

17. Trade and Other Receivables

Current		
Trade receivables	8,745	12,565
Other receivables	9,314	419
Amounts receivable from equity accounted investees	3,406	7,502
Total Current Trade and Other Receivables	21,465	20,486
Non-current		
Trade receivables	19	1,145
Other receivables	7,547	15,357
Amounts receivable from equity accounted investees	4,309	3,415
Total Non-current Trade and Other Receivables	11,875	19,917

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
18. Cash and Cash Equivalents		
18a. Cash and Cash Equivalents		
Bank balances	220,138	18,176
Cash and cash equivalents	220,138	18,176

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

18b. Reconciliation of Cash Flows from Operating Activities

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Profit for the year		16,603	3,135
Adjustments for:			
Depreciation and amortisation	13	284	299
Profit on disposal of assets		(14)	-
Revaluation of investment property	12a	(3,847)	243
Revaluation of property, plant & equipment		(230)	(151)
Loss/(Gain) on sale of investment property		222	(491)
Net financing cost		1,092	405
Share of net loss/(profit) of equity accounted investees		163	(780)
Income tax expense	11	7,399	813
Operating Profit before Changes in Working Capital and Provisions		21,672	3,473
Change in trade and other receivables		12,815	2,049
Change in inventories	16	(71,005)	(118,375)
Change in prepayments		497	(93)
Change in provision for employee benefits	22	131	20
Change in trade and other payables		32,756	3,793
Cash used in Operating Activities		(3,134)	(109,133)
Interest paid		(10,342)	(1,738)
Income taxes paid		(2,841)	(2,788)
Net Cash used in Operating Activities		(16,317)	(113,659)

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.

	Company Ordinary Shares	
	2024	2023
19. Capital and Reserves		
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

19. Capital and Reserves (continued)

Dividends

Dividends Paid During the Year 2023	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		

After 30 June 2024, 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:

	Cents per Share	Total Amount \$'000	Franked / Unfranked	Date of Payment
Final 2024 ordinary	8.00	21,770	Franked	10 October 2024
Total Amount		21,770		

The financial effect of this dividend has not been brought to account in the financial statements for the financial year ended 30 June 2024 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 2024 financial year until further notice.

Dividend Franking Account

	Company	
	2024 \$'000	2023 \$'000
30% franking credits available to shareholders of Finbar Group Limited for subsequent financial years	14,667	12,251

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

- (a) franking credits that will arise from the payment of current tax liabilities;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the year-end; and
- (d) 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 balance sheet date but not recognised as a liability is to reduce it by \$9,330,000 (2023: Nil).

Nature and purpose of reserve

Asset revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment carried at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

20. Earnings per Share

Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share at 30 June 2024 was based on the profit attributable to ordinary shareholders of \$16,603,000 (2023: \$3,135,000) and a weighted average number of ordinary shares on issue during the year ended 30 June 2024 of 272,123,142 (2023: 272,123,142), calculated as follows:

	2024 \$'000	2023 \$'000
Profit Attributable to Ordinary Shareholders	16,603	3,135
Ordinary Shares		
	2024	2023
Weighted Average Number of Ordinary Shares		
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 and Diluted Earnings per Share (cents per share)	6.10	1.15

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.

	2024 \$'000	2023 \$'000
Current		
Commercial bills (Secured)	257,683	97,731
Investor loans (Secured)	-	932
Investor loans (Unsecured)	88,764	63,674
Total Current Loans and Borrowings	346,447	162,337
Non-current		
Commercial bills (Secured)	42,319	1,450
Investor loans (Unsecured)	-	13,353
Total Non-current Loans and Borrowings	42,319	14,803

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

			2024 Carrying Amount \$'000	2023 Carrying Amount \$'000
	Nominal Interest Rate	Financial Year of Maturity		
Current				
Commercial bills (Secured)	BBSY+1.60%	2025	173,500	53,638
Commercial bills (Secured)	BBSY+1.50%	2025	46,362	413
Commercial bills (Secured)	BBSY+1.60%	2025	37,821	-
Commercial bills (Secured)	BBSY+2.00%	2024	-	21,840
Commercial bills (Secured)	BBSY+2.40%	2024	-	21,840
Investor loans (Unsecured)*	BBSY+1.50%	2025	5,816	-
Investor loans (Unsecured)*	BBSY+3.00%	2025	3,311	-
Investor loans (Unsecured)*	BBSY+1.50%	2025	18	-
Investor loans from landowner (Unsecured)		2025	55,064	53,674
Investor loans from landowner (Unsecured)		2025	18,750	10,000
Investor loans from landowner (Unsecured)		2025	5,805	-
Investor loans (Secured)*	BBSY+1.50%	2024	-	932
Total Current Loans and Borrowings			346,447	162,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

21. Loans and Borrowings (continued)

			2024	2023
	Nominal Interest Rate	Financial Year of Maturity	Carrying Amount \$'000	Carrying Amount \$'000
Non-current				
Commercial bills (Secured)	BBSY+1.60%	2025	-	1,450
Commercial bills (Secured)	BBSY+2.00%	2027	20,479	-
Commercial bills (Secured)	BBSY+2.40%	2027	21,840	-
Investor loans from landowner (Unsecured)		2025	-	5,805
Investor loans (Unsecured)*	BBSY+1.50%	2025	-	5,446
Investor loans (Unsecured)*	BBSY+3.00%	2025	-	2,102
Total Non-current Loans and Borrowings			42,319	14,803

* Please refer to Note 28 for details of related party loans.

Financing Arrangements

Commercial bills

The commercial bills are secured by registered first mortgages over the land and buildings (including those under construction) and a registered mortgage debenture over the assets and undertakings of the subsidiaries. The loans relate to a specific project or property and are denominated in Australian dollars. There are no cross securities against other projects or property within the Group to assist in mitigating risk in the event of default on a commercial bill. The bank guarantees within the Group are disclosed in Note 27.

When a project is undertaken, initial funding is provided by the Group, equity accounted investees partners, and development landowners where applicable. Project developments are marketed and pre-sales are secured with customer deposits which are held in trust and not reflected on the Company's balance sheet. Typically, external funding is accessible when minimum compliant pre-sales are achieved, secured over a specific project, and only to fund progress development costs. As a project nears its completion date, it is expected that the available facility will near or be at its fully drawn limit. When a project is completed and settlement proceeds are received, the proceeds are firstly applied to facility repayments and then payments to the project investors in accordance with the negotiated development agreements. The returned capital is reinvested into the Group's future projects and activities as well as payment of dividends to shareholders.

Investor Loans

Investor Loans are generally repayable upon the completion of the project, unless otherwise agreed.

22. Employee Benefits

	2024 \$'000	2023 \$'000
Current		
Liability for annual leave	167	123
Liability for long-service leave	732	684
Total Current Employee Benefits	899	807
Non-current		
Liability for long-service leave	50	11
Total Non-current Employee Benefits	50	11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
23. Trade and Other Payables		
Current		
Trade and other payables	41,354	13,192
Other payables and accrued expenses	7,619	1,894
Total Current Trade and Other Payables	48,973	15,086
Non-current		
Other payables and accrued expenses	-	257
Total Non-current Trade and Other Payables	-	257

At 30 June 2024, consolidated trade and other payables include retentions of \$757,000 (2023: \$467,000) relating to construction contracts in progress.

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

		Carrying Amount	
	Note	2024 \$'000	2023 \$'000
The Group's maximum exposure to credit risk at the reporting date was:			
Trade and other receivables - Current	17	21,465	20,486
Trade and other receivables - Non-current	17	11,875	19,917
Cash and cash equivalents	18a	220,138	18,176
		253,478	58,579
The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by receivable category was:			
Amounts receivable from equity accounted investees		7,715	10,917
GST refunds due and other trade debtors		7,854	11,208
Other receivables		16,861	15,776
Working capital advances and bonds		910	2,502
		33,340	40,403

Impairment Losses

None of the Group's trade or other receivables are past due. 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 2024			
	Note	Carrying Amount \$'000	Contractual Cash Flows \$'000	1 Year or Less \$'000	1-3 Years \$'000
Non-derivative Financial Liabilities					
Commercial bills*	21	300,002	310,152	262,634	47,518
Investor Loans*	21	88,764	88,913	88,913	-
Trade and other payables	23	48,973	48,973	48,973	-
		437,739	448,038	400,520	47,518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

24. Financial Instruments (continued)

30 June 2023					
	Note	Carrying Amount \$'000	Contractual Cash Flows \$'000	1 Year or Less \$'000	1-3 Years \$'000
Non-derivative Financial Liabilities					
Commercial bills*	21	99,181	104,798	103,326	1,472
Investor Loans*	21	77,959	78,474	64,609	13,865
Trade and other payables	23	15,343	15,343	15,086	257
		192,483	198,615	183,021	15,594

* Refer to Note 21 Loans 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	
	2024 \$'000	2023 \$'000
Variable Rate Instruments		
Financial Assets	223,990	21,819
Financial Liabilities	(309,147)	(107,661)
	(85,157)	(85,842)

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 2023.

	Profit or Loss		Equity	
	100bp Increase \$'000	100bp Decrease \$'000	100bp Increase \$'000	100bp Decrease \$'000
30 June 2024				
Variable rate instruments	(1,995)	1,995	(1,995)	1,995
30 June 2023				
Variable rate instruments	(616)	616	(616)	616

Fair Values

Fair Values Versus Carrying Amounts

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

	Note	Fair Values	
		2024 \$'000	2023 \$'000
Trade and other receivables	17	33,340	40,403
Cash and cash equivalents	18a	220,138	18,176
Secured commercial bills	21	(300,002)	(99,181)
Investor loans	21	(88,764)	(77,959)
Trade and other payables	23	(48,973)	(15,343)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

24. Financial Instruments (continued)

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

Trade and other receivables

The carrying amount approximates fair value given the short term nature of the balances and the market based commercial terms.

Cash and cash equivalents

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

Secured commercial bills

The carrying amount approximates fair value given the short term nature of the balances.

Investor loans

The carrying amount approximates fair value given the short term nature of the balances and the market based commercial terms.

Trade and other payables

The carrying amount approximates fair value given the short term nature of the balances and the market based commercial terms.

	Note	2024 \$'000	2023 \$'000
25. Operating Leases			
Leases as Lessor			
The Group leases out its investment properties held under operating leases.			
Rental income received from investment property		9,560	9,118
Other rental property income received		262	336
	7	9,822	9,454
Future minimum lease receipts			
At 30 June, the future minimum lease receipts under non-cancellable leases expected to be received as follows:			
Less than one year		5,809	5,955
Between one and five years		5,367	3,551
More than 5 years		175	494
		11,351	10,000
26. Capital and Other Commitments			
Commitments and Contingent Liabilities			
Property Development			
Contracted but not provided for and payable:			
Within one year		17,287	130,497
Later than one year		-	7,384
Total Property Development Commitments		17,287	137,881
Property Development - Equity Accounted Investees			
Contracted but not provided for and payable:			
Within one year		64,196	-
Later than one year		69,180	-
Total Property Development Commitments - Equity Accounted Investees		133,376	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

26. Capital and Other Commitments (continued)

Group's Share of Property Development - Equity Accounted Investees

Contracted but not provided for and payable:

	2024 \$'000	2023 \$'000
Within one year	32,098	-
Later than one year	34,590	-
Total Share of Property Development Commitments - Equity Accounted Investees	66,688	-

Group's Property Development Commitments including Equity Accounted Investees

Contracted but not provided for and payable:

Within one year	49,385	130,497
Later than one year	34,590	7,384
Group's Total Property Development Commitments including Equity Accounted Investees	83,975	137,881

27. Contingencies

The Directors are of the opinion that provisions are not required for the guarantees below, 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

Finbar Group Limited guaranteed commercial bill over investment property in Karratha (Pelago)	20,479	21,840
Finbar Group Limited guaranteed commercial bill over investment property in East Perth (Fairlanes)	3,000	2,184
Total Guarantees	23,479	24,024

28. Related Parties

The key management personnel compensation included in 'personnel expenses' is as follows:

Short term employee benefits	2,865	2,367
Other long term benefits	112	111
Post employment benefits	32	21
Employee benefits	3,009	2,499

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 50 to 54.

Equity Accounted Investees

Loans are made by the Group to equity accounted investees for property development undertakings. Loans outstanding from the Group to equity accounted investees are interest bearing and are repayable at the completion of the equity accounted investees development project.

As at 30 June, the balance of these loans (see Note 17) were as follows:

	2024 \$'000	2023 \$'000
Garden Towers East Perth Pty Ltd	4,092	3,224
240 Adelaide Terrace Pty Ltd	3,406	7,502
Axis Linkit Pty Ltd	-	1
Finbar Sub 5050 Pty Ltd	3	3
Rowe Avenue Pty Ltd	214	187
	7,715	10,917

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

28. Related Parties (continued)

Ventrade Australia Pty Ltd is a related party of Chuan Hup Holdings Limited who owns 25.19% of Finbar Group Limited. Ventrade Australia Pty Ltd owns 50% of the following equity accounted investees disclosed in Note 14:

- 240 Adelaide Terrace Pty Ltd (AT238): 34 units have settled in the reporting period and 3 units settled post the reporting period. 15 units remain for sale in the 121 unit development; and
- Garden Towers East Perth Pty Ltd (Garden Towers East Perth): Marketing of the Garden Towers project continues to progress well, with construction commenced in April 2024, with completion expected during financial year ending 30 June 2027.

Other Related Party Transactions

As at 30 June, related party loans (see Note 21) were as follows:

	Nominal Interest Rate	Financial Year of Maturity	2024 \$'000	2023 \$'000
Ventrade Australia Pty Ltd (Unsecured)	BBSY+1.50%	2025	5,816	5,446
Forward International Pty Ltd (Unsecured)	BBSY+3.00%	2025	2,989	2,102
Forward International Pty Ltd (Unsecured)	BBSY+1.50%	2025	18	-
Ventrade Australia Pty Ltd (Secured)	BBSY+1.50%	2024	-	932
			8,823	8,480

29. Group Entities

Parent Company

Finbar Group Limited

Subsidiaries

	Australian or Foreign Resident	Country of Incorporation	Shareholding/ Unit Holding \$	Ownership Interest	
				2024	2023
1 Mends Street Pty Ltd	Australian	Australia	1	100%	100%
2 Homelea Court Springs Pty Ltd	Australian	Australia	1	100%	100%
31 Rowe Avenue Pty Ltd	Australian	Australia	1	100%	100%
32 Riversdale Road Pty Ltd	Australian	Australia	1	100%	100%
36 Chester Avenue Pty Ltd	Australian	Australia	2	100%	100%
43 McGregor Road Pty Ltd	Australian	Australia	1	100%	100%
5-7 Harper Terrace Pty Ltd	Australian	Australia	1	100%	100%
63 Adelaide Terrace Pty Ltd	Australian	Australia	1	100%	100%
88 Terrace Road Pty Ltd	Australian	Australia	1	100%	100%
175 Adelaide Terrace Pty Ltd	Australian	Australia	1	100%	100%
239 Great Eastern Highway Pty Ltd	Australian	Australia	1	100%	100%
241 Railway Parade Pty Ltd	Australian	Australia	1	100%	100%
Finbar Applecross Pty Ltd	Australian	Australia	1	100%	100%
Finbar Commercial Pty Ltd	Australian	Australia	1	100%	100%
Finbar Finance Pty Ltd	Australian	Australia	1	100%	100%
Finbar Fund Pty Ltd	Australian	Australia	1	100%	100%
Finbar Karratha Pty Ltd	Australian	Australia	1	100%	100%
Finbar Port Hedland Pty Ltd	Australian	Australia	1	100%	100%
Finbar Project Management Pty Ltd	Australian	Australia	2	100%	100%
Finbar To Rent Pty Ltd	Australian	Australia	1	100%	100%
Finbar Sales Pty Ltd	Australian	Australia	1	100%	100%
Finbar Sub 104 Pty Ltd	Australian	Australia	1	100%	100%
Finbar Executive Rentals Pty Ltd	Australian	Australia	1	100%	100%
Lot 1 to 10 Whatley Crescent Pty Ltd (Deregistered)	Australian	Australia	-	-	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended 30 June 2024

30. Subsequent Events

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.

	2024 \$	2023 \$
31. Auditors' Remuneration		
Audit Services:		
Auditors of the Group		
Audit and review of financial statements of the Group - KPMG	189,824	181,778
Audit and review of financial statements of Subsidiaries - KPMG	14,000	-
Audit and review of trust accounts - Other Auditors	4,496	4,037
	208,320	185,815
Services other than Statutory Audit:		
Taxation advice and tax compliance services - KPMG	26,888	21,527
	26,888	21,527

	2024 \$'000	2023 \$'000
32. Parent Entity Disclosures		
As at and throughout the financial year ending 30 June 2024, the parent company of the Group was Finbar Group Limited.		
Result of the Parent Entity		
Profit for the year (after tax)	6,485	6,450
Total Comprehensive Income for the year	6,485	6,450
Financial Position of the Parent Entity		
Current Assets	18,123	15,815
Total Assets	227,638	220,605
Current Liabilities	7,810	1,282
Total Liabilities	7,810	6,790
Total Equity of the Parent Entity comprising of:		
Share capital	194,484	194,484
Retained earnings	25,344	19,331
Total Equity	219,828	213,815

Parent Entity Contingencies

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the Year Ended 30 June 2024

Entity Name	Body Corporate, Partnership or Trust	Place Incorporated/ Formed	Shareholding/ Unit Holding	Australian or Foreign Tax Resident
Finbar Group Limited (Parent Company)	Body Corporate	Australia		Australian
1 Mends Street Pty Ltd	Body Corporate	Australia	100%	Australian
2 Homelea Court Springs Pty Ltd	Body Corporate	Australia	100%	Australian
31 Rowe Avenue Pty Ltd	Body Corporate	Australia	100%	Australian
32 Riversdale Road Pty Ltd	Body Corporate	Australia	100%	Australian
36 Chester Avenue Pty Ltd	Body Corporate	Australia	100%	Australian
43 McGregor Road Pty Ltd	Body Corporate	Australia	100%	Australian
5-7 Harper Terrace Pty Ltd	Body Corporate	Australia	100%	Australian
63 Adelaide Terrace Pty Ltd	Body Corporate	Australia	100%	Australian
88 Terrace Road Pty Ltd	Body Corporate	Australia	100%	Australian
175 Adelaide Terrace Pty Ltd	Body Corporate	Australia	100%	Australian
239 Great Eastern Highway Pty Ltd	Body Corporate	Australia	100%	Australian
241 Railway Parade Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Applecross Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Commercial Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Finance Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Fund Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Karratha Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Port Hedland Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Project Management Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar To Rent Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Sales Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Sub 104 Pty Ltd	Body Corporate	Australia	100%	Australian
Finbar Executive Rentals Pty Ltd	Body Corporate	Australia	100%	Australian

Key Assumptions and Judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment, as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency - The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

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 66 to 95 and the Remuneration report in section 4.3 in the Directors' report, set out on Pages 50 to 54, 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 2024 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;
 - b) The consolidated entity disclosure statement as at 30 June 2024 set out on page 96 is true and correct; and
 - c) There are reasonable grounds to believe that the Group 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 2024.
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 Twentieth day of August 2024.



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 gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024.
- 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.
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024.
- Notes, including material 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 Property (\$102.3 million)

Refer to Note 12 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Valuation of Investment Property is a key audit matter due to the: • Significance of the balance to the financial statements (15% of total assets); • Judgement applied by the Group in the selection of the valuation methodology to be used from those methodologies available under accounting standards. The adoption of alternative methodologies may result in a different valuation outcome; • Judgement required by the Group in assessing the capitalisation rates applied to the projected income of individual properties in the income valuation methodology. A small percentage movement in the capitalisation rate would result in a significant financial impact to the investment property balance and the income statement; and • Judgement required by the Group in assessing any changes that may have occurred since the 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 endorse the valuation to be adopted in the financial report.	Our procedures included: • Assessing the Group's policies for the valuation of Investment Property against the requirements of the accounting standards and our understanding of the business. • Obtaining an understanding of the Group's process regarding the valuation of investment property. • Assessing the scope, objectivity, and competence of the Group's external valuer. • Assessing the property valuation methodology adopted by the Group. • Working with our real estate valuation specialists, assessing the key assumptions in the valuations for each of the properties against accepted industry practices, using the nature of the properties, and requirements of the accounting standards; • Comparing the Group's external valuations in December 2023 to the director's own assessment of valuation at June 2024 and where available, to recent sales evidence and other published reporting relevant to the Investment Property. • Challenging the capitalisation rates applied by the Group, based on our knowledge of the property portfolio and other published reports of industry commentators.

	• Testing, on a sample basis, the following key inputs to the valuations to existing lease contracts, leasing schedules and published CPI statistics by the Australian Bureau of Statistics: – Gross rent; – Occupancy rate; – Lease term remaining; and – CPI. • Assessing the disclosures in the financial report, using our knowledge obtained from our audit procedures, against accounting standards requirements.
Carrying value of Inventories (\$331.8million)	
Refer to Notes 3(e) and 16 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
Valuation of inventories, being both completed units and work in progress, is a key audit matter due to the: • Significance of the balance to the financial statements (47% of total assets); • Judgement and our effort applied to assessing forecast selling prices and costs of completion for work in progress. These factors involve forecasting, which can add audit complexity to the assessment of net realisable value. It is the Group's policy, in accordance with accounting standards, that inventory must be carried at the lower of cost and net realisable value; Selling prices can fluctuate based on current property market conditions; 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.	Our procedures included: • Assessing the Group's policies for the valuation of inventories against the requirements of the accounting standards and our understanding of the business. • Challenging the Group's assumptions of forecast costs of completion for a sample of developments under construction as well as future projects to understand project design complexity, sub-contractor reliance, project funding and other project risks such as supplier cost increases. These factors could impact costs of completion. This was done through enquiry of senior management, and assessment of the Group's underlying documentation such as budgets, funding agreements, supplier contracts and internal reports. • Testing a sample of inventory sales during the year and subsequent to year end to executed settlement statements to assess margins and volumes achieved during and post the financial year. This informed our evaluation of the carrying value of inventories at balance date against the Group's policy for recording inventories at the lower of cost and net realisable value. • Comparing forecast selling prices to total costs incurred to date and forecast costs of completion for significant projects. We did this to assess the carrying value of inventories against the Group's policy for recording at the lower of cost and forecast net realisable value.

	Assessing the disclosures in the financial report, using our knowledge obtained from our audit procedures, against accounting standards requirements.
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Other Information

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

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do 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 in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that 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 2024, 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 2024.

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

KPMG

Glenn Brooks

Partner

Perth

20 August 2024



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 2024 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Glenn Brooks'.

Glenn Brooks

Partner

Perth

20 August 2024

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 2024)

Substantial Shareholders

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

Shareholder name	Number	%
Chuan Hup Holdings Limited	68,550,866	25.19
Forward International Pty Ltd	31,222,393	11.47
Thorney Holdings Proprietary Limited	28,743,116	10.56

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	394	102,284
1,001-5,000	404	1,171,367
5,001-10,000	269	2,074,925
10,001-100,000	672	21,432,995
100,001-over	153	247,341,571
	1,892	272,123,142

The number of shareholders holding less than a marketable parcel of ordinary shares is 302.

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	63,871,363	23.47
UBS Nominees Pty Ltd	27,905,536	10.25
J P Morgan Nominees Australia Pty Limited	16,510,519	6.07
Rubino Group Pty Ltd (Rubino Group A/C)	9,030,000	3.32
Forward International Pty Ltd	8,261,109	3.04
Blair Park Pty Ltd	7,228,813	2.66
BNP Paribas Noms Pty Ltd	6,763,711	2.49
Mr James Chan	6,408,032	2.35
Citicorp Nominees Pty Limited	6,074,026	2.23
3RD Wave Investors Pty Ltd	6,000,000	2.20
Forward International Pty Ltd	5,671,492	2.08
Hanssen Pty Ltd	5,000,000	1.84
Mrs Siew Eng Mah	4,820,000	1.77
Chan Family Super (WA) Pty Ltd (Chan Family S/F A/C)	4,477,072	1.65
Mr Ah-Hwa Lim	3,155,770	1.16
Ms Yi Xian Chan	2,892,126	1.06
Apex Investments Pty Ltd	2,890,212	1.06
Denshir Pty Ltd	2,739,322	1.01
HSBC Custody Nominees (Australia) Limited	2,662,139	0.98
Pateman Equity Pty Ltd	2,543,844	0.93
TOP 20	194,905,086	71.62

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 Terence Siong Woon Peh
Mr Eldon Wan

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
Level 17
221 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9323 2000

Auditors

KPMG
235 St Georges Terrace
PERTH WA 6000