Appendix 4D

For the Six Months Ended 31 December 2019

1. Details of the reporting period

This report details the consolidated results of Finbar Group Limited and its controlled entities for the six months ended 31 December 2019.

Comparatives are for the six months ended 31 December 2018.

2. Results for announcement to the market

	31-Dec-19	31-Dec-18	Change %
2.1 Revenue from ordinary activities	53,401,035	34,193,149	56.17%
2.2 Profit from ordinary activities after tax attributable to members	6,183,602	1,905,305	224.55%
2.3 Net Profit for the period attributable to members	6,644,301	1,890,400	251.48%
2.4 Final 2019 Dividend per share, fully franked	3.0 cents	3.0 cents	0.00%
Declared Interim 2020 Dividend per share, fully franked	2.0 cents	3.0 cents	-33.33%
Earnings per Share (Cents per Share)	2.27	0.70	224.62%
2.5 Record date for dividend	12 March 2020		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	31-Dec-19	31-Dec-18
Net tangible assets per share (Cents per Share)	90.75	90.95

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

Not Applicable.

5. Details of dividends

The Board has declared a dividend of 2.0 cents per share payable on 26 March 2020.

The record date for the dividend is 12 March 2020.

6. Details of subsidiaries

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

6. Details of subsidiaries (continued)	Ownership
172 Railway Parade West Leederville Pty Ltd	100%
175 Adelaide Terrace Pty Ltd	100%
239 Great Eastern Highway Pty Ltd	100%
241 Railway Parade Pty Ltd	100%
262 Lord Street Perth Pty Ltd	100%
269 James Street Pty Ltd	100%
280 Lord Street Perth Pty Ltd	100%
Finbar Applecross Pty Ltd	100%
Finbar Finance Pty Ltd	100%
Finbar Fund Pty Ltd	100%
Finbar Karratha Pty Ltd	100%
Finbar Port Hedland Pty Ltd	100%
Finbar Project Management Pty Ltd	100%
Finbar Sub 104 Pty Ltd	100%
Finbar Sub 107 Pty Ltd	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	100%
Finbar To Rent Pty Ltd	100%
Finbar Executive Rentals Pty Ltd	100%
Finbar Commercial Pty Ltd	100%

7. Details of joint venture entities	Ownership
240 Adelaide Terrace Pty Ltd	50%
647 Murray Street Pty Ltd	50%
Axis Linkit Pty Ltd	50%
Finbar Sub 5050 Pty Ltd	50%
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50%
Rowe Avenue Pty Ltd	50%
Roydhouse Street Subiaco Pty Ltd	50%

8. Foreign entities

Not Applicable.

9. Auditor’s review report

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

FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED 31ST DECEMBER 2019

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FINBAR GROUP LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT
For the Six Months Ended 31 December 2019

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DIRECTORS' REPORT

For the Six Months Ended 31 December 2019

1. Directors

The Directors present their report together with the consolidated financial report of Finbar Group Limited ('the Company') for the six months ended 31 December 2019 and the auditor's review report thereon.

The Directors of the Company at any time during or since the end of the six months ended 31 December 2019.

Executive Director and Chairman

John CHAN - BSc, MBA, MAICD	Director since 27 April 1995
	Chairman since 15 July 2010

Managing Director

Darren John PATEMAN - EMBA, GradDipACG, ACSA, AGIA, MAICD, AFAIM	Director since 6 November 2008
	Managing Director since 15 July 2010

Executive Director and Chief Operations Officer

Ronald CHAN	Director since 24 February 2017

Non-executive Directors

Kee Kong LOH - B Acc, CPA	Director since 28 April 1993
Terence Siong Woon PEH - B.Comm, M.Comm	Director since 24 April 2018

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD	Director since 6 December 2011

2. Company Secretary

Edward Guy BANK - B Bus, ASCPA	Company Secretary since 2 December 2016

3. Principal Activities

The principal activities of the consolidated group during the course of the six months ended 31 December 2019 continued to be property development and investment.

The consolidated groups' focus is the development of medium to high-density residential buildings 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).

There were no significant changes in the nature of the activities of the consolidated group during the financial half-year.

4. Operating Results

Total comprehensive profit attributable to owners of the group amounted to $6,644,301 (2018 : $1,890,400).

5. Review of Operations

Completed Projects

Motive - 172 Railway Parade, West Leederville: 4 units have settled in the reporting period. 23 units remain for sale in the 143 unit development.

Concerto - 193 Adelaide Terrace, East Perth: 8 units settled in the reporting period. 13 units remain for sale in the 227 unit development.

Aurelia - 96 Mill Point Road, South Perth: 8 units have settled in the reporting period. 14 units remain for sale in the 138 unit development.

Aire West Perth - 647-659 Murray Street, West Perth: 13 units have settled in the reporting period. 3 units remain for sale in the 244 unit development.

5. Review of Operations (continued)

Completed Projects (continued)

Reva - 5 Harper Terrace, South Perth: 8 units have settled in the reporting period. 14 units remain for sale in the 59 unit development.

Vue Tower - 63 Adelaide Terrace, East Perth: 24 units have settled in the reporting period. 48 units remain for sale in the 250 unit development.

Palmyra East Apartments - 43 McGregor Road, Palmyra: Construction of the Palmyra East Apartments project completed in the first half of the financial year. 67 units have settled in the reporting period. 56 units remain for sale in the 128 unit development.

Currently Under Construction

Sabina - 908 Canning Highway, Applecross: Construction works continue to progress well at the first stage of the three stage Applecross development, with completion expected during second half of the financial year. To date 82 sales have been achieved in the developement of 164 residential apartments and 3 commercial units.

One Kennedy - 241 Railway Parade, Maylands: Construction works continue to progress well at One Kennedy, with completion expected during second half of the financial year. To date 59 sales have been achieved in the developement of 120 residential apartments and 3 commercial units.

Riverena - Lot 1001-1003 Rowe Avenue, Rivervale: Construction works continue to progress well at Riverena, with completion expected during the financial year ending 30 June 2021. To date 35 sales have been achieved in the development of 125 residential apartments.

Future Projects

Dianella Apartments - 36 Chester Avenue, Dianella: Marketing of the Dianella Apartments project continues to progress, with construction expected to commence in the financial year ending 30 June 2021. To date 5 sales have been achieved in the development of 128 residential apartments.

Civic Heart - 1 Mends Street, South Perth: Development Approval has been received for two towers of 39 and 22 storeys respectively, providing 305 residential apartments, 4 penthouses and 25 ground-floor commercial units.

Aurora Applecross - 3 Kintail Road, Applecross (Stage 2): Development Approval has been received for 118 residential apartments and 3 commercial units.

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

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

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

The Point - 31 Rowe Avenue, Rivervale: Development Approval has been received for a development of 167 apartments and 9 commercial units.

Springs Commercial - 2 Hawksburn Road, Rivervale: The company has not secured a lease to date which would underpin the viability of the development of a commercial building on this land. The company will continue to seek a leasing pre-commitment. If it is unsuccessful by the time the Riverena development nears completion, the company will consider seeking approval from the statutory authorities for a redesign into a residential apartment project.

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

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

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

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

5. Review of Operations (continued)

Investment Property

Fairlanes - 175 Adelaide Terrace, East Perth: The Fairlanes property has been revalued during the reporting period. The valuation resulted in a $6,217,393 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 90% 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 $495,000 reduction to the value of the property. The company continues to benefit from the investment income generated from the leased property. The property is currently 65% 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 $1,075,000 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 99% leased. The company continues to actively market the remaining tenancies for rental.

6. Dividends

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

Dividends Paid During the Year 2020	Cents per Share	Total Amount $	Franked / Unfranked	Date of Payment
Final 2019 ordinary	3.00	8,163,694	Franked	12 September 2019
Total Dividends Paid		8,163,694		

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

Proposed Dividend

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

Interim 2020 ordinary	2.00	5,442,463	Franked	26 March 2020
Total Dividend Proposed		5,442,463		

The financial effect of this dividend has not been brought to account in the financial statements for the six months ended 31 December 2019 and will be recognised in subsequent financial reports.

	Note	$
Dealt with in the financial report as - Dividends	12	8,163,694

Dividend Reinvestment Plan

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

7. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 21 and forms part of the Directors' Report for the six months ended 31 December 2019.

Dated at Perth this 25th day of February 2020.

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

Darren Pateman
Managing Director

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

For the Six Months Ended 31 December 2019

	Note	31-Dec-19 $	31-Dec-18 $
Revenue		53,401,035	34,193,149
Cost of sales		(43,312,800)	(27,282,623)
Gross Profit		10,088,235	6,910,526
Other income	8	93,430	26,043
Administrative expenses		(3,644,540)	(3,219,693)
Advertising expenses		(2,768,346)	(838,367)
Revaluation increase of investment property		6,797,393	963,812
Revaluation increase of property, plant and equipment		595,349	28,365
Rental Expenses		(2,302,853)	(2,441,319)
Results from Operating Activities		8,858,668	1,429,367
Finance income		465,931	971,300
Finance costs		(207,015)	(409,505)
Net Finance Income		258,916	561,795
Share of profit of Equity Accounted Investees (net of income tax)		(47,853)	398,322
Profit before Income Tax		9,069,731	2,389,484
Income tax expense	9	(2,886,129)	(484,179)
Profit for the period		6,183,602	1,905,305
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		658,142	(21,293)
Income tax relating to components of other comprehensive income		(197,443)	6,388
Other comprehensive income for the period, net of income tax		460,699	(14,905)
Total comprehensive income for the period		6,644,301	1,890,400
Earnings per Share:			
Basic earnings per share (cents per share)		2.27	0.70
Diluted earnings per share (cents per share)		2.27	0.70
Dividends per share (cents per share)	12	2.00	3.00

The condensed notes on pages 11 to 17 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 31 December 2019

		Share Capital $	Retained Earnings $	Asset Revaluation Reserve $	Total Equity $
Balance as at 1 July 2018		193,241,795	58,909,514	14,905	252,166,214
Total comprehensive income for the period					
Profit			1,905,305		1,905,305
Other comprehensive loss				(14,905)	(14,905)
Transactions with owners, recognised directly in equity					
Issue of ordinary shares		2,035,637			2,035,637
Dividends to shareholders	Note 12		(8,123,099)		(8,123,099)
Balance as at 31 December 2018		195,277,432	52,691,720	-	247,969,152
Balance as at 1 July 2019		194,483,020	53,994,069	-	248,477,089
Total comprehensive income for the period					
Profit			6,183,602		6,183,602
Other comprehensive income				460,699	460,699
Transactions with owners, recognised directly in equity					
Issue of ordinary shares					-
Dividends to shareholders	Note 12		(8,163,694)		(8,163,694)
Balance as at 31 December 2019		194,483,020	52,013,977	460,699	246,957,696

Amounts are stated net of tax

The condensed notes on pages 11 to 17 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

ASSETS	Note	31-Dec-19 $	30-Jun-19 $
Current Assets			
Cash and cash equivalents		31,200,941	45,489,944
Trade and other receivables		6,463,644	18,353,772
Inventories	10	144,839,929	129,925,235
Prepayments		47,594	55,039
Investments in Equity Accounted Investees		2,421,802	3,043,383
Other assets		14,000	20,474
Total Current Assets		184,987,910	196,887,847
Non Current Assets			
Trade and other receivables		20,144,531	16,122,651
Inventories	10	65,160,616	62,807,546
Investment property	11	92,320,524	85,306,973
Investments in Equity Accounted Investees		1,420,107	1,496,376
Property, plant and equipment		10,343,269	9,628,620
Deferred Tax Assets		5,953,765	6,176,748
Other assets		74,228	80,980
Total Non Current Assets		195,417,040	181,619,894
Total Assets		380,404,950	378,507,741
LIABILITIES			
Current Liabilities			
Trade and other payables		17,850,165	40,838,247
Loans and borrowings	13	63,984,702	34,665,088
Current tax payable		1,598,341	3,060,121
Employee benefits		421,550	487,563
Total Current Liabilities		83,854,758	79,051,019
Non Current Liabilities			
Trade and other payables		1,280,577	3,319,993
Loans and borrowings	13	43,585,771	44,943,221
Deferred tax liabilities		4,696,721	2,686,992
Employee benefits		29,427	29,427
Total Non Current Liabilities		49,592,496	50,979,633
Total Liabilities		133,447,254	130,030,652
Net Assets		246,957,696	248,477,089
EQUITY			
Share capital		194,483,020	194,483,020
Retained earnings		52,013,977	53,994,069
Reserves		460,699	-
Total Equity		246,957,696	248,477,089

The condensed notes on pages 11 to 17 are an integral part of these Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the Six Months Ended 31 December 2019

	31-Dec-19 $	31-Dec-18 $
Cash Flows from Operating Activities		
Cash receipts from customers	57,942,220	46,112,073
Cash paid to suppliers and employees	(90,319,565)	(114,723,405)
Cash generated used in Operating Activities	(32,377,345)	(68,611,332)
Interest paid	(566,093)	(581,262)
Income tax paid	(2,312,787)	(3,013,398)
Net Cash generated used in Operating Activities	(35,256,225)	(72,205,992)
Cash Flows from Investing Activities		
Interest received	142,855	710,887
Dividends received from equity accounted investees	650,000	217,225
Acquisition of property, plant and equipment	(10,891)	(3,779)
Proceeds from sale of investment property	-	12,040
Acquisition of investment property	(216,158)	-
Loans to Equity Accounted Investees	(1,331,193)	-
Proceeds from loans to Equity Accounted Investees	2,105,199	7,948,628
Net Cash provided by Investing Activities	1,339,812	8,885,001
Cash Flows from Financing Activities		
Proceeds from borrowings	52,523,847	49,172,473
Repayment of borrowings	(24,732,743)	(3,600,690)
Dividends paid (net of DRP)	(8,163,694)	(6,087,463)
Net Cash provided by Financing Activities	19,627,410	39,484,320
Net decrease in cash and cash equivalents	(14,289,003)	(23,836,671)
Cash and cash equivalents at 1 July	45,489,944	57,750,242
Cash and Cash Equivalents at 31 December	31,200,941	33,913,571

The condensed notes on pages 11 to 17 are an integral part of these Condensed Consolidated Interim Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended 31 December 2019

1. Reporting Entity

Finbar Group Limited (the 'Company') is a public company domiciled in Australia. These condensed consolidated interim financial statements of the Group as at and for the six months ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in equity accounted investees. The Group is primarily involved in property development and investment.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2019 are available on request from the Company's registered office at Level 6, 181 Adelaide Terrace, East Perth, WA, 6004 or can be downloaded from the Company's website at www.finbar.com.au.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2019. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 30 June 2019.

The condensed consolidated interim financial statements were approved by the Board of Directors on 25th day of February 2020.

3. Significant Accounting Policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2019.

4. Judgements and Estimates

In preparing these condensed interim financial statements management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2019.

5. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

6. Changes in Accounting Policies

Except as described below, the accounting policies applied in these condensed interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2019.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 30 June 2020.

The Group has initially adopted AASB 16 Leases from 1 July 2019. A number of other new standards are effective from 1 July 2019 but they do not have a material effect on the Group's financial statements.

AASB 16 will result in almost all leases being recognised on the Balance Sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group leases printing equipment. However, the Group has elected not to recognise right-of-use assets and lease liabilities for the printing equipment (low-value assets). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group owns its business premises which are classified as Property, plant and equipment on Balance Sheet.

6. Changes in Accounting Policies (continued)

The Group leases out its investment property. The group has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under AASB 117. The Group is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor.

As a result of initially applying AASB 16, there is no material effect on the Group's financial statements.

7. Operating Segments

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

» Residential apartment development in Western Australia;

» Commercial office/retail development in Western Australia;

» Rental of property in Western Australia; and

» Corporate costs includes supervision fees, management fees and net assets attributable to the corporate office.

Information about Reportable Segments For the Six Months ended 31 December 2019	Residential Apartment Development $	Commercial Office/Retail Development $	Rental of Property $	Corporate $	Total $
External Revenues - Company and Subsidiaries	49,158,055	871,399	3,317,093	147,918	53,494,465
External Revenues - Equity Accounted Investees	2,480,888	-	10,826	-	2,491,714
External Revenues - Total	51,638,943	871,399	3,327,919	147,918	55,986,179
Reportable Segment Profit before Income Tax - Company and Subsidiaries	1,579,008	(738,124)	843,305	3,426,277	5,110,466
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(61,904)	-	7,603	(13,984)	(68,285)
Reportable Segment Profit before Income Tax - Total	1,517,104	(738,124)	850,908	3,412,293	5,042,181
Information about Reportable Segments as at 31 December 2019					
Reportable Segment Assets - Company and Subsidiaries	193,922,895	28,730,286	92,577,898	19,316,753	334,547,832
Reportable Segment Assets - Equity Accounted Investees	7,856,833	2,109,181	-	-	9,966,014
Reportable Segment Liabilities - Company and Subsidiaries	86,899,922	2,284,227	36,956,184	1,011,859	127,152,192
Reportable Segment Liabilities - Equity Accounted Investees*	3,492,232	51,272	-	1,040	3,544,544
Capital Expenditure	-	-	-	17,400	17,400

7. Operating Segments (continued)

Information about Reportable Segments For the Six Months ended 31 December 2018	Residential Apartment Development $	Commercial Office/Retail Development $	Rental of Property $	Corporate $	Total $
External Revenues - Company and Subsidiaries	28,090,020	1,861,862	4,086,717	180,593	34,219,192
External Revenues - Equity Accounted Investees	7,388,763	-	16,584	-	7,405,347
External Revenues - Total	35,478,783	1,861,862	4,103,301	180,593	41,624,539
Reportable Segment Profit before Income Tax - Company and Subsidiaries	1,446,641	(719,038)	1,645,398	1,283,885	3,656,886
Reportable Segment Profit before Income Tax - Equity Accounted Investees	537,380	(125)	13,342	18,435	569,032
Reportable Segment Profit before Income Tax - Total	1,984,021	(719,163)	1,658,740	1,302,320	4,225,918
Information about Reportable Segments as at 31 December 2018					
Reportable Segment Assets - Company and Subsidiaries	184,956,801	28,866,901	86,001,437	19,770,178	319,595,317
Reportable Segment Assets - Equity Accounted Investees	18,209,868	1,987,777	-	-	20,197,645
Reportable Segment Liabilities - Company and Subsidiaries	78,575,396	7,620,528	38,536,793	838,649	125,571,366
Reportable Segment Liabilities - Equity Accounted Investees*	8,054,333	39,675	-	3,375	8,097,383
Capital Expenditure	-	-	-	6,335	6,335

* Excludes Liabilities payable to Finbar Group.

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

7. Operating Segments (continued)

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

	31-Dec-19 $	31-Dec-18 $
Revenues		
Total revenue for development reportable segments	50,029,454	29,951,882
Total revenue for rental segments	3,317,093	4,086,717
Total revenue for other reportable segments	147,918	180,593
Consolidated Revenue	53,494,465	34,219,192
Total revenue for development reportable segments - Equity Accounted Investees	2,480,888	7,388,763
Total revenue for rental segments included in other income - Equity Accounted Investees	10,826	16,584
Total Reportable Segments Revenue	55,986,179	41,624,539
Profit or Loss		
Total profit or loss for reportable segments	5,042,181	4,225,918
Finance income - Company and Subsidiaries	465,931	971,300
Finance costs - Company and Subsidiaries	(207,015)	(409,505)
Unallocated amounts:		
Administrative expenses	(3,644,540)	(3,219,696)
Revaluation of investment property	6,797,393	963,812
Revaluation of property, plant and equipment	595,349	28,365
Income tax applicable to share of profit of Equity Accounted Investees	20,432	(170,710)
Consolidated Profit before Income Tax	9,069,731	2,389,484

Assets	31-Dec-19 $	30-Jun-19 $
Total assets for reportable segments	334,547,832	316,863,302
Cash and cash equivalents	31,200,941	45,489,944
Investments in Equity Accounted Investees	3,841,909	4,539,759
Other assets**	10,814,268	11,614,736
Consolidated Total Assets	380,404,950	378,507,741
Liabilities		
Total liabilities for reportable segments	127,152,192	124,283,540
Other liabilities	6,295,062	5,747,112
Consolidated Total Liabilities	133,447,254	130,030,652

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

Geographical Segments

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

8. Other Income

	31-Dec-19 $	31-Dec-18 $
Administration fees	-	25,370
Management Fees	61,425	-
Other	32,005	673
Total Other Income	93,430	26,043

9. Income Tax Expense

The Group's consolidated effective tax rate in respect of continuing operations (excluding equity accounted investees) for the six months ended 31 December 2019 was 31.5% (2018 : 24.3%). After adjusting for the write off of previously recognised tax assets, non deductible expenses, non recoverable amounts and amounts over provided in prior years, the underlying tax rate is 30% (2018 : 30%).

10. Inventories

	31-Dec-19 $	30-Jun-19 $
Current		
Work in progress	91,889,454	70,549,285
Completed Stock	52,950,475	59,375,950
Total Current Inventories	144,839,929	129,925,235
Non Current		
Work in progress	43,018,246	40,237,825
Completed Stock	22,142,370	22,569,721
Total Non Current Inventories	65,160,616	62,807,546

11. Investment Property

All investment properties of the Group have been categorised on a Level 3 fair value basis under AASB 13 Fair Value Measurement, as some of the inputs required to value the properties are not based on "observable market data". The updated significant unobservable inputs for the discounted cash flow and capitalisation of income valuation techniques as at 31st December 2019 are detailed below. For all other significant assumptions/inputs used please refer to the 30 June 2019 annual financial statements.

Discounted cash flows:

» Expected market rental growth 0.00%-5.00%, weighted average 2.76%;

» Void periods (average 7.8 months after the end of each lease);

» Occupancy Rate 89.82%;

» Rent free periods (21-57 months period on certain new leases);

» Risk-adjusted discounted rates (weighted average 7.75%).

Capitalisation of income valuation:

» Capitalisation Rate 7.25%-10.00%;

» Occupancy Rate 56.35%-99.02%.

12. Capital and Reserves

Share Capital	Company Ordinary Shares 31-Dec-19	Company Ordinary Shares 31-Dec-18
On issue at 1 July	272,123,142	270,769,961
Share buy back	-	2,319,774
Issued under Director Incentive Scheme	-	(450,902)
On Issue at 31 December - Fully Paid	272,123,142	272,638,833

Dividends

The following dividends were declared and paid by the Group:

Dividend Paid During the six months ended 31 December 2019	Cents per Share	Total Amount $	Franked / Unfranked	Date of Payment
Final 2019 ordinary	3.00	8,163,694	Franked	12 September 2019
Total Amount		8,163,694		
Dividend Paid During the six months ended 31 December 2018				
Final 2018 ordinary	3.00	8,123,099	Franked	14 September 2018
Total Amount		8,123,099		

13. Loans and Borrowings

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

	Nominal Interest Rate	Financial Year of Maturity	31-Dec-19 Carrying Amount $	30-Jun-19 Carrying Amount $
Commercial bills (Secured)	BBSY+1.70%	2020	-	12,470,994
Commercial bills (Secured)*	BBSY+2.00%	2021	1,500,000	15,892,550
Commercial bills (Secured)	BBSY+1.80%	2020	30,442,296	-
Commercial bills (Secured)	BBSY+1.70%	2020	15,042,406	-
Investor loans to subsidiaries (Unsecured)**		2020	-	4,218,044
Investor loans to subsidiaries (Unsecured)**		2020	-	2,083,500
Investor loans to subsidiaries (Unsecured)**		2020	17,000,000	-
Current			63,984,702	34,665,088
Commercial bills (Secured)*	BBSY+2.00%	2021	13,642,550	-
Commercial bills (Secured)	BBSY+2.00%	2021	21,465,000	21,465,000
Investor loans to subsidiaries (Unsecured)**		2022	8,478,221	8,478,221
Investor loans to subsidiaries (Unsecured)**		2022	-	15,000,000
Non Current			43,585,771	44,943,221

* As at 30 June 2019, due to a breach of debt covenant, the commercial bill on the Pelago investment property was classified as a current liability. Subsequent to year end the bank agreed to waive the breach and it is expected to be repaid at maturity in the financial year 2021.

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

14. Capital and Other Commitments

	31-Dec-19 $	31-Dec-18 $
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	4,597,948	51,064,606
Later than one year	-	-
Total Property Development Commitments	4,597,948	51,064,606
Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	24,649,875	-
Later than one year	-	-
Total Property Development Commitments - Equity Accounted Investees	24,649,875	-
Group's Share of Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	12,324,938	-
Later than one year	-	-
Total Share of Property Development Commitments - Equity Accounted Investees	12,324,938	-
Group's Property Development Commitments including Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	16,922,886	51,064,606
Later than one year	-	-
Total Property Development Commitments including Equity Accounted Investees	16,922,886	51,064,606

15. Contingencies

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

Guarantees	31-Dec-19 $	30-Jun-19 $
The Company has guaranteed the bank facilities of certain Controlled entities:	17,326,550	18,076,550

16. Related Parties

Arrangements with related parties continue to be in place on the same basis as at 30 June 2019. For full disclosure of transactions refer to 30 June 2019 annual financial report.

17. Subsequent Events

There has not arisen in the interval between the end of the financial half-year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group, in future financial years.

Directors' Declaration

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

1. The Condensed Consolidated Interim Financial Statements and notes that are contained in Pages 7 to 17 are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the six month period ended on that date; and

   ii) complying with Australian Accounting Standards AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Company and the group entities will be able to pay its debts as and when they become due and payable.

Dated at Perth this 25th day of February 2020.

Signed in accordance with a resolution of the Directors:

Darren Pateman

Darren Pateman
Managing Director

Independent Auditor's Review Report

To the shareholders of Finbar Group Limited

Report on the Interim Financial Report

Conclusion

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

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

- Giving a true and fair view of the ***Group's*** financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2019.
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date.
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

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

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

Auditor’s responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group’s financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Finbar Group Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Derek Meates
Partner

Perth

25 February 2020

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

To the Directors of Finbar Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Finbar Group Limited for the half-year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Derek Meates
Partner

Perth

25 February 2020