Rule 4.3A

Appendix 4E

Preliminary final report
Period ending on or after 30 June 2015
For FINBAR GROUP LIMITED (ACN 009 113 473)

Results for Announcement to the Market

Introduced 01/01/03 Origin: Appendix 4B Amended 17/12/10, 01/01/12

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 2015 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 $89,360,407 (2014:$275,247,830)
   Percentage change -67.53% (2014:101.78%)

   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* $25,896,656 (2014:$36,526,868)
   Percentage change -29.10% (2014:17.03%)
   ****Profit for year plus 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* $25,896,656 (2014:$36,526,868)
   Percentage change -29.10% (2014:17.03%)
   ****Profit for year plus 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 2014 Paid during period: $0.06 (19 September 2014) (2014 $0.06)
   Interim Dividend 2015 Paid during period: $0.04 (10 April 2015) (2014 $0.04)
   Final Dividend 2015 Proposed $0.06

   2.5 The record date for determining entitlements to the dividends (if any).
   13 August 2015

   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***

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is most convenient, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

+ See chapter 19 for defined terms.

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 2015 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 2015 Financial Report attached***

   Note: statement of financial position may be referred to as balance sheet in certain jurisdictions.

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 2015 Financial Report attached***

6. A statement of retained earnings, or a statement of changes in equity, showing movements. ***Refer to 30th June 2015 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 2014 paid 19 September 2014: $13,621,092
   Interim Dividend 2015 paid 10 April 2015: $9,149,121
   Final Dividend 2015 Declared to be paid 24 September 2015: $13,750,199

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 be active for the Final Dividend 2015 with the last date for receipt of the election notice for participation in the DRP being the record date.***

9. Net tangible assets per security with the comparative figure for the previous corresponding period.
   $237,507,639/229,169,977 (issued capital) = $1.04 per share (2014 $1.02)

10. Details of entities over which control has been gained or lost during the period, including the following.
    Refer to 30th June 2015 Financial Report attached

    10.1 Name of the entity. ***Refer to 30th June 2015 Financial Report attached***

    10.2 The date of the gain or loss of control. ***Refer to 30th June 2015 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

+ See chapter 19 for defined terms.

loss of such entities during the whole of the previous corresponding period. ***Refer to 30th June 2015 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 2015 Financial Report attached***

    11.2 Details of the reporting entity's percentage holding in each of these entities. ***Refer to 30th June 2015 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 2015 Financial Report attached***

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 2015 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 2015 Financial Report attached***
    14.2 Returns to shareholders including distributions and buy backs. ***Refer to 30th June 2015 Financial Report attached***
    14.3 Significant features of operating performance. ***Refer to 30th June 2015 Financial Report attached***
    14.4 The results of segments that are significant to an understanding of the business as a whole. ***Not applicable***

    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***

Note: If the +accounts have been audited or subject to review, the audit report or review should be provided with the report.

+ See chapter 19 for defined terms.

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***

[+] See chapter 19 for defined terms.

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ACN 009 113 473

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DIRECTORS' REPORT
For the Year Ended 30 June 2015

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 2015 and the independent auditor's report thereon.

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DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

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, AFAIM — Director since 6 November 2008; Managing Director since 15 July 2010

Darren Pateman is the Managing Director of Finbar and a Director of Finbar's Subsidiaries and equity accounted investees.
Darren commenced with Finbar prior to its relisting on the ASX as a property development company in 1995 and in this time has played a primary role in developing Finbar's systems, strategy and culture.

Darren has held several positions in his 20 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, a Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

Non-executive Director

John Boon Heng CHEAK - B Eco — Director since 28 April 1993

John Cheak joined the Board in 1993 and has extensive experience in the governance of companies in property development and marine transportation sectors.

John has a Bachelor of Economics degree from the University of Western Australia and is a Singapore citizen.

Non-executive Director

Kee Kong LOH - B Acc, CPA — Director since 28 April 1993

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

Loh is a director of PCI Limited (Singapore) which is a publicly listed company in Singapore, where he is a resident.

Non-executive (Independent) Director

Lee VERIOS - LLB, MAICD — Director since 6 December 2011

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

Until his retirement from practising law in 2010, 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. He has been a director of privately owned investment company Wyllie Group Pty Ltd since July 2004, and is a Non-Executive Director of ASX listed Decmil Group Limited, a civil engineering and construction company.

Lee is a member of the Australian Institute of Company Directors, the Hellenic Australian Chamber of Commerce and Industry and was previously Chairman of the Australian Indonesian Business Council (WA Branch).

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

2 Company Secretary

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

Anthony David HEWETT - MBusLaw (Curtin), GradDipACG, FCSA, FGIA, MSAA — Company Secretary since 5 February 2013

Anthony Hewett is the Company Secretary of Finbar, and of Finbar's Subsidiaries and Jointly Controlled entities. Anthony has served in the role of company secretary for more than a decade for a number of Western Australian based listed and unlisted organisations. In addition to his company secretarial roles, Anthony has developed considerable experience in a variety of managerial, operational, and compliance oriented roles within a range of financial services businesses and not-for profit organisations and has been involved in the establishment and management of both a Charitable Foundation and Private Charitable Trust in Western Australia.

Anthony is a Chartered Secretary and holds a Master of Business Law from Curtin University, a Graduate Diploma in Applied Corporate Governance (GradDipACG) from the Governance Institute of Australia.

In addition, Anthony also holds qualifications in Building Design and Drafting, Financial Services, Leadership, and Training. Anthony is a Fellow of the Institute of Chartered Secretaries and Administrators (FCSA), a Fellow of the Governance Institute of Australia (FGIA) and a Master Stockbroking, Stockbrokers Association of Australia (MSAA).

3 Directors' Meetings

The number of Directors' meetings attended by each of the Directors of the Company 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	9	N/A	N/A	N/A	N/A
Darren John PATEMAN	4	4	8	N/A	N/A	N/A	N/A
John Boon Heng CHEAK	4	4	10	2	2	2	2
Kee Kong LOH	4	4	10	2	2	2	2
Lee VERIOS	4	3	10	2	1	2	1

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.

In March 2014, the ASX Corporate Governance Council released its third edition of the ASX Principles, which included the requirement for listed entities to provide an Appendix 4G - Key to Disclosures Corporate Governance Council Principles and Recommendations. The Board considers that it has complied with its obligations under the ASX Principles during the period and this Corporate Governance Statement reports on the organisations approach to Corporate Governance.

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.

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

4 Corporate Governance Statement (continued)

4.1 Board of Directors (continued)

Composition of Board

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

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

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

Details of each of the non-executive Directors (Independent) are set out in the Directors Report (page 4).

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:

- Kee Kong LOH (Chairman) - Non-executive Director
- Lee VERIOS - Non-executive Independent Director
- John Boon Heng CHEAK - 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 Charters sets out the process for the periodical evaluation of the performance of the Senior Executives. The Remuneration Committee in consultation with the Executive Chairman and Managing Director are responsible for the periodical evaluation of the performance of the Senior Executives. These evaluations have been conducted during the period.

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

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

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 and Section 300A of the *Corporations Act 2001*.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including Directors of the Company and other Executives. Key management personnel comprise the Directors of the Company and Executives for the Company and the Group including the S300A 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 2015

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

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

Fixed Remuneration

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

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

Performance Linked Remuneration

Performance linked remuneration includes short-term incentives and can include long-term incentives and are designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, whilst the long-term incentive (LTI) is provided as shares or options over ordinary shares of the Company under the rules of the Employee Incentive Plan 2013 and Director Share Plan 2014. As at 30th June 2015 there were no options in 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.

At the end of the financial year the Remuneration Committee assess the actual performance of the Group, the relevant segment and the individual key management personnel contribution to the Group. The performance evaluation in respect of the year ended 30 June 2015 has taken place in accordance with this process.

Long-term Incentive

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

Short-term and Long-term Incentive Structure

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

Consequences of Performance on Shareholders Wealth

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

	2015	2014	2013	2012	2011
Total comprehensive income	$25,828,642	$40,877,925	$31,590,971	$27,292,927	$28,225,305
Profit before tax	$31,699,466	$58,671,895	$44,560,499	$39,131,721	$34,943,120
Dividends paid	$22,770,213	$21,914,255	$19,298,374	$18,896,550	$15,115,909
Change in share price	-$0.44	$0.37	$0.18	$0.10	-$0.02
Return on capital employed	11.58%	18.94%	15.45%	17.39%	16.38%
Return on total equity	10.85%	17.13%	15.35%	14.49%	16.18%

Profit before tax is considered as one of the financial targets in setting the STI. Profit amounts for 2011 to 2015 have been calculated in accordance with Australian Accounting Standards (AASBs).

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

4 Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.1 Principles of Remuneration (continued)

Consequences of Performance on Shareholders Wealth (continued)

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

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

Directors

Total base remuneration for all Directors, last voted upon by shareholders at the November 2013 AGM, is not to exceed $360,000 per annum. Directors' base fees are presently up to $329,650 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 of the Company and of the named Group Executive who receive the highest remuneration during the financial year ended 30 June 2015 are:

	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	86,280	435,854	474,058	-	996,192	34,996	12,153	1,043,341
Mr Darren John Pateman, Managing Director	65,930	529,211	438,601	17,163	1,050,905	18,289	13,390	1,082,584
Non-executive Directors								
Mr John Boon Heng Cheak	65,930	-	-	-	65,930	-	-	65,930
Mr Kee Kong Loh	76,105	-	-	-	76,105	-	-	76,105
Mr Lee Verios	69,661	-	-	-	69,661	6,444	-	76,105
Executives								
Mr Edward Guy Bank, CFO *	-	249,985	237,651	-	487,636	18,289	8,423	514,348
Mr Ronald Chan *	-	220,000	216,924	-	436,924	20,900	7,167	464,991
Mr Anthony David Hewett *	-	200,000	41,437	-	241,437	19,000	-	260,437
	363,906	1,635,050	1,408,671	17,163	3,424,790	117,918	41,133	3,583,841

Details of the nature and amount of each major element of the emolument of each Director of the Company and the named Officers of the Group receiving the highest remuneration during the financial year 30 June 2014 are:

	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	86,280	390,190	667,253	-	1,143,723	24,960	6,589	1,175,272
Mr Darren John Pateman, Managing Director	65,930	473,849	533,802	-	1,073,581	17,776	17,857	1,109,214
Non-executive Directors								
Mr John Boon Heng Cheak	65,930	-	-	-	65,930	-	-	65,930
Mr Kee Kong Loh	76,105	-	-	-	76,105	-	-	76,105
Mr Lee Verios	69,661	-	-	-	69,661	6,444	-	76,105
Executives								
Mr Edward Guy Bank, CFO *	-	222,574	346,819	-	569,393	17,776	6,838	594,007
Mr Ronald Chan *	-	191,154	42,617	-	233,771	21,624	6,500	261,895
Mr Anthony David Hewett *	-	165,577	31,240	-	196,817	18,206	-	215,023
	363,906	1,443,344	1,621,731	-	3,428,981	106,786	37,784	3,573,551

* Excludes accrued annual leave of $134,324 (2014 : $107,020)

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

4 Corporate Governance Statement (continued)

4.3 Remuneration Report - Audited (continued)

4.3.2 Directors' and Executive Officers' Remuneration (continued)

Notes in relation to the Table of Directors' and Executive Officers' Remuneration - Audited
(A) Short-term Incentive Cash Bonus:
The short-term incentive bonus is for performance during the respective financial years using the criteria set out on Page 7.
Details of the Group's policy in relation to the remuneration that is performance related is discussed on Page 7.

On 29th October 2014, 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 $360,000 which is repayable by 27th October 2019. The related benefit is disclosed in table 4.3.2 on page 8.

4.3.3 Analysis of Bonuses included in Remuneration

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

	Short Term Incentive Bonus	
	Included in Remuneration	% vested in year
	$	%
Executive Directors		
Mr John Chan	474,058	100%
Mr Darren John Pateman	438,601	100%
Executives		
Mr Edward Guy Bank, CFO	237,651	100%
Mr Ronald Chan, COO	216,924	100%
Mr Anthony David Hewett, Company Secretary	41,437	100%
	1,408,671	100%

Amounts included in remuneration for the financial year represent the amount of entitlements in the financial year based on achievement of personal goals and satisfaction of performance criteria, as per Short Term Incentives (page 7). Any discretionary amounts of executive bonuses 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 2014	Purchases	Sales	Held at 30 June 2015
Directors				
Mr John Chan	24,439,516	400,000	-	24,839,516
Mr Darren John Pateman	2,330,153	381,536	-	2,711,689
Mr John Boon Heng Cheak	506,956	16,487	-	523,443
Mr Kee Kong Loh	2,000,904	-	-	2,000,904
Mr Lee Verios	30,000	-	-	30,000
Executives				
Mr Edward Guy Bank	300,000	-	-	300,000
Mr Ronald Chan	213,260	-	-	213,260
Mr Anthony David Hewett	60,000	25,000	-	85,000
	29,880,789	823,023	-	30,703,812

	Held at 1 July 2013	Purchases	Sales	Held at 30 June 2014
Directors				
Mr John Chan	23,556,322	883,194	-	24,439,516
Mr Darren John Pateman	2,326,669	3,484	-	2,330,153
Mr John Boon Heng Cheak	495,074	11,882	-	506,956
Mr Kee Kong Loh	2,000,904	-	-	2,000,904
Mr Lee Verios	30,000	-	-	30,000
Executives				
Mr Edward Guy Bank	300,000	-	-	300,000
Mr Ronald Chan	213,260	-	-	213,260
Mr Anthony David Hewett	20,000	40,000	-	60,000
	28,942,229	938,560	-	29,880,789

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

4.3.5 Equity Instruments

All options refer to options over ordinary shares of Finbar Group Limited, which are exercisable on a one-for-one basis under the Employee Incentive Plan 2013. At 30th June 2015 there were no options in issue.

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

4 Corporate Governance Statement (continued)

4.4 Audit Committee

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

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

The following directors serve on the Audit Committee:

- Lee VERIOS (Chairman) - Non-executive Independent Director
- Kee Kong LOH - Non-executive Director
- John Boon Heng CHEAK - Non-executive Director

4.5 Risk Management

Oversight of the Risk Management Procedures

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

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

Risk Management and Compliance Control

Comprehensive practices have been established to ensure:

- capital expenditure with respect to land acquisitions or development agreements obtain prior Board approval;
- financial exposures are controlled, including use of derivatives. Further details of the Group's policies relating to interest rates management and credit risk are included in Notes 5 and 27 in the Notes to the 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);
- environmental regulation compliance (see below).

Quality and Integrity of Personnel

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

Financial Reporting

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

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

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

Environmental Regulation

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

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

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

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

4 Corporate Governance Statement (continued)

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 31 in the Notes to the Financial Statements.

Code of Conduct

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

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

Trading in General Company Securities by Directors and Employees

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

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

4.7 Communication with Shareholders

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

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

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

4.8 Diversity

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

Gender representation

	2015		2014	
	Female	**Male**	**Female**	**Male**
Board	-	100%	-	100%
Key Management Personnel	-	100%	-	100%
Senior Management	50%	50%	60%	40%
Group	50%	50%	55%	45%

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

5 Principal Activities

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

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

The Group holds rental property through 175 Adelaide Terrace Pty Ltd (wholly owned subsidiary of the Company) and Finbar Karratha Pty Ltd (wholly owned subsidiary of the Company).

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

6 Operating and Financial Review

Operating Results	**2015**	**2014**
Total comprehensive income attributable to Owners of the Group	$25,896,656	$36,526,868

Shareholder Returns	**2015**	**2014**	**2013**	**2012**	**2011**
Total comprehensive income attributable to Owners of the Group	$25,896,656	$36,526,868	$31,210,908	$28,300,279	$24,023,464
Basic EPS	$0.11	$0.16	$0.14	$0.13	$0.13
Diluted EPS	$0.11	$0.16	$0.14	$0.13	$0.13
Dividends paid	$22,770,213	$21,914,255	$19,298,374	$18,896,550	$15,115,909
Dividends paid per share	$0.10	$0.10	$0.09	$0.09	$0.085
Market price per share	$1.19	$1.63	$1.26	$1.08	$0.98
Change in share price	-$0.44	$0.37	$0.18	$0.10	-$0.02
Return on capital employed attributable to Owners of the Group	11.60%	17.62%	15.32%	17.80%	14.55%
Return on total equity attributable to Owners of the Group	10.90%	15.79%	15.39%	15.27%	14.11%

Returns to shareholders increase through net equity. Dividends for 2015 were fully franked and it is expected that dividends in future years will continue to be fully franked.

Key transactions that contributed to the consolidated net profit of the Company for the 2015 financial year were the completion of the Spring View Towers Apartments in Rivervale, Toccata Apartments in East Perth and Subi Strand Apartments in Subiaco as well as the ongoing rental of the Company's commercial properties. See below for further information on the Company's project completions.

Review of Operations

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

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

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

Finbar outsources its design, sales and construction activities to external parties.

The administration of the companies along with the operating, investment, and acquisitions decisions are made by Finbar's Board and Management. The Company employs 19 staff in its corporate offices in East Perth, Western Australia and 1 member of staff in its office in the Pilbara.

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

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

Notwithstanding a subdued level of confidence nationally in the resources construction cycle in Western Australia, there remains strong support for the product offered by Finbar.

Underlying state population growth continues to drive rental values and ownership demand. Combined with a low interest rate environment, Finbar expects a continued demand by owner occupiers which is supplemented by the property investor market.

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

The ability to source new viable development opportunities is central to Finbar's ongoing success and the Board and Management has demonstrated a long track record of this ability.

The Board and Management control the Company's key risks through the implementation of control measures which include; land acquisitions generally secured without the use of debt funding, development funding which is carried out utilising senior bank funding (no mezzanine) from major Australian banks, and the Company's small and agile structure which can rapidly adapt to changes in market conditions.

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

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

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

6 Operating and Financial Review (continued)

Completed Projects

Pelago West - 23 Sharpe Avenue, Karratha : 1 settlement in the Pelago West project occurred in the reporting period with 99 sales in the completed 114 unit development now being achieved. The balance of apartments have been transferred to and are being held as investment property.

Pelago East - 26 Sharpe Avenue, Karratha : 5 settlements in the Pelago East project occurred in the reporting period with 87 sales in the 174 unit development now being achieved. The balance of apartments have been transferred to and are being held as investment property.

Ecco - 262 Lord Street, Perth : 4 settlements in the Ecco project occurred in the reporting period. 4 units remain for sale in the 98 unit development.

Lime - 189 Swansea Street, East Victoria Park : 1 unit settled in the reporting period**.** The company is pleased to report that the Lime development is now complete and the company holds no further stock for sale.

Adagio - 90 Terrace Road, East Perth : 1 settlement in the Adagio project occurred in the reporting period. The company is pleased to report that the development is now complete and the company holds no further stock for sale.

Au - 208 Adelaide Terrace & 311 Hay Street, East Perth : 24 settlements in the Au project occurred in the reporting period. 1 further unit has settled since the end of the reporting period. The company is pleased to report that the development is now complete and the company holds no further stock for sale.

Fifty Two Mill Point Rd - 52 Mill Point Road, South Perth : 5 settlements in the Fifty Two Mill Point Rd project occurred in the reporting period. The company is pleased to report that the development is now complete and the company holds no further stock for sale.

Spring View Towers - 3 Homelea Court, Rivervale : The completion of the Spring View Towers project occurred in the first half of the reporting period. 176 units have settled in the reporting period. 8 units remain for sale in the 188 unit development.

Subi Strand - Cnr Roydhouse Street & Hood Street, Subiaco : The completion of the Subi Strand project occurred in the second half of the reporting period. 189 units have settled in the reporting period. 42 units remain for sale in the 264 unit development.

Toccata - 88 Terrace Road, East Perth : The completion of the Toccata project occurred in the second half of the reporting period. 28 units have settled in the reporting period. 8 units remain for sale in the 47 unit development.

Currently Under Construction

Norwood - 280 Lord Street, Perth : Construction works at the Norwood development are expected to reach completion in the first half of the financial year ending 30 June 2016. To date 49 sales have been achieved in the 63 unit development.

Arbor North - Lot 1001-1003 Rowe Avenue, Rivervale : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2016. To date 110 sales have been achieved in the 154 unit development.

Concerto & Harmony - 193 Adelaide Terrace, East Perth : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2017. To date 133 sales have been achieved in the 227 unit development.

Unison - 241 Railway Avenue, Maylands : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2016. To date 84 sales have been achieved in the 169 unit development.

Linq - 269 James Street, Northbridge : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2016. To date 69 sales have been achieved in the 116 unit development.

Aurelia - 96 Mill Point Road, South Perth : Construction works commenced during the reporting period with completion expected during the financial year ending 30 June 2017. To date 98 sales have been achieved in the 138 unit development.

Future Projects

Motive - 172 Railway Parade, West Leederville : Development Approval has been received. Marketing of the Motive project commenced in the first half of the reporting period. To date 53 sales have been achieved in the 143 unit development.

Sunago - 36 Chester Avenue, Dianella : Development Approval has been received for the development of 163 apartments. It is anticipated that marketing will commence in September 2015.

Civic Heart - 1 Mends Street, South Perth : Development Approval has been received for the development of 294 apartments with 11,900sqm of commercial and retail space. It is anticipated that marketing will commence in September 2015.

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 Arbor development nears completion, the company will consider seeking approval from the statutory authorities for the redesign into a residential apartment project.

Aire - 647-659 Murray Street, West Perth : Development Approval has been received for the development of 242 apartments with amenities and 2 commercial lots. It is anticipated that marketing will commence in the first half of the financial year ending 30 June 2016.

Anchorage - Lot 452 Sutherland Street, Port Hedland : Development Approval has been received for the first stage of a four stage development comprising 109 apartments plus six commercial tenancies. A wholly owned subsidiary of Finbar has contracted to purchase the development land subject to development approval and marketing success of the first stage. Now that approval has been received, Finbar will prepare to launch the first stage of the four stage project to the market in an effort to secure sufficient pre-sales to underpin the financial viability of the project.

Belmont - 239 Great Eastern Highway, Belmont : The company continues to work towards the lodgement of a Development Application for the site.

Springs Stage 3 - 31 Rowe Avenue, Rivervale : A Development Application has been lodged.

63 Adelaide Terrace, East Perth: A Development Application has been lodged.

5 Harper Terrace, South Perth: The company continues to work towards the lodgement of a Development Application for the site.

Arbor South - Lot 1001-1003 Rowe Avenue Rivervale : The company continues to work towards the lodgement of a Development Application for the site.

Investment Property

Gateway - 59 Albany Highway, Victoria Park : During the financial year, the Gateway building at 59 Albany Highway, East Victoria Park was sold for $72.8m. Settlement occurred in March 2015.

Fairlanes - 175 Adelaide Terrace, East Perth : The company continues to benefit from the investment income generated from the leased property. The property is currently 93% leased. The company continues to actively market the remaining tenancies for rental.

Pelago West Commercial - 23 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated by the commercial lots in the Pelago West development. The company has now leased 65% of the available commercial space within the Pelago West building.

Pelago East Commercial - 26 Sharpe Avenue, Karratha : The company continues to benefit from the investment income generated by the commercial lots in the Pelago East development. The company has now leased 70% of the available commercial space within the Pelago East building.

Pelago West Residential - 23 Sharpe Avenue, Karratha : The remaining 15 residential units at the Pelago West development have been moved to investment property in the reporting period. These are currently 80% leased.

Pelago East Residential - 26 Sharpe Avenue, Karratha : The remaining 87 residential units at the Pelago East development have been moved to investment property in the reporting period. These are currently 90% leased.

Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

7 Dividends

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

	Cents per Share	Total Amount $	Franked / Unfranked	Date of Payment
Dividends Paid During the Year 2015				
Interim 2015 ordinary	4.00	9,149,121	Franked	10 April 2015
Final 2014 ordinary	6.00	13,621,092	Franked	19 September 2014
Total Dividends Paid		22,770,213		

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

Proposed Dividend

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

Final 2015 ordinary	6.00	13,750,199	Franked	24 September 2015
Total Dividend Proposed		13,750,199		

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2015 and will be recognised in subsequent financial reports.

	Note	$
Dealt with in the financial report as - Dividends	22	22,770,213

Dividend Reinvestment Plan

In accordance with Rule 13 of the Company's Dividend Reinvestment Plan (DRP), the Directors elected to reactivate the DRP in the 2011 financial year until further notice and as such the DRP will be active for the above mentioned dividend.

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 seek new opportunities for the acquisition of future development projects.

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

10 Directors' Interests

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

Director	Ordinary Shares
Mr John Chan	24,839,516
Mr Darren John Pateman	2,711,689
Mr John Boon Heng Cheak	523,443
Mr Kee Kong Loh	2,000,904
Mr Lee Verios	30,000

DIRECTORS' REPORT (Continued)
For the Year Ended 30 June 2015

11 Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has agreed to indemnify the current Directors of the Company and of its Subsidiaries 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 and its Subsidiaries, except where the liability arises out of the conduct involving a lack of good faith.

Insurance Premiums

During the financial year the Company has paid insurance premiums of $20,135 (2014: $20,685) 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;
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

12 Non-audit Services

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

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

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed to ensure they do not impact the integrity and objectivity of the auditor;
- 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	
	2015	2014
	$	$
Audit Services:		
Auditors of the Company		
Audit and review of the financial reports	185,500	178,400
Audit and review of the financial reports of equity accounted investees	21,600	-
	207,100	178,400
Services Other Than Statutory Audit:		
Taxation compliance services	14,000	14,000
Accounting advice	9,000	10,200
	23,000	24,200

13 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 51 and forms part of the Directors' Report for the financial year ended 30 June 2015.

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



Darren Pateman
Managing Director

Dated at Perth this Twenty Sixth day of August 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	7	89,360,407	275,247,830
Cost of sales		(59,638,825)	(204,631,575)
Gross Profit		29,721,582	70,616,255
Other income	8	4,511,357	1,812,865
Loss on disposal of investment property		(828,628)	-
Loss on disposal of shareholdings		(614,390)	-
Loss on disposal of property, plant & equipment		-	(582)
Administrative expenses		(7,588,853)	(7,228,044)
Advertising expenses		(1,680,183)	(741,461)
Other expenses	9	(6,891,635)	(5,010,837)
Results from Operating Activities		16,629,250	59,448,196
Finance income	11	4,912,617	3,417,023
Finance costs	11	(3,236,964)	(3,616,022)
Net Finance Income/(Costs)		1,675,653	(198,999)
Share of profit/(loss) of Equity Accounted Investees (net of income tax)	15	13,394,563	(577,302)
Profit before Income Tax		31,699,466	58,671,895
Income tax expense	12	(5,580,669)	(17,857,793)
Profit for the year		26,118,797	40,814,102
Other comprehensive income			
Items which will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment	8	(414,508)	91,175
Tax on items that will not be reclassified to profit or loss	12	124,353	(27,352)
Other comprehensive income for the year, net of income tax		(290,155)	63,823
Total comprehensive income for the year		25,828,642	40,877,925
Profit attributable to:			
Owners of the Group		26,186,811	36,463,045
Non-controlling interest		(68,014)	4,351,057
Profit for the year		26,118,797	40,814,102
Total comprehensive income attributable to:			
Owners of the Group		25,896,656	36,526,868
Non-controlling interest		(68,014)	4,351,057
Total comprehensive income for the year		25,828,642	40,877,925
Earnings per Share:			
Basic earnings per share (cents per share)	23	11.46	16.43
Diluted earnings per share (cents per share)	23	11.46	16.43

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 20 to 47.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2015

		Attributable to equity holders of the company				Non Controlling Interest	Total Equity
		Share Capital	Retained Earnings	Asset Revaluation Reserve	Total		
		$	$	$	$	$	$
Balance as at 1 July 2013		137,779,605	63,616,005	1,395,971	202,791,581	3,011,877	205,803,458
Total comprehensive income for the year							
Profit			36,463,045		36,463,045	4,351,057	40,814,102
Revaluation reserve transfer on disposal			34,023	(34,023)	-		-
Other comprehensive income			-	63,823	63,823	-	63,823
Transactions with owners, recognised directly in equity							
Issue of ordinary shares		13,908,273			13,908,273		13,908,273
Dividends to shareholders	Note 22		(21,914,255)		(21,914,255)		(21,914,255)
Balance as at 30 June 2014		151,687,878	78,198,818	1,425,771	231,312,467	7,362,934	238,675,401
Balance as at 1 July 2014		151,687,878	78,198,818	1,425,771	231,312,467	7,362,934	238,675,401
Total comprehensive income for the year							
Profit			26,186,811		26,186,811	(68,014)	26,118,797
Other comprehensive income				(290,155)	(290,155)	-	(290,155)
Transactions with owners, recognised directly in equity							
Issue of ordinary shares		3,972,979			3,972,979		3,972,979
Buyback of shares		(904,250)			(904,250)		(904,250)
Dividends to shareholders	Note 22		(22,770,213)		(22,770,213)	(6,710,000)	(29,480,213)
Balance as at 30 June 2015		154,756,607	81,615,416	1,135,616	237,507,639	584,920	238,092,559

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 20 to 47.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	21a	68,998,846	60,914,484
Trade and other receivables	19	24,776,485	11,104,520
Inventories	18	47,474,982	75,768,509
Prepayments	20	41,792	92,044
Investments in Equity Accounted Investees	15	8,220,088	-
Other assets	16	232,290	352,454
Total Current Assets		149,744,483	148,232,011
Non Current Assets			
Trade and other receivables	19	42,813,870	46,109,434
Inventories	18	26,097,480	11,771,124
Investment property	13	110,672,670	134,981,804
Prepayments	20	465,053	-
Investments in Equity Accounted Investees	15	4,129,886	-
Property, plant and equipment	14	13,490,430	12,325,927
Other assets	16	491,906	1,952,696
Total Non Current Assets		198,161,295	207,140,985
Total Assets		347,905,778	355,372,996
LIABILITIES			
Current Liabilities			
Trade and other payables	26	15,280,625	12,055,009
Loans and borrowings	24	31,850,251	-
Investments In Equity Accounted Investees	15	-	495,922
Current tax payable	17	4,245,964	13,500,733
Employee benefits	25	137,261	33,499
Total Current Liabilities		51,514,101	26,085,163
Non Current Liabilities			
Loans and borrowings	24	53,047,730	78,379,122
Investments In Equity Accounted Investees	15	-	203,668
Deferred tax liabilities	17	5,102,343	11,831,928
Employee benefits	25	149,045	197,714
Total Non Current Liabilities		58,299,118	90,612,432
Total Liabilities		109,813,219	116,697,595
Net Assets		238,092,559	238,675,401
EQUITY			
Share capital	22	154,756,607	151,687,878
Retained earnings	22	81,615,416	78,198,818
Reserves	22	1,135,616	1,425,771
Total Equity Attributable to Holders of the Group		237,507,639	231,312,467
Non-controlling interest		584,920	7,362,934
Total Equity		238,092,559	238,675,401

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on Pages 20 to 47.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash Flows from Operating Activities			
Cash receipts from customers		98,057,354	322,471,991
Cash paid to suppliers and employees		(129,063,488)	(191,371,153)
Cash (used in)/generated from Operating Activities		(31,006,134)	131,100,838
Interest paid		(4,141,441)	(8,175,150)
Income tax paid		(21,439,529)	(10,710,723)
Net Cash (used in)/generated from Operating Activities	21b	(56,587,104)	112,214,965
Cash Flows from Investing Activities			
Interest received		5,002,313	2,498,277
Dividends received from Equity Accounted Investees		345,000	1,305,398
Acquisition of property, plant and equipment	14	(45,940)	(300,659)
Proceeds from sale of investment property	13	72,172,844	-
Proceeds from/(Repayment of) loans to Equity Accounted Investees		7,454,740	(22,340,755)
Net Cash provided by/(used in) Investing Activities		84,928,957	(18,837,739)
Cash Flows from Financing Activities			
Proceeds from issue of share capital	22	-	8,380,000
Repurchase of own shares	22	(904,250)	-
Proceeds from borrowings	24	80,014,341	83,231,282
Repayment of borrowings	24	(73,500,347)	(143,284,782)
Dividends paid (net of DRP)	22	(19,157,235)	(16,385,983)
Dividends paid to minority shareholders	22	(6,710,000)	-
Net Cash used in Financing Activities		(20,257,491)	(68,059,483)
Net increase in cash and cash equivalents		8,084,362	25,317,743
Cash and cash equivalents at 1 July		60,914,484	35,596,741
Cash and Cash Equivalents at 30 June	21a	68,998,846	60,914,484

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on Pages 20 to 47.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

1 Reporting Entity

Finbar Group Limited (the 'Company') is a 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 2015 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 26th August 2015.

(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.

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.

(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.

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 2015 are included in the following notes:

- Note 13 - valuation of investment property,
- Note 14 - property, plant & equipment,
- Note 27 - valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Group has an established control framework with respect to the measurement of fair values. This includes the CFO who has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.
Significant valuation issues are reported to the Audit Committee.
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

(e) Changes in Accounting Policies

There have been no changes in accounting policies during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

3 Significant Accounting Policies

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

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. The financial statements of Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Equity Accounted Investees

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

(iii) Joint Operations

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

(iv) Transactions Eliminated on Consolidation

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

(b) Financial Instruments

(i) Non-derivative Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Derivative Financial Instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

3 Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

(iii) Share Capital

Ordinary shares

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

Repurchase of share capital

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

Dividends

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

(c) Property, Plant and Equipment

(i) Recognition and Measurement

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

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

Items classified as property are measured at fair value. Refer Note (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 property, plant & equipment and are recognised net within "Administrative expenses" in profit or loss.

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

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

(ii) Reclassification to Investment Property

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

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

(iii) Subsequent Costs

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

(iv) Revaluation Model for Property

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

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

(v) Depreciation and Amortisation

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

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

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

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

(d) Investment Property

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

3 Significant Accounting Policies (continued)

(e) Inventories

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

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

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

Current and Non-current Inventory Assets

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

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

All other inventory is treated as non-current.

(f) Impairment

(i) Financial Assets (Including Receivables)

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably measured.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is recognised through 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; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Termination Benefits

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

(iv) Short-term Employee Benefits

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

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

(v) Share-based Payment Transactions

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

(h) Provisions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

3 Significant Accounting Policies (continued)

(i) Revenue

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, rebates and the amount of goods and services tax (GST) payable to the taxation authority.

(i) Property Development Sales

Revenue from the sale of residential, retail, commercial and industrial property is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of the property can be reliably estimated, there is no continuing management involvement with the property and the amount of revenue can be reliably measured.

The timing of transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(ii) Property Development Supervision Fees

Revenue from services rendered, including fees arising from the provision of development project supervision services, is recognised in profit or loss in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to an assessment of the costs incurred and the costs to be incurred. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the revenue cannot be reliably measured, the costs incurred or to be incurred cannot be reliably measured, or the stage of completion cannot be reliably measured.

(iii) Management Fee Revenue

Management fee revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Management fee revenue is recognised when the amount can be reliably measured or when contractually due.

(iv) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission earned by the Group.

(v) Rental Income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. 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 (including available-for-sale financial assets), interest on loans to Equity Accounted Investees, dividend income, gains on the disposal of available-for-sale assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

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

(k) Income Tax

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

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

(l) Goods and Services Tax

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

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

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

(m) Earnings per Share

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

3 Significant Accounting Policies (continued)

(n) Segment Reporting

Determination and Presentation of Operating Segments

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

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

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

(o) New Standards and Interpretations not yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2015, however, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 *Financial Instruments* - published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement* . IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

IFRS 15 *Revenue from Contracts with Customers* - IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes.* IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

4 Determination of Fair Values

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

(a) Investment Property and Property carried at fair value

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

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

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

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

(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) Derivatives

The fair value of interest rate swaps is based on quotation from the relevant financial provider.

(d) Share-based Payment Transactions

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

(e) Financial Guarantees

For financial guarantee contracts liabilities, the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. This method takes into account the probability of default by the guaranteed party over the term of the contact, 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

5 Financial Risk Management

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk Management Framework

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

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

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

Credit Risk

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

Trade and Other Receivables

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

The demographics of the Group's customer base has little or no influence on credit risk. Approximately 5.73% (2014: 16.76%) 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 the Group's loans to Equity Accounted Investees (within which the Group holds no more than a 50% interest) and Goods and Services Tax refunds due from the Australian Taxation Office. The loans to Equity Accounted Investees are repaid from proceeds on settlement and bear interest at BBSY+5.00%.

The Group has not established an allowance for impairment, as no losses are expected to be incurred in respect of trade and other receivables.

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.

The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out by the Chief Financial Officer under guidance from the Executive Chairman and the Managing Director.

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 2015 the return was 9.86% (2014: 17.55%). In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 4.21% (2014: 4.34%).

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

	2015 $	2014 $
Total liabilities	109,813,219	116,697,599
Less: Cash and cash equivalents	68,998,846	60,914,484
Net Debt	40,814,373	55,783,115
Total equity	238,092,559	238,675,401
Capital	238,092,559	238,675,401
Debt-to capital ratio at 30 June	0.17	0.23

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5 Financial Risk Management (continued)

Capital Management (continued)

From time to time the Company purchases its own shares on the market; the timing of these purchases depends on market prices. 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. On the 8th December 2014 the Company announced the activation of an on-market share buy-back to enable the company to buy-back up to a maximum of 12 million shares within a 12 month period.

The DRP was in place for both the interim distribution and final distribution for the year ending 30 June 2015 and the preceding year. A discount of 3% was applied to shares issued under the DRP in accordance with the DRP rules stating the discount may not exceed 10%.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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

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

Information about Reportable Segments For the Year ended 30 June 2015	**Residential Apartment Development**	**Commercial Office/Retail Development**	**Rental of Property**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
External Revenues - Company and Subsidiaries	66,661,037	957,449	15,290,902	10,962,376	93,871,764
External Revenues - Equity Accounted Investees	93,032,180	1,098,500	11,078	-	94,141,758
External Revenues - Total	159,693,217	2,055,949	15,301,980	10,962,376	188,013,522
Interest Income	39,264	-	-	4,873,353	4,912,617
Interest Expense	-	-	-	3,028,170	3,028,170
Depreciation and Amortisation	-	-	-	546,185	546,185
Reportable Segment Profit before Income Tax - Company and Subsidiaries	6,660,812	(62,180)	10,403,775	9,220,201	26,222,608
Reportable Segment Profit before Income Tax - Equity Accounted Investees	18,920,097	177,652	11,078	30,739	19,139,566
Reportable Segment Profit before Income Tax - Total	25,580,909	115,472	10,414,853	9,250,940	45,362,174
Reportable Segment Assets - Company and Subsidiaries	99,755,074	4,107,175	112,080,116	22,271,118	238,213,483
Reportable Segment Assets - Equity Accounted Investees	52,287,311	6,042,726	-	-	58,330,037
Reportable Segment Liabilities - Company and Subsidiaries	44,958,871	2,383,915	51,725,000	1,397,126	100,464,912
Reportable Segment Liabilities - Equity Accounted Investees*	31,778,625	736,471	-	-	32,515,096
Capital Expenditure	-	-	-	308,150	308,150

* Excludes Liabilities payable to Finbar Group

Information about Reportable Segments For the Year ended 30 June 2014	**Residential Apartment Development**	**Commercial Office/Retail Development**	**Rental of Property**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**
External Revenues - Company and Subsidiaries	250,447,564	9,499,805	13,569,804	3,854,165	277,371,338
External Revenues - Equity Accounted Investees	4,421	1,679,000	-	22	1,683,443
External Revenues - Total	250,451,985	11,178,805	13,569,804	3,854,187	279,054,781
Interest Income	1,173,112	-	-	2,243,911	3,417,023
Interest Expense	-	-	-	3,604,246	3,604,246
Depreciation and Amortisation	-	105,480	-	339,223	444,703
Reportable Segment Profit before Income Tax - Company and Subsidiaries	51,955,509	1,554,154	8,558,967	3,563,788	65,632,418
Reportable Segment Profit before Income Tax - Equity Accounted Investees	(1,077,528)	159,205	(3,911)	144,496	(777,738)
Reportable Segment Profit before Income Tax - Total	50,877,981	1,713,359	8,555,056	3,708,284	64,854,680
Reportable Segment Assets - Company and Subsidiaries	97,104,385	2,035,541	137,496,804	20,821,892	257,458,622
Reportable Segment Assets - Equity Accounted Investees	62,147,450	1,850,942	-	-	63,998,392
Reportable Segment Liabilities - Company and Subsidiaries	10,914,762	91,830	78,476,536	1,182,218	90,665,346
Reportable Segment Liabilities - Equity Accounted Investees*	44,333,816	992,551	-	-	45,326,367
Capital Expenditure	-	-	-	297,481	297,481

* 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.

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For the Year Ended 30 June 2015

6 Operating Segments (continued)

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

	2015 $	2014 $
Revenues		
Total revenue for development reportable segments	82,909,388	273,517,173
Total revenue for other reportable segments	10,962,376	2,789,495
Consolidated Revenue	93,871,764	276,306,668
Total revenue for development reportable segments - Equity Accounted Investees	94,130,681	1,683,421
Total revenue for rental segments - Equity Accounted Investees	11,078	-
Total revenue for other reportable segments included in other income - Equity Accounted Investees	-	22
Total Reportable Segments Revenue	188,013,522	277,990,111
Profit or Loss		
Total profit or loss for reportable segments	45,362,174	64,710,206
Finance income - Company and Subsidiaries	4,912,617	3,417,023
Finance costs - Company and Subsidiaries	(3,236,964)	(3,616,022)
Unallocated amounts:		
Administrative expenses	(7,588,853)	(6,984,092)
Revaluation of investment property	(2,004,508)	754,027
Income tax applicable to share of profit of Equity Accounted Investees	(5,745,001)	246,279
Consolidated Profit before Income Tax	31,699,466	58,527,421
Assets		
Total assets for reportable segments	238,213,482	257,458,622
Cash and cash equivalents	68,998,846	60,914,484
Investments in Equity Accounted Investees	12,349,974	-
Other assets*	28,343,476	36,999,890
Consolidated Total Assets	347,905,778	355,372,996
Liabilities		
Total liabilities for reportable segments	100,464,912	90,665,346
Investments in Equity Accounted Investees	-	699,590
Other liabilities**	9,348,307	25,332,661
Consolidated Total Liabilities	109,813,219	116,697,597

Geographical information

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

* Includes receivables due to Finbar Group from Equity Accounted Investees

** Includes liabilities payable to Finbar Group from Equity Accounted Investees

7 Revenue

Property development sales	67,618,486	259,947,369
Rental Income	15,290,902	13,569,804
Supervision and management fees	6,451,019	1,730,657
Total Revenue	89,360,407	275,247,830

8 Other Income

Administration fees	152,075	131,075
Commission income	1,874	3,019
Management fees	4,342,188	924,744
Other	15,220	-
Total Other Income before revaluation	4,511,357	1,058,838
Revaluation increase of investment property	-	754,027
Total Other Income	4,511,357	1,812,865
Revaluation increase of property (reported as other comprehensive income)	-	91,175

9 Other Expenses

Revaluation decrease of investment property	2,004,508	-
Rental property expenses	4,887,127	5,010,837
Total Other Expenses	6,891,635	5,010,837
Revaluation decrease of property (reported as other comprehensive income)	414,508	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 Personnel Expenses

	2015	2014
	$	$
Wages and salaries	4,370,021	4,382,182
Superannuation contributions	236,328	222,247
Increase/(Decrease) in liability for annual leave	18,615	(5,878)
Increase in liability for long service leave	36,479	63,331
Directors fees	363,906	363,906
Non Executive Directors - superannuation contributions	6,444	6,444
Total Personnel Expenses	5,031,793	5,032,232

11 Finance Income and Finance Costs

Recognised in Profit or Loss

Interest income on loans to Equity Accounted Investees	3,215,936	918,795
Interest income on loans	483,945	-
Interest income on bank deposits	1,173,472	1,325,116
Interest income on property settlements	39,264	1,173,112
Total Finance Income	4,912,617	3,417,023
Interest expense	3,028,170	3,604,246
Bank charges	208,794	11,776
Total Finance Costs	3,236,964	3,616,022
Net Finance Income/(Costs)	1,675,653	(198,999)

Analysis of Finance Costs

Total finance costs	4,404,674	7,183,030
Less:		
Finance costs capitalised to inventory	(1,167,710)	(3,567,008)
Add:		
Finance costs relating to property developments sold	2,356,690	2,030,702
	5,593,654	5,646,724
Made up of:		
Finance costs relating to property developments sold	2,356,690	2,030,702
Finance costs relating to administration	208,814	12,666
Finance costs relating to rental properties	3,028,150	3,603,356
	5,593,654	5,646,724

Finance costs have been capitalised to work in progress at a weighted average rate of 4.21% (2014: 4.34%)

12 Income Tax Expense

Recognised in Income Statement		
Current Tax Expense		
Current year	12,619,913	15,206,719
Income tax recognised directly to equity	103,769	141,029
Adjustments for prior periods	(334,691)	-
Non-recoverable amounts	25,032	12,863
	12,414,023	15,360,611
Deferred Tax Expense Movement		
Origination and reversal of temporary differences	(6,833,354)	2,497,181
	(6,833,354)	2,497,181
Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	5,580,669	17,857,792
Income tax relating to components of other comprehensive income	(124,353)	27,352
Total Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	5,456,316	17,885,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

12 Income Tax Expense (continued)

	2015 $	2014 $
Numerical Reconciliation between Tax Expense and Pre-tax Net Profit		
Profit for the year	26,118,797	40,814,102
Total income tax expense	5,580,669	17,857,793
Profit before Income Tax	31,699,466	58,671,895
Income tax using the Group's domestic rate of 30% (2014: 30%)	9,509,840	17,601,569
Increase in income tax expense due to:		
Non-deductible expenses	398,857	70,171
Non-recoverable amounts	25,032	12,863
Decrease in income tax expense due to:		
Tax effect of share of equity accounted investees (profit)/loss	(4,018,369)	173,190
Total Income Tax Expense	5,915,360	17,857,793
Over provided in prior years	(334,691)	-
Total Income Tax Expense	5,580,669	17,857,793
Made up of:		
Income Tax Expense excluding share of Income Tax on Equity Accounted Investees	5,580,669	17,857,792
Income tax relating to components of other comprehensive income	(124,353)	27,352
	5,456,316	17,885,145
Income Tax Recognised Directly in Equity		
Decrease in income tax expense due to:		
Tax incentives not recognised in income statement	(103,769)	(141,029)
Total Income Tax Recognised Directly in Equity	(103,769)	(141,029)

13 Investment Property

13a Reconciliation of Carrying Amount

Balance at 1 July	134,981,804	122,102,119
Sale of Investment Property	(73,000,000)	-
Transferred from Inventory	50,695,374	11,120,972
Transferred from Property, Plant and Equipment	-	1,004,686
Change in fair value	(2,004,508)	754,027
Balance at 30 June	110,672,670	134,981,804

Investment property comprises commercial properties at three developments and residential properties at two developments which are leased to third parties (see Note 28).

13b 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 confirmation.

The fair value measurement for investment property of $110,672,670 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

Table 13(a) 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 2.0%-5.0%, weighted average 3.0% Void periods (average 6.3 months after the end of each lease) Occupancy rate 94.71%, Rent-free periods (6-21 month period on certain new leases) Risk-adjusted discounted rates (weighted average 8.75%).	The estimated fair value would increase (decrease) if: expected market rental growth were higher (lower) void periods were shorter (longer) the occupancy rate were higher (lower) rent-free periods were shorter (longer); or the 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 10.0% - 10.5% Gross rent per annum $44,625 - $211,200 Occupancy rate 76.25%, Lease term remaining (years) 0.5 - 4.2	The estimated fair value would increase (decrease) if: the adopted capitalisation rate were higher (lower) the gross rent per annum were higher (lower) the occupancy rate were higher (lower) or; the lease term remaining were longer (shorter).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14 Property, Plant and Equipment

	Property	Office Furniture and Equipment	Plant and Equipment	Fixtures and Fittings	Total
Cost or Valuation	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2013	10,038,461	657,750	6,034,122	229,191	16,959,524
Additions	-	32,229	265,252	-	297,481
Transferred to investment property	(1,004,686)	-	-	-	(1,004,686)
Transferred from inventory	818,126	-	-	-	818,126
Change in fair value	(68,126)	-	-	-	(68,126)
Reclassification	(1,534,230)	-	1,534,230	-	-
Disposals	-	(1,043)	-	-	(1,043)
Balance at 30 June 2014	8,249,545	688,936	7,833,604	229,191	17,001,276
Balance at 1 July 2014	8,249,545	688,936	7,833,604	229,191	17,001,276
Additions	-	12,644	295,506	-	308,150
Disposals	-	-		(137,965)	(137,965)
Transferred from inventory	333,687	-	1,483,359	-	1,817,046
Change in fair value	(573,809)	-	-	-	(573,809)
Balance at 30 June 2015	8,009,423	701,580	9,612,469	91,226	18,414,698

	Property	Office Furniture and Equipment	Plant and Equipment	Fixtures and Fittings	Total
Depreciation	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2013	58,596	230,222	1,910,170	49,142	2,248,130
Reclassification	(58,596)	-	58,596	-	-
Disposals	-	(468)	-	-	(468)
Transferred from inventory	-	-	2,142,285	-	2,142,285
Revaluation	(159,301)	-	-	-	(159,301)
Depreciation and amortisation charge for the year	159,301	85,363	79,645	120,394	444,703
Balance at 30 June 2014	-	315,117	4,190,696	169,536	4,675,349

	Property	Office Furniture and Equipment	Plant and Equipment	Fixtures and Fittings	Total
Depreciation	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2014	-	315,117	4,190,696	169,536	4,675,349
Disposals	-	-	-	(137,965)	(137,965)
Revaluation	(159,301)	-	-	-	(159,301)
Depreciation and amortisation charge for the year	159,301	73,584	301,370	11,930	546,185
Balance at 30 June 2015	-	388,701	4,492,066	43,501	4,924,268
Carrying Amounts	**$**	**$**	**$**	**$**	**$**
At 1 July 2013	9,979,865	427,528	4,123,952	180,049	14,711,394
At 30 June 2014	8,249,545	373,819	3,642,908	59,655	12,325,927
At 1 July 2014	8,249,545	373,819	3,642,908	59,655	12,325,927
At 30 June 2015	8,009,423	312,879	5,120,403	47,725	13,490,430

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

	Property
Revalued assets at deemed cost	
Cost	6,372,030
Less accumulated depreciation	(449,870)
Net book value at 30 June 2015	5,922,160

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 confirmation.

The fair value measurement for property of $8,009,423 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.

	2015	2014
	$	$
Balance at 1 July 2014	8,249,545	10,038,461
Acquisitions and reclassification from inventory, property, plant and equipment	333,687	(1,720,790)
(Loss)/Gain included in 'other income'	(414,508)	91,175
Depreciation	(159,301)	(159,301)
Balance at 30 June 2015	8,009,423	8,249,545

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14 Property, Plant and Equipment (continued)

Measurement of fair values (continued)

(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 2.0%-5.0%, weighted average 3.0% Void periods (average 6.3 months after the end of each lease) Occupancy rate 94.71%, Rent-free periods (6-21 month period on certain new leases) Risk-adjusted discounted rates (weighted average 8.75%).	The estimated fair value would increase (decrease) if: expected market rental growth were higher (lower) void periods were shorter (longer) the occupancy rate were higher (lower) rent-free periods were shorter (longer); or the 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 10.0% - 10.5% Gross rent per annum $44,625 - $211,200 Occupancy rate 76.25%, Lease term remaining (years) 0.5 - 4.2	The estimated fair value would increase (decrease) if: the adopted capitalisation rate were higher (lower) the gross rent per annum were higher (lower) the occupancy rate were higher (lower) or; the lease term remaining were longer (shorter).

15 Investments in Equity Accounted Investees

The Group's share of profit in Equity Accounted Investees for the year was $13,394,563 (2014: Loss $577,302).

Equity Accounted Investees

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

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

Equity Accounted Investees Assets		Current Assets	Non-current Assets	Total Assets
		$	$	$
2014	**Ownership**			
185 Swansea Street Pty Ltd*	50.00%	735,600	-	735,600
375 Hay Street Pty Ltd*	50.00%	33,770	-	33,770
406 & 407 Newcastle Street Pty Ltd*	50.00%	197,275	-	197,275
36 Chester Avenue Pty Ltd	50.00%	2,100	9,042,051	9,044,151
Rowe Avenue Pty Ltd	50.00%	64,082,381	1,416,796	65,499,177
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	22,300	11,900,213	11,922,513
Roydhouse Street Subiaco Pty Ltd	50.00%	32,089,628	1,021,022	33,110,650
647 Murray Street Pty Ltd	50.00%	35,325	11,848,441	11,883,766
Finbar Sub 5050 Pty Ltd	50.00%	-	211	211
		97,198,379	35,228,734	132,427,113

Equity Accounted Investees Liabilities		Current Liabilities	Non-current Liabilities	Total Liabilities
		$	$	$
2014	**Ownership**			
185 Swansea Street Pty Ltd*	50.00%	75,689	22,718	98,407
375 Hay Street Pty Ltd*	50.00%	765	-	765
406 & 407 Newcastle Street Pty Ltd*	50.00%	5,051	-	5,051
36 Chester Avenue Pty Ltd	50.00%	-	9,070,537	9,070,537
Rowe Avenue Pty Ltd	50.00%	65,269,082	1,060,785	66,329,867
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	101,744	12,444,729	12,546,473
Roydhouse Street Subiaco Pty Ltd	50.00%	33,277,275	664,727	33,942,002
647 Murray Street Pty Ltd	50.00%	6,944	11,825,548	11,832,492
Finbar Sub 5050 Pty Ltd	50.00%	-	701	701
		98,736,550	35,089,745	133,826,295

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15 Investments in Equity Accounted Investees (continued)

Equity Accounted Investees Assets

2015	Ownership	Current Assets	Non-current Assets	Total Assets
		$	$	$
185 Swansea Street Pty Ltd*	50.00%	23,508	-	23,508
375 Hay Street Pty Ltd*	50.00%	12,130	-	12,130
406 & 407 Newcastle Street Pty Ltd*	50.00%	164,157	194	164,351
36 Chester Avenue Pty Ltd	50.00%	1,448	10,207,088	10,208,536
Rowe Avenue Pty Ltd	50.00%	12,031,871	3,758,999	15,790,870
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	41,772,976	5,633,987	47,406,963
Roydhouse Street Subiaco Pty Ltd	50.00%	45,991,263	-	45,991,263
647 Murray Street Pty Ltd	50.00%	13,970	13,513,762	13,527,732
Finbar Sub 5050 Pty Ltd	50.00%	57	332	389
		100,011,380	33,114,362	133,125,742

Equity Accounted Investees Liabilities

2015	Ownership	Current Liabilities	Non-current Liabilities	Total Liabilities
		$	$	$
185 Swansea Street Pty Ltd*	50.00%	7,478	-	7,478
375 Hay Street Pty Ltd*	50.00%	1	-	1
406 & 407 Newcastle Street Pty Ltd*	50.00%	1	-	1
36 Chester Avenue Pty Ltd	50.00%	2,981	10,243,028	10,246,009
Rowe Avenue Pty Ltd	50.00%	4,504,374	384,091	4,888,465
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	47,465,037	840,799	48,305,836
Roydhouse Street Subiaco Pty Ltd	50.00%	30,779,598	709,487	31,489,085
647 Murray Street Pty Ltd	50.00%	847	13,486,911	13,487,758
Finbar Sub 5050 Pty Ltd	50.00%	-	1,162	1,162
		82,760,317	25,665,478	108,425,795

Profit/(Loss) Before Income Tax Recognised from Equity Accounted Investees

2014	Ownership	Revenues	Expenses	Profit/(Loss) before income tax
		$	$	$
22 Plain Street Pty Ltd*	50.00%	-	151	(151)
143 Adelaide Terrace Pty Ltd*	50.00%	-	480	(480)
185 Swansea Street Pty Ltd*	50.00%	3,358,000	2,917,216	440,784
375 Hay Street Pty Ltd*	50.00%	8,842	6,295	2,547
406 & 407 Newcastle Street Pty Ltd*	50.00%	-	(34,105)	34,105
701 Wellington Street Pty Ltd* (De-registered)	50.00%	-	4,672	(4,672)
36 Chester Avenue Pty Ltd	50.00%	-	10,093	(10,093)
Rowe Avenue Pty Ltd	50.00%	-	251,709	(251,709)
Lot 1001-1003 Rowe Avenue Pty Ltd	50.00%	-	892,056	(892,056)
Roydhouse Street Subiaco Pty Ltd	50.00%	-	1,160,509	(1,160,509)
647 Murray Street Pty Ltd	50.00%	-	(195,343)	195,343
Finbar Sub 5050 Pty Ltd	50.00%	-	270	(270)
		3,366,842	5,014,003	(1,647,161)

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15 Investments in Equity Accounted Investees (continued)

Profit/(Loss) Before Income Tax Recognised from Equity Accounted Investees

		Revenues	Expenses	Profit/(Loss) before income tax
		$	$	$
2015	**Ownership**			
185 Swansea Street Pty Ltd*	50.00%	630,000	574,519	55,481
375 Hay Street Pty Ltd*	50.00%	(17,806)	3,070	(20,876)
406 & 407 Newcastle Street Pty Ltd*	50.00%	-	(3,037)	3,037
36 Chester Avenue Pty Ltd	50.00%	-	15,837	(15,837)
Rowe Avenue Pty Ltd	50.00%	85,218,030	68,456,466	16,761,564
Lot 1001 - 1003 Rowe Avenue Pty Ltd	50.00%	-	392,733	(392,733)
Roydhouse Street Subiaco Pty Ltd	50.00%	102,431,137	80,526,094	21,905,043
647 Murray Street Pty Ltd	50.00%	-	16,145	(16,145)
Finbar Sub 5050 Pty Ltd	50.00%	-	404	(404)
		188,261,361	149,982,231	38,279,130

* Equity Accounted Investees entered into with Wembley Lakes Estates Pty Ltd. John Chan and Darren John Pateman have interests in but not control of Wembley Lakes Estates Pty Ltd.

16 Other Assets

	2015 $	2014 $
Current		
Capitalised lease incentives	232,290	352,454
Total Current Other Assets	232,290	352,454
Non Current		
Establishment Fees	-	28,682
Capitalised lease incentives	491,906	1,924,014
Total Non Current Other Assets	491,906	1,952,696

17 Tax Assets and Liabilities

The current tax liability for the Group of $4,245,964 (2014: $13,500,733) 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		Net	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Inventories	-	-	(4,959,239)	(7,913,668)	(4,959,239)	(7,913,668)
Interest bearing loans and borrowings	929,769	643,437	-	-	929,769	643,437
Revaluation of investment property	-	-	(3,062,248)	(7,180,402)	(3,062,248)	(7,180,402)
Other items	448,178	804,143	(46,524)	(668,865)	401,654	135,278
Tax value of carry-forward losses recognised	1,587,721	2,483,427	-	-	1,587,721	2,483,427
Tax assets/(liabilities)	2,965,668	3,931,007	(8,068,011)	(15,762,935)	(5,102,343)	(11,831,928)
Set off of tax	(2,965,668)	(3,931,007)	2,965,668	3,931,007	-	-
Net Tax Liabilities	-	-	(5,102,343)	(11,831,928)	(5,102,343)	(11,831,928)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

17 Tax Assets and Liabilities (continued)

Movement in Temporary Differences During the Year

	Balance 1 July 2013	Recognised in Profit or Loss	Recognised in Equity	Balance 30 June 2014
	$	$	$	$
Inventories	11,128,229	(3,214,561)	-	7,913,668
Interest bearing loans and borrowings	(3,048,881)	2,405,444	-	(643,437)
Revaluation of investment property	6,926,842	253,560	-	7,180,402
Other items	(437,988)	161,681	141,029	(135,278)
Tax value of carry-forward losses recognised	(5,374,484)	2,891,057	-	(2,483,427)
	9,193,718	2,497,181	141,029	11,831,928

	Balance 1 July 2014	Recognised in Profit or Loss	Recognised in Equity	Balance 30 June 2015
	$	$	$	$
Inventories	7,913,668	(2,954,429)	-	4,959,239
Interest bearing loans and borrowings	(643,437)	(286,332)	-	(929,769)
Revaluation of investment property	7,180,402	(4,118,154)	-	3,062,248
Other items	(135,278)	(370,145)	103,769	(401,654)
Tax value of carry-forward losses recognised	(2,483,427)	895,706	-	(1,587,721)
	11,831,928	(6,833,354)	103,769	5,102,343

18 Inventories

	2015	2014
	$	$
Current		
Work in progress	47,263,173	11,425,466
Completed stock	211,809	64,343,043
Total Current Inventories	47,474,982	75,768,509
Non Current		
Work in progress	26,097,480	11,771,124
Total Non Current Inventories	26,097,480	11,771,124

During the year ended 30 June 2015 work in progress recognised as cost of sales by the Group amounted to $59,457,823 (2014: $215,000,136).

19 Trade and Other Receivables

Current		
Other trade receivables	24,776,485	11,104,520
Total Current Trade and Other Receivables	24,776,485	11,104,520
Non Current		
Other receivables	14,470,394	9,109,544
Amounts receivable from equity accounted investees	28,343,476	36,999,890
Total Non Current Trade and Other Receivables	42,813,870	46,109,434

Other receivables include a secured interest bearing loan of $8.38 million with a 5 year term at bank business interest rates.
Amounts receivable from equity accounted investees bear interest at BBSY + 5.00%
The Group's exposure to credit risk and impairment losses to trade and other receivables are disclosed at Note 27.

20 Prepayments

Prepayment of operating expenses	465,053	-
Prepayment of sundry development expenses	41,792	92,044
Total Prepayments	506,845	92,044
Current	41,792	92,044
Non Current	465,053	-
	506,845	92,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

21a Cash and Cash Equivalents

	2015 $	2014 $
Bank balances	68,998,846	60,914,484
Cash and Cash Equivalents in the Statement of Cash Flows	68,998,846	60,914,484

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed at Note 27.

21b Reconciliation of Cash Flows from Operating Activities

Cash Flows from Operating Activities			
Profit for the year		26,118,797	40,814,102
Adjustments for:			
Depreciation and amortisation	14	546,186	444,703
Revaluation of investment property	8	2,004,508	(754,027)
Net financing (income)/expense	11	(1,675,653)	198,999
Share of net (profit)/loss of equity accounted investees		(13,394,563)	577,302
Loss on disposal of property, plant & equipment		-	582
Income tax expense	12	5,580,669	17,857,792
Operating Profit before Changes in Working Capital and Provisions		19,179,944	59,139,453
Change in trade and other receivables		(14,506,737)	8,239,885
Change in current inventories	18	28,293,527	104,051,355
Change in non-current inventories	18	(14,326,356)	(7,410,553)
Change in prepayments	20	(414,801)	288,908
Transferred from inventories to investment property	13	(50,695,374)	(11,120,972)
Transferred from inventories to property, plant & equipment	14	(1,817,046)	(818,126)
Change in provision for employee benefits	25	55,093	57,454
Change in trade and other payables	26	3,225,616	(21,326,566)
Cash (used in)/generated from Operating Activities		(31,006,134)	131,100,838
Interest paid		(4,141,441)	(8,175,150)
Income taxes paid		(21,439,529)	(10,710,723)
Net Cash (used in)/generated from Operating Activities		(56,587,104)	112,214,965

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.

22 Capital and Reserves

Share Capital

	Company Ordinary Shares 2015	2014
On issue at 1 July	227,018,204	218,006,169
Issued under Dividend Reinvestment Plan	2,633,397	4,012,035
Issued for cash	-	5,000,000
Issued under Director Share Plan	250,000	-
Bought back for cash	(731,624)	-
On Issue at 30 June - Fully Paid	229,169,977	227,018,204

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
For the Year Ended 30 June 2015

22 Capital and Reserves (continued)

Dividends

Dividends recognised in the current year by the Group are:

	Cents per Share	Total Amount $	Franked / Unfranked	Date of Payment
Dividends Paid During the Year 2015				
Interim 2015 ordinary	4.00	9,149,121	Franked	10 April 2015
Final 2014 ordinary	6.00	13,621,092	Franked	19 September 2014
Total Amount		22,770,213		
Dividends Paid During the Year 2014				
Interim 2014 ordinary	4.00	8,833,887	Franked	17 April 2014
Final 2013 ordinary	6.00	13,080,368	Franked	11 September 2013
Total Amount		21,914,255		

During the period a subsidiary paid dividends of $6,710,000 to minority shareholders.

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

After 30 June 2015 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 $	Franked / Unfranked	Date of Payment
Final 2015 ordinary	6.00	13,750,199	Franked	24 September 2015
Total Amount		13,750,199		

The financial effect of this dividend has not been brought to account in the financial statements for the financial year ended 30 June 2015 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 elected to reactivate the DRP in the 2011 financial year until further notice and as such the DRP will be active for the above mentioned dividend.

Dividend Franking Account	Company	
	2015 $	2014 $
30% franking credits available to shareholders of Finbar Group Limited for subsequent financial years	13,765,341	7,749,117

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 the balance sheet date but not recognised as a liability is to reduce it by $5,892,942 (2014: $5,837,611).

Nature and purpose of reserve

Asset revaluation reserve

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

23 Earnings per Share

Basic Earnings per Share

The calculation of basic earnings per share at 30 June 2015 was based on the profit attributable to ordinary shareholders of $26,186,811 (2014: $36,463,045) and a weighted average number of ordinary shares on issue during the year ended 30 June 2015 of 228,439,088 (30 June 2014: 221,954,749), calculated as follows:

	2015 $	2014 $
Profit Attributable to Ordinary Shareholders	26,186,811	36,463,045

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23 Earnings per Share (continued)

Weighted Average Number of Ordinary Shares

		2015	2014
Issued ordinary shares at 1 July		227,018,204	218,006,169
Effect of share issue - Dividend Reinvestment Plan	19 September 2014	1,130,251	-
Effect of share issue - Director Share Plan	28 October 2014	167,808	-
Effect of share buyback	2 March 2015	(49,681)	-
Effect of share buyback	3 March 2015	(29,817)	-
Effect of share buyback	4 March 2015	(9,659)	-
Effect of share buyback	5 March 2015	(15,041)	-
Effect of share buyback	6 March 2015	(2,066)	-
Effect of share issue - Dividend Reinvestment Plan	10 April 2015	262,037	-
Effect of share buyback	30 April 2015	(1,504)	-
Effect of share buyback	18 May 2015	(12,138)	-
Effect of share buyback	19 May 2015	(2,497)	-
Effect of share buyback	20 May 2015	(6,740)	-
Effect of share buyback	27 May 2015	(5,575)	-
Effect of share buyback	18 June 2015	(3,477)	-
Effect of share buyback	22 June 2015	(1,017)	-
Effect of share issue - Dividend Reinvestment Plan	11 September 2013	-	2,272,812
Effect of share issue	17 March 2014	-	1,438,356
Effect of share issue - Dividend Reinvestment Plan	17 April 2014	-	237,412
Weighted Average Number of Ordinary Shares at 30 June		228,439,088	221,954,749
Basic Earnings per Share (cents per share)		11.46	16.43

Diluted Earnings per Share

The calculation of diluted earnings per share at 30 June 2015 was based on the profit attributable to ordinary shareholders of $26,186,811 (2014: $36,463,045) and a weighted average number of ordinary shares on issue during the year ended 30 June 2015 of 228,439,088 (30 June 2014: 221,954,749), calculated as follows:

	2015	2014
Profit Attributable to Ordinary Shareholders (Diluted)	26,186,811	36,463,045
Weighted Average Number of Ordinary Shares (Diluted)		
Weighted Average Number of Ordinary Shares (Diluted) at 30 June	228,439,088	221,954,749
Diluted Earnings per Share (cents per share)	11.46	16.43

24 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 27.

	2015 $	2014 $
Current liabilities		
Commercial bills (Secured)	31,850,251	-
Total Current Interest Bearing Loans and Borrowings	31,850,251	-

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24 Loans and Borrowings (continued)

	2015	2014
Non-current liabilities	**$**	**$**
Commercial bills (Secured)	48,690,000	73,770,000
Shareholders loans to subsidiaries (Unsecured)	4,357,730	4,609,122
Total Non-current Interest Bearing Loans and Borrowings	53,047,730	78,379,122

Terms and debt repayment schedule			**2015**	**2014**
Terms and conditions of outstanding loans are as follows:			**$**	**$**
	Nominal Interest Rate	Financial Year of Maturity	Carrying Amount	Carrying Amount
Commercial bills (Secured)	BBSY+ 2.00%	2016	15,364,607	-
Commercial bills (Secured)	BBSY+ 2.00%	2016	13,485,644	-
Commercial bills (Secured)	BBSY+ 2.00%	2016	3,000,000	-
Current			31,850,251	-
Commercial bills (Secured)	5.66%	2016	-	43,770,000
Commercial bills (Secured)	BBSY+2.00%	2017	22,690,000	4,000,000
Commercial bills (Secured)	5.66%	2018	26,000,000	-
Commercial bills (Secured)	BBSY+1.25%	2018	-	26,000,000
Shareholder loans to subsidiaries (Unsecured)*	BBSY+5.00%	2016	-	4,609,122
Shareholder loans to subsidiaries (Unsecured)*	BBSY+6.00%	2017	2,783,640	-
Shareholder loans to subsidiaries (Unsecured)**		2017	350,690	-
Shareholder loans to subsidiaries (Unsecured)**		2018	1,223,400	-
Non Current			53,047,730	78,379,122

* These loans are from the non-controlling shareholder

** These are non interest bearing loans

Financing Arrangements

Bank overdrafts

Bank overdrafts of the Subsidiaries are secured by a registered mortgage debenture over the Controlled entity's assets and undertakings. Bank overdrafts are payable on demand and are subject to annual review.

Commercial bills

Commercial bills (refer Note 27) are denominated in Australian dollars.

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

Shareholder Loans

Shareholder Loans are repayable upon the completion of the project.

25 Employee Benefits

	2015	2014
	$	**$**
Current		
Liability for annual leave	52,114	33,499
Liability for long-service leave	85,147	-
	137,261	33,499
Non Current		
Liability for long-service leave	149,045	197,714

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26 Trade and Other Payables

	2015	2014
Current liabilities	**$**	**$**
Trade and other payables	14,401,165	10,481,723
Other payables and accrued expenses	879,460	1,573,286
Total Trade and Other Payables	15,280,625	12,055,009

At 30 June 2015, Consolidated trade and other payables include retentions of $184,041 (2014: $815,346) relating to construction contracts in progress.
The Group's exposure to liquidity risk related to trade and other payables is disclosed at Note 27.

27 Financial Instruments

Credit Risk

Exposure to Credit Risk

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

		Carrying Amount	
	Note	**2015**	**2014**
		$	**$**
Trade and other receivables - current	19	24,776,485	11,104,520
Trade and other receivables - non-current	19	42,813,870	46,109,434
Cash and cash equivalents	21a	68,998,846	60,914,484
		136,589,201	118,128,438

The Group's maximum exposure to credit risk for trade receivables at the reporting date by receivable category was:

Equity Accounted Investees	28,343,476	36,999,890
Working capital advances and bonds	1,975,503	772,283
Other receivables	14,470,394	9,109,104
GST refunds due and other trade debtors	22,800,982	10,332,677
	67,590,355	57,213,954

Impairment Losses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

27 Financial Instruments (continued)

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 2015				
	Note	Carrying Amount	Contractual Cash Flows	1 Year or Less	1-3 Years	More than 3 Years
Non-derivative Financial Liabilities		$	$	$	$	$
Secured bank loans:						
Commercial bills	24	80,540,251	87,838,545	34,733,481	53,105,064	-
Shareholder Loans	24	4,357,730	4,858,785	167,018	4,691,767	-
Trade and other payables	26	15,280,625	15,280,625	15,280,625	-	-
		100,178,606	107,977,955	50,181,124	57,796,831	-

		30 June 2014				
		Carrying Amount	Contractual Cash Flows	1 Year or Less	1-3 Years	More than 3 Years
Non-derivative Financial Liabilities		$	$	$	$	$
Secured bank loans:						
Commercial bills	24	73,770,000	81,326,499	3,714,282	77,612,217	-
Shareholder Loans	24	4,609,122	5,313,566	355,133	4,958,433	-
Trade and other payables	26	12,055,009	12,055,009	12,055,009	-	-
		90,434,131	98,695,073	16,124,424	82,570,651	-

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	
	2015	2014
Variable Rate Instruments	$	$
Financial Assets	97,342,322	97,914,374
Financial Liabilities	(84,897,981)	(78,379,122)
	12,444,341	19,535,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

27 Financial Instruments (continued)

Interest Rate Risk (continued)

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates would have (decreased)/increased the Group's equity and profit or loss by the amounts shown below. This analysis assumes that all variables remain constant. The analysis is on the same basis for 2014.

	Profit or Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
30 June 2015	**$**	**$**	**$**	**$**
Variable rate instruments	(938,027)	938,027	(938,027)	938,027

	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
30 June 2014	**$**	**$**	**$**	**$**
Variable rate instruments	(1,179,101)	1,179,101	(1,179,101)	1,179,101
	(1,179,101)	1,179,101	(1,179,101)	1,179,101

Fair Values

Fair Values Versus Carrying Amounts

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

	Fair Values	
	2015	2014
	$	$
Trade and other receivables	67,590,355	57,213,954
Cash and cash equivalents	68,998,846	60,914,484
Secured bank loans	(80,540,251)	(73,770,000)
Unsecured shareholder loans	(4,357,730)	(4,609,122)
Trade and other payables	(15,280,625)	(12,055,009)

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

Loans and receivables, payables and deferred income

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

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

Cash and short term deposits

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

Bank loans

The carrying amount is a reasonable approximation of fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

28 Operating Leases

	Note	2015 $	2014 $
Leases as Lessor			
The Group leases out its investment properties held under operating leases.			
Rental income received from investment property		15,023,526	13,569,804
Other rental property income received		267,376	-
	7	15,290,902	13,569,804
Future minimum lease payments			
At 30 June, the future minimum lease payments under non-cancellable leases are receivable as follows:			
Less than one year		6,576,362	11,916,313
Between one and five years		14,740,325	42,304,521
More than 5 years		-	13,925,817
		21,316,687	68,146,651

29 Capital and Other Commitments

	2015 $	2014 $
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	103,220,462	47,028,408
Later than one year	39,536,669	-
Total Property Development Commitments	142,757,131	47,028,408
Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	9,848,004	80,987,908
Total Property Development Commitments - Equity Accounted Investees	9,848,004	80,987,908
Group's Share of Property Development - Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	4,924,002	40,493,954
Total Share of Property Development Commitments - Equity Accounted Investees	4,924,002	40,493,954
Group's Property Development Commitments including Equity Accounted Investees		
Contracted but not provided for and payable:		
Within one year	108,144,464	87,522,362
Later than one year	39,536,669	-
Total Property Development Commitments including Equity Accounted Investees	147,681,133	87,522,362

30 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.

	2015 $	2014 $
Guarantees		
The Company has guaranteed the bank facilities of certain equity accounted joint investees	5,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

31 Related Parties

	2015	2014
	$	$
The key management personnel compensation included in 'personnel expenses' is as follows:		
Short term employee benefits	3,424,790	3,428,981
Other long term benefits	41,133	37,784
Post employment benefits	117,918	106,786
Employee benefits	3,583,841	3,573,551

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 6 to 9.

On 29th October 2014, 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 $360,000 which is repayable by 27th October 2019. The related benefit is disclosed on table 4.3.2 on page 8.

Apart from the details disclosed in this note and in note 15, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Identity of Related Parties

The Group has a related party relationship with certain equity accounted investees (see Note 15) and with the Group's key management personnel.

Other Related Party Transactions

Equity Accounted Investees

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

	2015	2014
	$	$
As at 30 June the balance of these loans were as follows:		
36 Chester Avenue Pty Ltd	4,197,639	3,727,627
Rowe Avenue Pty Ltd	-	14,208,438
Roydhouse Street Subiaco Pty Ltd	7,232,115	11,211,017
Lot 1001 - 1003 Rowe Avenue Pty Ltd	10,782,642	2,159,255
647 Murray Street Pty Ltd	6,130,368	5,692,868
Finbar Sub 5050 Pty Ltd	712	685
	28,343,476	36,999,890

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

32 Group Entities

	Country of Incorporation	Shareholding /Unit Holding	Ownership Interest	
		$	2015	2014
Parent Company				
Finbar Group Limited				
Subsidiaries				
1 Mends Street Pty Ltd	Australia	1	100%	100%
17 Sunlander Drive Pty Ltd	Australia	1	100%	100%
31 Rowe Avenue Pty Ltd	Australia	1	100%	100%
43 McGregor Road Pty Ltd	Australia	1	100%	100%
52 Mill Point Road Pty Ltd	Australia	1	100%	100%
59 Albany Highway Pty Ltd	Australia	11	68.75%	68.75%
63 Adelaide Terrace Pty Ltd (formerly Finbar Sub 101 Pty Ltd)	Australia	1	100%	100%
88 Terrace Road Pty Ltd	Australia	1	100%	100%
96 Mill Point Road Pty Ltd	Australia	1	100%	100%
172 Railway Parade West Leederville Pty Ltd	Australia	1	100%	100%
175 Adelaide Terrace Pty Ltd	Australia	1	100%	100%
208 Adelaide Terrace Pty Ltd	Australia	6	60%	60%
239 Great Eastern Highway Pty Ltd	Australia	1	100%	100%
241 Railway Parade Pty Ltd	Australia	1	100%	100%
262 Lord Street Perth Pty Ltd	Australia	1	100%	100%
269 James Street Pty Ltd	Australia	1	100%	100%
280 Lord Street Perth Pty Ltd	Australia	1	100%	100%
Finbar Finance Pty Ltd	Australia	1	100%	100%
Finbar Fund Limited	Australia	1	100%	100%
Finbar Funds Management Pty Ltd	Australia	1	100%	100%
Finbar Karratha Pty Ltd	Australia	1	100%	100%
Finbar Port Hedland Pty Ltd	Australia	1	100%	100%
Finbar Project Management Pty Ltd	Australia	2	100%	100%
Finbar Property Trust	Australia	100	100%	100%
Finbar Sub 100 Pty Ltd	Australia	1	100%	100%
Finbar Sub 103 Pty Ltd	Australia	1	100%	100%
Lake Street Pty Ltd	Australia	1	100%	100%
Lot 1 to 10 Whatley Crescent Pty Ltd	Australia	1	100%	100%
		143		
Subsidiaries of Subsidiaries				
59 Albany Highway Joint Venture Pty Ltd	Australia	130	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 30 June 2015

33 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.

34 Auditors' Remuneration

	2015	2014
	$	$
Audit Services:		
Auditors of the Group		
Audit and review of the financial reports	185,500	178,400
Audit and review of the financial reports of equity accounted investees	21,600	-
	207,100	178,400
Services other than Statutory Audit:		
Taxation compliance services	14,000	14,000
Accounting advice	9,000	10,200
	23,000	24,200

35 Parent Entity Disclosures

As at, and throughout the financial year ending 30 June 2015 the parent company of the Group was Finbar Group Limited.

Result of the Parent Entity	2015	2014
	$	$
Profit for the year	46,664,020	4,890,676
Total Comprehensive Income for the Year	46,664,020	4,890,676
Financial Position of the Parent Entity		
Current Assets	41,765,592	23,955,747
Total Assets	190,973,410	167,168,066
Current Liabilities	1,248,075	3,790,192
Total Liabilities	1,957,807	5,114,999
Total Equity of the Parent Entity comprising of:		
Share capital	154,756,598	151,687,870
Retained earnings	34,259,007	10,365,200
Total Equity	189,015,605	162,053,070

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

Directors' Declaration

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

a) The consolidated financial statements and notes that are contained in Pages 21 to 48 and the Remuneration report in the Directors' report, set out on Pages 6 to 9, 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 2015 and of its performance for the year ended on that date; and

ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2015.

3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which contains a statement of compliance with International Financial Reporting Standards.

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



Darren Pateman
Managing Director

Dated at Perth this Twenty Sixth day of August 2015.

Independent auditor's report to the members of Finbar Group Limited

Report on the financial report

We have audited the accompanying financial report of Finbar Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, and 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 ended on that date, Notes 1 to 35 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is 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 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in Section 4.3 of the directors' report for the year ended 30 June 2015. 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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Finbar Group Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Denise McComish
Partner

Perth

26 August 2015

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 for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Denise McComish
Partner

Perth

26 August 2015

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

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 2015)

Substantial Shareholders

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

Shareholder Name	Number	%
Chuan Hup Holdings Limited	41,257,796	18.00
HSBC Custody Nominees (Australia) Limited	34,243,432	14.94
Zero Nominees Pty Ltd	11,881,243	5.18

Voting rights

Ordinary shares

Refer to Note 22 in the Notes to the Financial Statements.

Distribution of Equity Security Holders

Range	Number of Holders	Ordinary Shares
1-1,000	417	168,195
1,001-5,000	741	2,267,780
5,001-10,000	479	3,767,371
10,001-100,000	796	22,155,861
100,001-over	115	200,810,770
	2,548	229,169,977

The number of shareholders holding less than a marketable parcel of ordinary shares is 228.

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.

Twenty Largest Shareholders:

	Number of Ordinary Shares Held	%
Chuan Hup Holdings Limited	41,257,796	18.00
HSBC Custody Nominees (Australia) Limited	34,243,432	14.94
Zero Nominees Pty Ltd	11,881,243	5.18
Blair Park Pty Ltd	9,802,458	4.28
JP Morgan Nominees Australia Limited	8,776,859	3.83
Rubi Holdings Pty Ltd	7,950,000	3.47
Apex Investments Pty Ltd	5,280,584	2.30
Mrs Siew Eng Mah	5,091,662	2.22
Hanssen Pty Ltd	5,000,000	2.18
Forward International Pty Ltd	4,536,184	1.98
Mr James Chan	4,301,465	1.88
3rd Wave Investors Ltd	3,370,000	1.47
Mr Wan Kah Chan & Mrs Mui Tee Chan	3,358,350	1.47
Mr Ah-Hwa Lim	3,151,445	1.38
National Nominees Limited	3,010,933	1.31
Citicorp Nominees Pty Limited	2,996,942	1.31
Baguio International Limited	2,879,344	1.26
Milton Corporation Limited	2,782,249	1.21
Mr Guan Seng Chan	2,534,191	1.11
HSBC Custody Nominees (Australia) Limited	2,485,217	1.08
Top 20	164,690,354	71.86

ASX Additional Information (continued)

Offices and Officers

Directors

Mr John Chan (Executive Chairman)
Mr Darren John Pateman (Managing Director)
Mr John Boon Heng Cheak
Mr Kee Kong Loh
Mr Lee Verios

Company Secretary

Mr Anthony David Hewett

Principal Registered Office

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Share Registry

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45 St Georges Terrace
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Telephone: +61 8 9323 2000

Auditors

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PERTH WA 6000