CORPORATE DIRECTORY

DIRECTORS:	Alan W Stirling (Chairman, Managing Director) Danny W Murphy (Non-Executive Director) David S Rowe (Non-Executive Director)
COMPANY SECRETARY:	Danny W Murphy
OFFICE:	Level 2 1060 Hay Street WEST PERTH WA 6005
AUDITORS:	BDO Level 9, Mia Yellagonga Tower 2 5 Spring Street PERTH WA 6000
SHARE REGISTRY:	Computershare Investor Services Pty Limited Level 11 172 St Georges Terrace PERTH WA 6000
SOLICITORS:	Herbert Smith Freehills QV1 Building 250 St Georges Terrace PERTH WA 6000
BANKERS:	Bankwest Level 11B 300 Murray Street PERTH WA 6005
PROJECT MANAGER:	LWP Alkimos Pty Ltd Level 2 1060 Hay Street WEST PERTH WA 6005

Contents

General Information:

Registered Office

Northern Corridor Developments Ltd
Level 2, 1060 Hay Street
West Perth WA 6005
Phone: 08 9226 2812
Email: info@northerncorridor.com.au

Postal Address:

Northern Corridor Developments Ltd
PO Box 7568
Cloisters Square WA 6850

Enclosed:

Notice of Annual General Meeting and Proxy Form.

CHAIRMAN’S REPORT

It is with pleasure that I present your Company’s 2022 Annual Report and Annual Accounts and the Notice of Meeting for the Annual General Meeting to be held on Friday 18 November 2022.

The 2021/2022 financial year saw the emergence of significant challenges for not only the national and international economies but also for the local new land and housing market; the increases in interest rates and home building costs and general cost of living pressures are negatively impacting consumer sentiment and supply chain issues continue to affect both the time and cost of civil construction.

Against this background, we are pleased to advise that Trinity has performed well with 145 sales and 138 settlements. The product delivery strategy combined with broadly based marketing programmes have facilitated an increase in market share in Perth’s most competitive growth corridor.

As a result, fully franked dividends totaling $2/share were paid during the year and a further $1/share is to be paid by November 2022.

The challenging conditions, however, demand a cautious outlook for at least another 12 to 18 months.

Sales activity is now principally focused on the project’s third village ‘Aura’, located west of Marmion Avenue. In addition to the remaining 470 lots to be developed, Directors and the project managers are focused on the development and sale of the commercial sites located on Marmion Avenue and the soon to be completed Romeo Road. One site has now been sold and is due to settle in October 2022 and a further two sites are under active consideration with potential purchasers.

The major items of transport infrastructure now nearing completion (Mitchell Freeway/Romeo Road extension and rail extension to Yanchep) will underpin demand for these sites.

Notwithstanding the short term challenges, the Directors consider that the medium term outlook remains positive as interest rates stabilise, supply chain issues subside and post-covid population growth emerges.

Alan W Stirling
Chairman

October 2022

trinity

- Trinity is located in one of WA's fastest growing corridors.
- Butler Train Station is 500m south with another planned 500m to the north.
- Alkimos Primary School is located within Trinity and a new district high school has just opened.
- Trinity Village Centre is now open.
- The Mitchell Freeway extension now means Trinity is even more connected.
- Alkimos Regional Centre will be located just north of Trinity.
- Only 15 mins from Lakeside Joondalup.
- A multitude of beaches are located right on Trinity's doorstep.

DIRECTORS' REPORT

Your Directors present their report on Northern Corridor Developments Ltd ("the Company") for the financial year ended 30 June 2022.

Directors
The following persons were Directors of the company at anytime during or since end of the financial year:

Alan W Stirling (Managing Director & Chairman)
Danny W Murphy
David S Rowe.

Company Secretary
Danny W Murphy held the position of Company Secretary.

Indemnifying officers or auditor
No indemnities have been given, during or since the financial year, for any person who is or has been an officer or auditor of the Company. Insurance premiums were paid during the financial year for management liability insurance. The premiums have not been disclosed as it is subject to the confidentiality provisions of the insurance policy.

Environmental issues
The Company has a formal agreement with the Department of Sustainability, Environment, Water, Population and Communities with respect to the management of the Carnaby Cockatoo habitat on its land at Alkimos.

Principal activities
The principal activity of the Company is to provide investors with the opportunity of investment in a parcel of land at Alkimos, which is part of the urban development of metropolitan Perth.

No significant change in the nature of this activity occurred during the year.

The Company returned a profit after tax for the year of $4,530,736 (2021: $5,451,491) due to the continual selling activities at Alkimos during the financial year.

After balance date events
The Directors are not aware of any matters or circumstances that have arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

The directors have resolved to pay a $1.00 per share fully franked dividend to all shareholders in November 2022subject to Bank approval.

Operating results
The profit of the Company for the financial year after providing for income tax amounted to $4,530,736 (2021: $5,451,491).

Net Tangible Assets (Statutory and Valuation)
The Statutory Net Tangible Asset (NTA) per share represents the net tangible assets at year-end inclusive of inventory at cost divided by the number of shares on issue.

The Valuation Net Tangible Asset (NTA) represents the net tangible asset at year-end inclusive of the inventory at the latest market valuation (adjusted for settlements, development costs and titled stock between the date of valuation and period end), divided by the number of shares on issue.

We confirm that the most recent market valuation was undertaken in September 2022.

Unaudited NTA – Statutory (per share) at 30 June 2022 is $7.78 (2021 $8.50)
Unaudited NTA – Valuation (per share) at 30 June 2022 is $11.81 (2021 $11.32)

Note: The above unaudited NTA are provided for general information and should not be relied upon for decision making. The NTA should never be relied upon as being indicative of share market value. Market values are influenced by a multitude of factors and by agreement between a willing seller and buyer. The Company is not licenced to provide a market valuation for its shares.

Whilst every care has been taken in providing the NTA information, neither Northern Corridor Developments Ltd, nor any of the Directors, or it's servants, accepts any responsibility whatsoever in any way to any person in respect of such information.

Proceedings on behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Future development, prospects and business strategies
It is the intention of the Directors that the Company continues to develop its land at Alkimos and also continues sales activities.

Meetings of Directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Meetings eligible to attend	Meetings Attended
Mr A W Stirling	12	12
Mr D S Rowe	12	12
Mr D W Murphy	12	11

Significant changes in state of affairs
No significant changes in the Company's state of affairs occurred during the financial year.

Options
No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page and forms part of this Directors' report.

Dividends paid
A fully franked dividend of $7,184,116, (2021: $2,155,235) was paid during the financial year.

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

A W Stirling
Managing Director

13 October 2022

BDO

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5 Spring Street
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Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF NORTHERN CORRIDOR DEVELOPMENTS LTD

As lead auditor of Northern Corridor Developments Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth

13 October 2022

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
REVENUE			
Sales revenue	2	28,245,343	33,802,608
Other Income		13,051	66,023
Cost of Goods Sold		(15,611,821)	(18,868,049)
Gross Profit		12,646,573	15,000,582
EXPENSES			
Rates & taxes expense		(2,367,986)	(3,102,519)
Employee benefits expense	4	(264,000)	(267,035)
Depreciation and amortisation expense	3	(1,505)	(7,280)
Finance costs	3	(618,777)	(747,528)
Project management & selling commission expenses		(1,909,721)	(2,288,251)
Estate Maintenance		(622,902)	(509,080)
Advertising & Marketing		(376,688)	(394,870)
Planning & Technical		(207,609)	(261,239)
Other operating expenses		(346,761)	(283,572)
Profit before income tax (expense) / benefit		5,930,624	7,139,208
Income tax (expense) / benefit	23	(1,399,888)	(1,687,717)
Profit after income tax (expense) / benefit for the year attributable to the members of Northern Corridor Developments Ltd		4,530,736	5,451,491
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Northern Corridor Developments Ltd.		4,530,736	5,451,491
Basic earnings per share (dollars per share)	6	1.26	1.52

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	7	1,867,715	838,638
Inventories	8	11,551,520	11,742,464
Tax receivables	10	13,341	-
Other current assets	11	894,776	8,557
Total current assets		14,327,352	12,589,659
NON CURRENT ASSETS			
Inventories	9	29,357,629	32,571,306
Other non-current assets	12	48,321	20,044
Property, plant and equipment	13	4,636	4,069
Total non-current assets		29,410,586	32,595,419
TOTAL ASSETS		**43,737,938**	**45,185,078**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	4,375,253	6,938,726
Tax Liabilities	15	173,839	560,973
Total current liabilities		4,549,092	7,499,699
NON CURRENT LIABILITIES			
Financial liabilities	24	8,250,000	3,500,000
Deferred tax liabilities	16	2,988,577	3,638,920
Total non-current liabilities		11,238,577	7,138,920
TOTAL LIABILITIES		**15,787,669**	**14,638,619**
NET ASSETS		**27,950,269**	**30,546,459**
EQUITY			
Issued capital	17	17,375,740	17,375,740
Reserves	18	3,713,839	4,232,074
Retained earnings		6,860,690	8,938,645
TOTAL EQUITY		**27,950,269**	**30,546,459**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital	Reserves	Retained Earnings	Total equity
	$	$	$	$
Balance at 1 July 2020	17,375,740	4,753,620	4,462,878	26,592,238
Profit after income tax expense for the year	-	-	5,451,491	5,451,491
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	5,451,491	5,451,491
		-	-	-
Transactions with members in their capacity as members:				
Change in company tax rate	-	247,814	-	247,814
Movement in asset revaluation reserve	-	(769,360)	769,360	-
Movement in retained earnings (refer note 18)	-	-	410,151	410,151
Dividends paid	-	-	(2,155,235)	(2,155,235)
Balance at 30 June 2021	17,375,740	4,232,074	8,938,645	30,546,459
Balance at 1 July 2021	17,375,740	4,232,074	8,938,645	30,546,459
Profit after income tax expense for the year	-	-	4,530,736	4,530,736
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with members in their capacity as members:				
Change in company tax rate	-	57,190	-	57,190
Movement in Asset Revaluation Reserve	-	(575,425)	575,425	-
Dividends paid	-	-	(7,184,116)	(7,184,116)
Balance at 30 June 2022	17,375,740	3,713,839	6,860,690	27,950,269

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		28,128,801	33,948,565
Payments to suppliers and employees		(21,950,846)	(23,195,046)
		6,177,955	10,753,519
Other Revenue		13,051	28,523
Government Grants		-	37,500
Interest paid		(345,767)	(363,058)
Income taxes paid		(2,379,975)	(777,379)
Net cash from (used in) operating activities	19	3,465,264	9,679,105
Cash flows from financing activities			
Proceeds from borrowings		4,750,000	8,450,000
Dividends paid		(7,184,116)	(2,155,235)
Repayment of borrowings		-	(15,600,000)
Net cash from / (used in) financing activities		(2,434,116)	(9,305,235)
Cash flows from investing activities			
Payments for plant & equipment		(2,072)	(4,950)
Net cash from / (used in) investing activities		(2,072)	(4,950)
Net increase / (decrease) in cash and cash equivalents		1,029,076	368,920
Cash and cash equivalents at the beginning of the financial year		838,639	469,719
Cash and cash equivalents at the end of the financial year	7	1,867,715	838,639

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

30 June 2022

Note 1. Statement of significant accounting policies

Simplified disclosure

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Northern Corridor Developments Ltd (the "Company") as an individual entity. Northern Corridor Developments Ltd is a Company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented herein and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The accounting policies that have been adopted in the preparation of this financial report are as follows:

This financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this financial report.

Notes to the Financial Statements
30 June 2022

Note 1. Statement of significant accounting policies (continued)

a. Income tax

The income tax expense (revenue) for the year comprises of current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Notes to the Financial Statements
30 June 2022

Note 1. Statement of significant accounting policies (continued)

b. Inventories

The inventories are stated at the lower of cost and net realisable value.

c. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Plant and Equipment	5-15%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Notes to the Financial Statements
30 June 2022

Note 1. Statement of significant accounting policies (continued)

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

d. Financial Instruments

Recognition and derecognition
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets.
After initial recognition, financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of financial assets
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Recognition of credit losses is no longer dependant on the Company first identifying a credit loss event, instead the Company considers a broad range of information to assess credit risk.

Loans & receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements
30 June 2022

Note 1. Statement of significant accounting policies (continued)

e. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

f. Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g. Revenue

Revenue arises mainly from land sales. To determine whether to recognise revenue, the Company follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

The Company into transactions in which the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Land Sales
Proceeds from land sales are recognised at the point in time when settlement of the contract (up to and including 30 June), occurs and control over the property has passed to the customer.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Notes to the Financial Statements
30 June 2022

Note 1. Statement of significant accounting policies (continued)

i. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j. Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

The recognition of costs for land, infrastructure, rates & taxes and interest in the statement of comprehensive income is made on a pro rata revenue basis by reference to the total estimate for project revenue at the time of the allocation.

Income Tax
The tax liability figures noted in the report are based on estimates and will be finalised upon lodgement of the 2022 tax return.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

k. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

l. New and revised standards that are effective for these financial statements

The AASB has issued a number of new and revised Accounting Standards and Interpretations that are effective for annual periods beginning on after 1 July 2021.

Notes to the Financial Statements
30 June 2022

Accounting standards issued but not yet effective and not early adopted by the Company

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Company. The new and amended standards that are relevant to the Company are listed below:

- AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.
- AASB 2020-2 – Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 2020-3 – Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2021-2 – Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.
- AASB 2021-5 – Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The Company has decided not to early adopt any of the above new and amended pronouncements. When these new Standards are adopted, they are not expected to have material impact on the Company.

Statement of compliance
Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Directors on 13 October 2022.

Notes to the Financial Statements
30 June 2022

Note 2. Revenue

	2022 $	2021 $
Operating Activities		
Sales Revenue	28,245,343	33,802,608
Other Income	13,051	66,023
Total Revenue	28,258,394	33,868,631
a) Other income from		
Forfeited purchaser deposits	13,051	28,523
Government Grants	-	37,500
	13,051	66,023

All revenue is recognised at a point in time net of GST and derived in Australia

Note 3. Results for the year

	2022 $	2021 $
a) Operating Activities		
Interest expense for financial liabilities	588,732	738,971
Borrowing cost expense	30,045	8,557
	618,777	747,528
Depreciation of plant and equipment	1,505	7,280
	1,505	7,280

Note 4. Key management personnel disclosures

a) The key management personnel compensation included within employee expenses is:

	Salary fees & commissions	Superannuation	Other	Total
2021				
Total compensation	243,868	23,167	-	267,035
2022				
Total compensation	240,000	24,000	-	264,000

Notes to the Financial Statements
30 June 2022

Note 4. Key management personnel disclosures (continued)

b) Directors Shareholding

	Balance at 30 June 2022 No.	Balance at 30 June 2021 No.
Mr M Burton * **	-	8,001
Mr D Rowe*	-	-
Mr D W Murphy *	165,329	165,829
Mr A W Stirling *	80,249	74,249
Total ordinary shareholdings	245,578	248,079

*Amount includes all related party holdings associated with the Directors.

** Mr M Burton resigned on30 June 2021.

c) Compensation practices

The Company's policy in determining the nature and amount of the emoluments of board members and senior executives is as follows:

The compensation structure of key management personnel is based on a number of factors, including length of service and particular experience of the individual concerned and overall performance of the Company. The contracts of service between the Company and the Directors, is on a continuing basis the terms of which are not expected to change in the immediate future. The remuneration arrangements are based on the key management personnel's ongoing responsibilities of managing the Company as a Company to be actively engaged in land development.

Note 5. Remuneration of auditors

Remuneration of the auditor of the Company and for the former auditor of the company for::

	2022 $	2021 $
Remuneration of the auditor of the Company for:		
Audit and review of the financial statements – BDO	37,494	30,000
Audit and review of the financial statements – Grant Thornton	-	33,223
Tax advisory and compliance – Grant Thornton	23,275	3,900
	60,769	**67,123**

Notes to the Financial Statements
30 June 2022

Note 6. Earnings per share

	2022 $	2021 $
Profit after income tax	4,530,736	5,451,491
Weighted average number of shares on issue during the year	3,592,058	3,592,058
Earnings per share (dollars per share)	1.26	1.52

Note.7. Current assets – Cash and cash equivalents

	2022 $	2021 $
Cash at bank	1,867,715	838,638

The effective interest rate on short-term bank balances was 0.00% (2020: 0.00%).

The Company has bank guarantees of $662,749 (2021: $1,522,083) in relation to performance bonds held by the City of Wanneroo for completion of required subdivision works. These bonds are refunded after conclusion of the work.

Note 8. Current assets – Inventories

	2022 $	2021 $
Current		
Cost of Acquisitions	1,125,161	1,160,072
Capitalised development costs	6,529,814	7,007,062
Titled stock on hand	3,896,545	3,575,330
	11,551,520	11,742,464

In 2022, a total of $15,611,821 of inventories was included in profit and loss as an expense (2021: $18,868,049)

Notes to the Financial Statements
30 June 2022

Note 9. Non-current assets – Inventories

	2022	Restated 2021
	$	$
Cost of Acquisitions	6,600,000	7,744,560
Capitalised Development Costs	22,757,629	24,826,746
	29,357,629	32,571,306

Note. 10. Current assets – Tax Receivables

	2022	2021
	$	$
GST receivable	13,341	-
	13,341	-

Note. 11. Current assets – Other current assets

	2022	2021
	$	$
Cash bonds	865,616	-
Prepaid expenses	29,160	8,557
	894,776	8,557

Note. 12. Non-current assets – Other non-current assets

	2022	2021
	$	$
Cash bonds	20,044	20,044
Prepaid expenses	28,277	-
	48,321	20,044

Notes to the Financial Statements
30 June 2022

Note. 13 Non-current assets – Property, plant and equipment

	2022 $	2021 $
Building – at cost	387,884	387,884
Less: Accumulated depreciation	(387,884)	(387,884)
	-	-
Plant and equipment – at cost	7,022	4,950
Less: Accumulated depreciation	(2,386)	(881)
	4,636	4,069
	4,636	4,069

	Buildings $	Plant & Equipment $	Total $
Balance at 30 June 2020	6,399	-	6,399
Additions		4,950	4,950
Depreciation expense /Loss on Disposal	(6,399)	(881)	(7,280)
Balance at 30 June 2021	-	4,069	4,069
Additions		2,072	2,072
Depreciation expense /Loss on Disposal	-	(1,505)	(1,505)
Balance at 30 June 2022	-	4,636	4,636

Note. 14. Current Liabilities – Trade and other payables

	2022 $	2021 $
Sundry payables and accrued expenses	-	4,500
Trade payables	-	605,646
GST Payable	-	61,083
Retentions	19,698	-
Provision for subdivision costs	4,355,555	6,267,497
	4,375,253	6,938,726

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements
30 June 2022

Note 15. Non–current liabilities – tax liabilities

	2022	2021
	$	$
Provision for income tax	173,839	560,973

Note 16. Non–current liabilities – Deferred tax liabilities

	2022	Restated 2021
	$	$
Deferred tax liability	2,988,577	3,638,920

Deferred tax liability comprises temporary differences attributable to:

Amounts recognised in profit and loss		
Land Holding Costs	4,944,324	5,976,208
Capitalised Interest	2,053,562	2,296,547
Office Equipment	4,637	4,069
	7,002,523	8,276,824
Amounts recognised in equity		
Land Investments	4,951,785	5,719,020
	4,951,785	5,719,020
Total temporary differences	11,954,308	13,995,844
Deferred tax liability at tax rate applicable at end of the year	2,988,577	3,638,920

Note 17. Equity – Issued capital

	2022	2021	2022	2021
	Shares	Shares	$	$
Ordinary Shares – fully paid	3,592,058	3,592,058	17,375,740	17,375,740

Ordinary shares and the "A" class management share participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

The share capital of the Company is divided into ordinary shares and one "A" class management share. On a poll, the holder of the "A" class management share will be entitled to cast up to 50% of the total number of votes which may be cast and the holders of all the ordinary shares issued in the capital of the Company on the relevant date will be entitled to cast up to 50% of the total number of votes which may be cast. The "A" class management share is held by the estate of Norman M Kanair, a former Director of the Company.

Notes to the Financial Statements
30 June 2022

Note 17. Equity – Issued capital (continued)

Capital management
Management controls the capital of the Company in order to maintain a good debt to equity ratio, to provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. The gearing ratios for the year ended 30 June 2022 and 30 June 2021 are as follows:

	Note	2022 $	2021 $
Total borrowings	24	8,250,000	3,500,000
Trade and other payables	14	4,375,253	6,938,726
Less: Cash and cash equivalents	7	(1,867,715)	(838,638)
		10,757,538	**9,600,088**
Total equity		**27,950,271**	**30,546,549**
		%	**%**
Gearing ratio		38.48%	31.43%

In addition to the gearing ratio the Company monitors its ratio of debt to the market value of its land at Alkimos. For the year ended 30 June 2022 and 30 June 2021 the ratios are as follows :

	2022 $	2021 $
Net debt	8,250,000	3,500,000
Market value of land	55,377,025	54,434,780

The Market value of land reflects the security valuation of the land as at 30 June 2022 as provided to Bankwest and certified by the Directors. The calculation is based on the most current valuation held by the bank at the time.

	2022 %	2021 %
Net debt to market value of land	14.90%	6.43%

Notes to the Financial Statements
30 June 2022

Note 18. Equity – Asset revaluation reserve

	2022	2021
	$	$
Opening balance	4,232,074	4,753,620
Decrease in reserve reflecting land sold	(575,425)	(769,360)
Effect of change in company tax rate	57,190	247,814
Closing balance	3,713,839	4,232,074

The asset revaluation reserve records revaluations of non-current assets.

Note 19. Cash flow information

	2022 $	2021 $
a) Reconciliation of cash flows from operations with profit after income tax		
Profit after income tax	4,530,736	5,451,491
Non - cash flows: a) Depreciation	1,505	7,280
Non - cash flows: a) Loss on disposal of fixed assets	-	-
(Increase) / decrease in trade receivables	-	-
(Increase) / decrease in deferred tax assets	-	3,450
(Increase) / decrease in other assets	(914,497)	32,887
(Increase) / decrease in inventories	3,404,622	(1,068,360)
Increase / (decrease) in trade and other payables	(2,502,391)	4,204,213
Increase / (decrease) in taxes payable	(461,558)	1,631,122
Increase / (decrease) in deferred tax liabilities	(650,343)	(1,240,944)
Increase / (decrease) in equity	57,190	657,965
Cash flow from operations	3,465,264	9,679,105

b) Credit standby arrangement and loan

The Company has a bank overdraft and commercial bill facility amounting to $19,000,000 (2021:$16,000,000) and a Bank Guarantee facility of $3M.

At 30 June 2022, $10,750,000 of this facility was unused (2021: $12,500,000). Interest rates are a variable rate of 2.99% (2021: 2.48%) on the balance with interest paid in advance. A line fee of 1.00% (2021: 0.69%) is payable on the total facility value of $19,000,000.

Note 20. Events after the reporting period
As of the 13 October 2022, no events noted that would be classified as a subsequent event for the period ended 30 June 2022.

The directors have resolved to pay a $1.00 per share fully franked dividend to all shareholders in November 2022 subject to Bank approval.

Notes to the Financial Statements
30 June 2022

Note 21. Related party transactions'
Other transactions of Directors and Director-related entities
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

On 27 May 2005, an agreement between LWP Alkimos Pty Ltd and Norman M Kanair was executed wherein Norman M Kanair novated and assigned his project management rights to the land owned by the Company to LWP Alkimos Pty Ltd and further, Corridor Realty Pty Ltd assigned on the same day, its selling rights to the land owned by the Company to LWP Alkimos Pty Ltd. Danny Murphy is a director of LWP Alkimos Pty Ltd.

During the financial year ended 30 June 2022, an amount of $1,909,721 (2021: $2,288,251) was paid by the Company to LWP Alkimos Pty Ltd for project management fees and selling commission fees.

Note 22. Financial instrument risk management
The Company is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below:

Specific Risks
- interest rate risk
- Credit risk
- Liquidity risk

Financial Instruments used:

The principal categories of financial instrument used by the Company are:
- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans

Objectives, policies and processes

The Directors of the Company analyse interest rate exposure and evaluate the treasury management strategies. The Director's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board. These include credit risk policies and future cash flow requirements.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Interest rate risk
Exposure to interest rate arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Notes to the Financial Statements
30 June 2022

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2% and -2% (2019: +/- 2%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the Company financial instruments held at each reporting period date. All other variables are held constant.

	2022		2021	
	+2%	-2%	+2%	-2%
Effect on profit/(loss) for the year	90,615	(90,615)	109,030	(109,030)
Effect on equity	90,615	(90,615)	109,030	(109,030)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There is no material amount of collateral held as security at 30 June 2022.

Credit risk is reviewed by the Directors. It arises from exposures to customers as well as deposits with financial institutions.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

The trade receivables balances at 30 June 2022 and 30 June 2021 do not include any counter parties with external credit ratings.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparty is a reputable bank with a high quality external credit rating.

Liquidity risk
Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

	Interest rate	Current $ Within 1 year	Non Current $ 1 to 5 years	Total
2022				
Trade and other payables	-	4,375,253	-	4,375,253
Financial Liabilities	2.99%	-	8,250,000	8,250,000
		4,375,253	8,250,000	12,625,253

Notes to the Financial Statements

30 June 2022

Note 22. Financial instrument risk management (continued)

	Interest rate %	Current $ Within 1 year	Non Current $ 1 to 5 years	Total
2021				
Trade and other payables	-	6,938,726	-	6,938,726
Financial Liabilities	2.48%	3,500,000	-	3,500,000
		10,438,726	-	10,438,726

Fair value:

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2022 Carrying Amount $	Fair Value $	2021 Carrying Amount $	Fair Value $
Financial Liabilities				
Trade Payables	4,375,253	4,375,253	6,938,726	6,938,726
Financial Liabilities	8,250,000	8,250,000	3,500,000	3,500,000
	12,625,253	12,625,253	10,438,726	10,438,726

	2022 Carrying Amount $	Fair Value $	2021 Carrying Amount $	Fair Value $
Financial Assets				
Trade receivables	-	-	-	-

Fair values are materially in line with carrying values.

Note 23. Income tax expense

	2022 $	Restated 2021 $
a. The prima facie tax on profit before income tax is reconciled to the income tax as follows:	5,930,624	7,139,208
Prima facie tax expense on profit from ordinary activities before income tax at 25% (2021 26%)	1,482,656	1,856,194
Less: change in effective tax rate	(82,768)	(166,872)
Less: tax effect of non assessable government grants	-	(9,750)
Under / (over)/ benefit	-	8,145
Income tax (expense)/benefit	1,399,888	1,687,717

	%	%
The applicable weighted average effective tax rates are as follows:	25.0	26.0

Notes to the Financial Statements
30 June 2022

Note 24. Financial liabilities

	2022 $	2021 $
Secured bank loan – Current	-	-
	-	-
Secured bank loan – Non Current	8,250,000	3,500,000
	8,250,000	3,500,000

The bank loan is secured by a registered mortgage over the Company's land at Alkimos.

At year end the bank loan had a facility limit of $19,000,000 (2021: $16,000,000). Refer to Note 19(b).

The bank bill facility is a 'non-amortising and non-revolving facility' by which the Company draws down the balance every 30 days, less the interest payable on the bill.

The facility expiry date is 31 October 2024.

Note 25. Company Details
The registered office of the Company is:

Northern Corridor Developments Ltd
Level 2, 1060 Hay Street
West Perth WA 6005

Directors' Declaration

30 June 2022

In the opinion of the Directors:

a. The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

- Complying with Australian Accounting Standards and Corporations Regulations 2001;
- Giving a true and fair view of the Company`s financial position as of 30 June 2022 and of their performance for the year ended on that date; and
- Complies with International Financial Reporting Standards as disclosed in Note 1

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

This declaration is made after receiving the declarations required to be made by the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Directors

A W Stirling
Managing Director

13 October 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Northern Corridor Developments Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Northern Corridor Developments Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Northern Corridor Developments Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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BDO

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth, 13 October 2022