

Appendix 4D

Half year report Period ended 31 December 2017

Name of entity

Eumundi Group Limited

ABN or equivalent company reference

30 010 947 476

Half year ended ('current reporting period')

31 December 2017

(previous reporting period 31 December 2016)

Results for announcement to the market

 \$A
000's

Revenues and other income from ordinary activities	Down	1.8%	to	\$12,616
Represented by:				
Revenues from continuing ordinary activities	Down	1.4%	to	\$12,616
Profit from ordinary activities after tax attributable to members	Down	9.5%	to	\$802
Net profit for the period attributable to members	Down	9.5%	to	\$802
Net profit for the period attributable to members (excluding fair value adjustments)	Down	4.2%	to	\$816
Dividends				
On 27 February 2018 the board declared a fully franked interim dividend of 2.25 cents per share (\$826,000 in total). The Record Date of the interim dividend is 5 March 2018 and the dividend will be paid on 12 March 2018.				
Discussion and analysis of results				
Eumundi Group Limited ("the Group") has delivered a net profit after tax of \$0.802 million (\$1.145 million profit before tax) for the half year ended 31 December 2017, down 9.5% compared with a profit of \$0.887 million after tax (\$1.265 million profit before tax) for the corresponding period in 2016. This represents earnings per share of 2.18 cents for the half year.				
The half year profit included a fair value loss on revaluation of investment properties of \$0.020 million (\$0.014 million net of tax) compared with a fair value gain on revaluation of investment properties of \$0.050 million (\$0.035 million net of tax) in the prior corresponding period in 2016. The underlying net profit after tax excluding fair value increments decreased by 4.2% to \$0.816 million.				
Revenue and other income from ordinary activities decreased by 1.8% to \$12.616 million from \$12.847 million in the corresponding period in 2016. This was composed of revenue from continuing ordinary activities of \$12.616 million representing a decrease of \$0.181 million compared with the corresponding				

period last year.

Discussion and analysis of results (continued)

The Group's total sales from hotel operations were marginally down \$0.026 million (0.4%) over the prior corresponding half year. This was the result of food revenues decreasing by \$0.064 million (9%) and retail liquor sales decreasing by \$0.035 million (1%), largely offset by on-premise beverage revenues which increased by \$0.074 million (8%).

The Group's gaming revenues decreased by \$0.237 million (5.1%) off an exceptionally strong performance in the previous corresponding period.

Investment property revenues increased by \$0.097 million (3%) as a result of Plough Inn revenues offsetting reduced rental incomes from the Aspley Shopping Centre and Aspley Arcade Shopping Village. Major upgrade works for the Aspley centres are scheduled for completion in late 2018 which incorporates reconfiguration of larger tenancies and improvement of services to the centre. Leasing has been put on hold pending commencement of these works, at which time a formal leasing campaign will be initiated to maximise leasing outcomes at the centre. Total expenses from continuing operations for the half year decreased by 1% to \$11.471 million from \$11.582 million in the corresponding period.

Cost of goods sold of \$4.544 million decreased slightly in line with the marginally lower sales levels. Gaming machine tax of \$2.183 million also decreased in line with gaming turnover. Outgoings on investment properties included non-recoverable legal fees. The reduction in employee expenses to \$1.995 million reflects staffing efficiencies achieved primarily at the Aspley Central Tavern. Depreciation and amortisation of \$0.591 million rose by \$0.128 million compared with the prior half year due to increased depreciation on the Aspley Shopping Centre after revaluation in February 2017, and increased depreciation rates applied to some groups of assets.

During the half year the Group recognised a \$0.988 million (net of tax) gain on fair value adjustment (\$1.411 million before tax) of the Group's land and building assets predominantly attributable to an independent valuation of the Ashmore Tavern by a member of the Australian Property Institute. During the previous half year the Group recognised a \$3.677 million (net of tax) gain on fair value adjustment (\$5.253 million before tax) of the Group's land and building assets predominantly attributable to an independent valuation of the Aspley Central Shopping Centre by a member of the Australian Property Institute.

In September 2017, the Group paid a total final dividend of \$1.193 million to shareholders (3.25 cents per share fully franked) in respect of the year ended 30 June 2017.

In November 2017, the Group renegotiated its debt facilities on favourable terms, increasing approved facilities by \$14 million to fund the acquisition of the 96 year head lease over the Plough Inn land and buildings, and provide additional working capital. The new facilities have terms of between three and five years.

Cash flows from operation increased from \$1.028 million to \$1.549 million in the current half year due to the timing of insurance payments, and rental income from the Plough Inn since November 2017. Net cash used in investing activities of \$14.430 million reflected the acquisition of the Plough Inn, capital works mainly in the hotel operations, consulting fees for the refurbishment of the Aspley and Ashmore properties, and lease incentive payments.

Debt increased by \$14.366 million during the half year and at 31 December 2017 the Group had commercial loans of \$22.050 million and access to undrawn commercial loan facilities of a further \$3.95 million. The Group's net debt (\$21.059 million) to net assets (\$36.818 million) ratio as at 31 December 2017 was 57.2%, with interest cover (EBIT / finance costs) during the half year in excess of five times.

Subsequent events		
n/a		
	2017	2016
NTA BACKING		
<i>Net tangible asset backing per ordinary security</i>	98.8c	97.2c

Statement

This report is based on accounts which have been subject to review.

Sign here:  Date: 27 February 2018

Print name: Leni Stanley

EUMUNDI GROUP LIMITED

ABN 30 010 947 476

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2017**

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your directors present their report on Eumundi Group Limited ("the Company") and the entities it controlled at the end of and during the six months ended 31 December 2017.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

J M Ganim
G De Luca
V A Wills

Dividends

On 27 February 2018 the board declared a fully franked interim dividend of 2.25 cents per share (\$826,000 in total) which will be paid to shareholders on 12 March 2018.

Review of operations

In the six months ended 31 December 2017, the Company:

- recorded a profit after tax of \$802,000 (Dec 2016: \$887,000), representing earnings per share of 2.18 cents;
- recognised fair value increments of \$988,000 (Dec 2016: \$3,677,000) (net of tax) on revaluation of the Company's land and buildings, predominantly attributable to the Ashmore Tavern. Increments in the prior year were predominantly attributable to the Aspley Central Shopping Centre;
- paid a total final dividend of \$1,193,000 (3.25 cents per share) on 15 September 2017 in respect of the year ended 30 June 2017;
- acquired the 96 year head lease of the Plough Inn for \$13.1 million plus acquisition costs. The Plough Inn is a low-risk passive investment which is subject to a long-term sub-lease with an experienced hotel operator;
- renegotiated commercial debt facilities on favourable terms for terms of three to five years, increasing approved facilities by \$14,000,000 to fund the Plough Inn acquisition and provide increased working capital for planned capital works;
- progressed conceptual design and planning works for the redevelopment of the Aspley Shopping Centre, Aspley Arcade Shopping Village and Ashmore Tavern; and
- reported increased net tangible asset backing per share from 97.2 cents as at 30 June 2017 to 98.8 cents as at 31 December 2017.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half-year other than as disclosed elsewhere in the interim financial report.

Significant after balance date events

Other than the proposed interim dividend in respect of the half-year ended 31 December 2017 referred to above, there are no other matters or circumstances that have arisen since the end of the half-year, that have 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 years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of the directors.



J M Ganim

Director

Dated this 27th day of February 2018



PITCHER PARTNERS

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WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN
JEREMY JONES

The Directors
Eumundi Group Limited
Level 15
10 Market Street
BRISBANE QLD 4000

Auditor's Independence Declaration

As lead auditor for the review of Eumundi Group Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Eumundi Group Limited and the entities it controlled during the period.

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
27 February 2018



an independent member of

BAKER TILLY
INTERNATIONAL

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	31 Dec 17 \$'000	30 Jun 17 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,072	838
Trade and other receivables		229	304
Inventories	3	1,533	1,491
Other assets		336	378
Total current assets		3,170	3,011
Non-current assets			
Property, plant and equipment	4	33,917	32,429
Investment properties	5	27,629	13,700
Intangible assets		541	542
Total non-current assets		62,087	46,671
Total assets		65,257	49,682
LIABILITIES			
Current liabilities			
Trade and other payables		2,605	2,288
Income tax payable		46	237
Provisions		348	348
Total current liabilities		2,999	2,873
Non-current liabilities			
Borrowings	6	22,131	7,765
Deferred tax liabilities		3,309	2,823
Total non-current liabilities		25,440	10,588
Total liabilities		28,439	13,461
Net assets		36,818	36,221
EQUITY			
Contributed equity	7	21,812	21,812
Reserves		9,963	8,975
Retained profits		5,043	5,434
Total equity		36,818	36,221

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 Dec 17 \$'000	31 Dec 16 \$'000
Revenue			
Sale of goods		6,680	6,706
Gaming revenue		4,368	4,605
Rental income and recoverable outgoings		1,284	1,187
Other		284	299
		12,616	12,797
Other income			
Net gain on fair value adjustment - investment properties	5	-	50
		12,616	12,847
Expenses			
Purchase of inventories		(4,586)	(4,621)
Change in inventories		42	33
Selling and promotional costs		(464)	(495)
Employee benefits expense		(1,995)	(2,032)
Depreciation and amortisation		(591)	(463)
Insurance		(53)	(54)
Operating lease rentals		(181)	(183)
Rates and taxes		(51)	(54)
Electricity		(137)	(143)
Outgoings – investment properties		(354)	(442)
Gaming machine tax		(2,183)	(2,296)
Finance costs		(241)	(167)
Listing and corporate governance costs		(182)	(195)
Net loss on fair value adjustment - investment properties	5	(20)	-
Other expenses		(475)	(470)
Total expenses		(11,471)	(11,582)
Profit before income tax		1,145	1,265
Income tax expense		(343)	(378)
Profit for the half-year		802	887
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings		1,411	5,253
Income tax expense on items of other comprehensive income		(423)	(1,576)
Other comprehensive income for the half-year, net of tax		988	3,677
Total comprehensive income for the half-year		1,790	4,564
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share (cents)		2.18¢	2.46¢

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Contributed equity \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2017		21,812	8,975	5,434	36,221
Profit for the half-year		-	-	802	802
Other comprehensive income – net of tax		-	988	-	988
Total comprehensive income for the half-year		-	988	802	1,790
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	8	-	-	(1,193)	(1,193)
Balance at 31 December 2017		21,812	9,963	5,043	36,818
Balance at 1 July 2016		20,733	5,236	5,966	31,935
Profit for the half-year		-	-	887	887
Other comprehensive income – net of tax		-	3,677	-	3,677
Total comprehensive income for the half-year		-	3,677	887	4,564
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	8	-	-	(1,169)	(1,169)
Contributions of equity net of transaction costs and tax	7	1,079	-	-	1,079
Balance at 31 December 2016		21,812	8,913	5,684	36,409

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Notes	31 Dec 17 \$'000	31 Dec 16 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,667	13,892
Payments to suppliers and employees		(11,494)	(12,360)
Interest received		1	1
Finance costs		(155)	(144)
Income tax paid		(470)	(361)
Net cash provided by operating activities		1,549	1,028
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property plant and equipment		12	9
Proceeds from disposal of land held for resale		-	182
Payments for property, plant and equipment		(445)	(163)
Payments for investment properties	5	(13,969)	-
Net cash used in investing activities		(14,402)	28
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		14,330	50
Repayment of borrowings		-	(1,275)
Payment of loan establishment fees		(50)	-
Dividend paid		(1,193)	(86)
Share issue costs		-	(4)
Net cash used in financing activities		13,087	(1,315)
Net increase in cash and cash equivalents		234	(259)
Cash and cash equivalents at beginning of the reporting half-year		838	1,512
Cash and cash equivalents at end of the reporting half-year		1,072	1,253

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

1. BASIS OF PREPARATION OF INTERIM REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2017. The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

2. SEGMENT INFORMATION

Reportable segments

Hotel Operations - The hotel operations segment sells packaged alcoholic beverages through its retail outlets, sells food and alcoholic beverages on-premise through bars and restaurants and operates licensed gaming venues.

Investment Properties - The investment properties segment owns and leases investment property assets to retail tenants.

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Half-year to 31 Dec 2017			
Revenue			
Sales to external customers	11,048	1,493	12,541
Other revenue	283	-	283
Total segment revenue	11,331	1,493	12,824
Inter-segment revenue			(209)
Interest revenue			1
Total revenue			12,616
Results			
Segment results	884	937	1,821
Finance expenses			(241)
Unallocated revenue less unallocated expenses			(415)
Fair value adjustment on investment properties			(20)
Profit before income tax			1,145
Income tax expense			(343)
Profit for the half-year			802

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

2. SEGMENT INFORMATION (continued)

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Half-year to 31 Dec 2016			
Revenue			
Sales to external customers	11,310	1,385	12,695
Other revenue	299	-	299
Total segment revenue	11,609	1,385	12,994
Inter-segment revenue			(198)
Interest revenue			1
Total revenue			12,797
Results			
Segment results	1,048	801	1,849
Finance expenses			(167)
Unallocated revenue less unallocated expenses			(467)
Fair value adjustment on investment properties			50
Profit before income tax			1,265
Income tax expense			(378)
Profit for the half-year			887

3. INVENTORIES

	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Finished goods – at cost	1,533	1,491

4. PROPERTY, PLANT AND EQUIPMENT

The basis of valuation of land and buildings is fair value being the price that would be received to sell the assets in an orderly transaction between market participants at balance date, based upon current prices in an active market for similar properties in the same location and condition.

The valuation of Aspley Central Shopping Centre land and buildings (\$20,634,000) was based upon the directors' internal valuation. In arriving at fair value, the directors considered whether there were any changes to the significant inputs into the last independent valuation of the property.

The valuation of Ashmore Tavern land and buildings (\$12,000,000) was based upon an independent valuation by a member of the Australian Property Institute for bank security purposes dated 23 October 2017 which resulted in a fair value revaluation increment of \$1,411,000 (\$988,000 net of tax).

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Movement in property, plant and equipment for the half-year is as follows:

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Half-year ended 31 December 2017				
Opening net book amount 1 July 2017	9,090	21,871	1,468	32,429
Revaluation increment	510	901	-	1,411
Additions	-	67	378	445
Disposals	-	-	(12)	(12)
Straight line rentals	-	234	-	234
Depreciation charge	-	(309)	(281)	(590)
Closing net book amount 31 December 2017	9,600	22,764	1,553	33,917
Half-year ended 31 December 2016				
Opening net book amount 1 July 2016	9,090	17,099	1,411	27,600
Revaluation increment	-	5,253	-	5,253
Additions	-	-	210	210
Disposals	-	-	(10)	(10)
Straight line rentals	-	(48)	-	(48)
Depreciation charge	-	(204)	(257)	(461)
Closing net book amount 31 December 2016	9,090	22,100	1,354	32,544

There were no commitments for capital expenditure as at 31 December 2017.

5. INVESTMENT PROPERTIES

Overall movement in investment properties was as follows:

	31 Dec 2017 \$'000	31 Dec 2016 \$'000
At 1 July	13,700	13,700
Acquisitions	13,929	-
Capitalised expenditure	(4)	-
Straight line rentals	24	(50)
Net (loss) gain from fair value adjustment	(20)	50
At 31 December	27,629	13,700

The basis of valuation of investment properties is fair value being the price that would be received to sell the properties in an orderly transaction between market participants at balance date, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

5. INVESTMENT PROPERTIES (continued)

The table below summarises the adopted fair value for the investment property as at balance date.

Investment Property	Acquisition Date	Cost Including Additions \$'000	Last Independent Valuation		Book Value	
			Date	\$'000	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Aspley Arcade Shopping Village	Jun 2007	13,000	Aug 2016	13,700	13,700	13,700
Plough Inn	Nov 2017	13,929	Aug 2017	13,100	13,929	-
					27,629	13,700

(a) Valuation basis

The December 2017 fair value assessment for Aspley Arcade Shopping Village and the Plough Inn were based on directors' internal valuations. In arriving at fair value, the Directors considered whether there were any changes to the last independent valuation and determined the fair value of the property using capitalised income projections based on the property's net market income.

Prior to acquisition, the Plough Inn was independently valued by a member of the Australian Property Institute at \$13.1 million to assess the reasonableness of that proposed purchase price. The directors are of the opinion that the independent valuation was conservative and, having regard to the strength of the sub-lessee's covenant, consider the fair value of the property at 31 December 2017 to approximate its carrying value of \$13.929 million.

(b) Acquisitions

On 2 November 2017 Eumundi Property Group Pty Ltd purchased the head lease with a remaining term of 96 years over the land and buildings of the Plough Inn for \$13.1 million (being the purchase price) plus acquisition costs of \$829,000.

Acquisition costs included stamp duty, legal fees, commissions and other ancillary costs.

6. FINANCE FACILITIES

Details of the facilities drawn at 31 December 2017 are outlined below.

Facility Limit		Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date
31 Dec 17 \$'000	30 Jun 17 \$'000	31 Dec 17 \$'000	30 Jun 17 \$'000	31 Dec 17 %	30 Jun 17 %		
-	3,000	-	-	-	3.45	Variable	n/a
6,000	3,000	2,300	1,720	3.36	3.42	Variable	31/03/2019
4,500	3,000	4,250	3,000	3.34	3.39	Variable	30/10/2020
4,500	3,000	4,500	3,000	3.37	3.43	Variable	30/10/2020
4,000	-	4,000	-	3.60	-	Variable	31/10/2022
3,000	-	3,000	-	3.35	-	Variable	30/10/2020
4,000	-	4,000	-	3.35	-	Variable	30/10/2020
26,000	12,000	22,050	7,720				

All facilities are interest only until expiry

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

6. FINANCE FACILITIES (continued)

The amount recognised in the consolidated statement of financial position is net of discounts and other transaction costs plus interest accrual.

On 1 November 2017 the Group renegotiated its commercial debt facilities on favourable terms increasing approved commercial bill limits by \$14,000,000 to \$26,000,000 and securing tenure for new facilities of between three and five years.

As at 31 December 2017 the Group had unrestricted access to commercial loan facilities of \$26,000,000 of which \$3,950,000 was undrawn (2016: \$4,475,000).

7. CONTRIBUTED EQUITY

Movements in share capital	No. of Shares	Issue Price (cents per share)	\$'000
Balance at 1 July 2016	354,380,540		20,733
Shares issued under DRP	12,850,600	8.43	1,083
Share issue costs (net of tax)	-		(4)
	367,231,140		21,812
Share consolidation reduction	(330,508,023)		-
Balance at 31 December 2016	36,723,117		21,812
Balance at 31 December 2017	36,723,117		21,812

8. DIVIDENDS

Dividends paid to members during the half-year were as follows:

	2017 \$'000	2016 \$'000
Final fully franked (at 30%) dividend of 3.25 cents per fully paid ordinary share paid on 12 September 2017 (2016: 3.3* cents per share)	1,193	1,169
Proposed interim fully franked (at 30%) dividend of 2.25 cents per fully paid ordinary share payable on 12 March 2018 but not recognised as a liability (2017: 2.25 cents per share)	826	826

* prior period has been restated to reflect the consolidation of the company's issued capital on the basis of 1 for every 10 shares in November 2016

9. CONTINGENT LIABILITIES

In December 2017, the owner of a property allegedly damaged as a result of the 2011 fire which destroyed the Group's Home Hill property commenced legal action against the Group and other parties. In the unlikely event that this claim is successful, the Group is appropriately insured.

10. SUBSEQUENT EVENTS

There are no other matters or events that have arisen since 31 December 2017 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years or the results of those operations in future financial years or the state of affairs in future financial years.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

In the opinion of the directors the accompanying financial statements and notes:

- (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Eumundi Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



J M Ganim
Director

Dated this 27th day of February 2018



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Eumundi Group Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eumundi Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eumundi Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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NIGEL BATTERS
Partner

Brisbane, Queensland
27 February 2018