

Appendix 4D

Half-year report

Period ended 31 December 2018

Name of entity

Eumundi Group Limited

ABN or equivalent company reference

30 010 947 476

Half- year ended ('current reporting period')

31 December 2018
(previous reporting period 31 December 2017)

Results for announcement to the market

\$A
000's

Revenues and other income from ordinary activities	Up	4.2%	to	\$13,151
Represented by:				
Revenues from continuing ordinary activities	Up	4.2%	to	\$13,151
Profit from ordinary activities after tax attributable to members	Up	48.4%	to	\$1,190
Net profit for the period attributable to members	Up	48.4%	to	\$1,190
Net profit for the period attributable to members (excluding fair value adjustments and income tax benefit on restatement of deferred tax liabilities on change of the Group's tax rate from 30% to 27.5% on 1 July 2018)	Up	10.5%	to	\$902

Dividends

Final and interim dividends were paid or declared as follows:

Final dividend for year ended	30 June 2018	30 June 2017	% Change
Cents per share	3.30 cents	3.25 cents	1.5%
Franking	100% @ 30% tax	100% @ 30% tax	
Total	\$1.212 million	\$1.194 million	1.5%
Record Date	4 September 2018	8 September 2017	
Date paid	17 September 2018	15 September 2017	
Interim dividend for half year ended	31 December 2018	31 December 2017	
Cents per share	3.20 cents	2.25 cents	42.2%
Franking	100% @ 27.5% tax	100% @ 30% tax	
Total	\$1.219 million	\$0.827 million	47.4%
Record Date	5 March 2019	5 March 2018	
Date payable/paid	18 March 2019	12 March 2018	

The board of Eumundi Group Limited ("the Group") has declared a fully franked (@ 27.5%) interim dividend of 3.20 cents per share (\$1.219 million in total). The substantial increase in the interim dividend from 2.25 cent per share in the prior corresponding period reflects the adoption of a revised policy to align the timing of dividend distributions more closely with the underlying earnings of the Group, the majority of which are typically generated in the first half of the financial year. Total dividends per share in respect of the current financial year are not expected to change as a result of this revised dividend policy.

The Record Date for the interim dividend is 5 March 2019 and the dividend will be paid on 18 March 2019. The Eumundi Group Limited Dividend Reinvestment Plan ("DRP") will apply to the interim dividend. The last date for receipt of an election notice to participate in the DRP will be 5pm (Brisbane time) on 8 March 2019.

Discussion and analysis of results

The Group has delivered a net profit after tax of \$1.190 million (\$1.207 million profit before tax @ 27.5%) for the half-year ended 31 December 2018, up 48.4% compared with a profit of \$0.802 million after tax (\$1.115 million profit before tax @ 30%) for the corresponding period in 2017. This represents earnings per share of 3.12 cents for the half-year. The reported profit after tax included an income tax benefit of \$332,000 on restatement of deferred tax liabilities due to the change in the Group's tax rate from 30% to 27.5% on 1 July 2018.

The half-year profit included a fair value loss on revaluation of investment properties of \$0.061 million (\$0.044 million net of tax @ 27.5%) compared with a fair value loss on revaluation of investment properties of \$0.020 million (\$0.014 million net of tax @ 30%) in the prior corresponding period in 2017.

Revenue and other income from ordinary activities increased by 4.2% to \$13.151 million from \$12.616 million in the corresponding period in 2017.

The Group's gaming revenues increased by \$0.244 million (5.6%) mainly due to growth at Aspley Central Tavern following approval of extended trading hours in May 2018. Food and on-premise beverage revenues across the Group increased by \$0.045 million (6.7%) and \$0.035 million (3.4%) respectively, while retail liquor sales decreased by \$0.105 million (2%) over the prior corresponding half-year.

Investment property revenues increased by \$0.295 million (23.0%) as a result of Plough Inn rental income for the full half year offsetting reduced rental incomes from the Aspley Shopping Centre and the Aspley Arcade Shopping Village as anticipated during redevelopment. The prior corresponding period included only two months of Plough Inn rental income, following acquisition of the property in November 2017.

Major upgrade works for the Aspley centres commenced in November 2018 and are scheduled for completion in mid-May 2019. The work entails reconfiguration of larger tenancies and improvement of services to the centres. A formal leasing campaign will be undertaken over the coming months to drive leasing outcomes at the centres.

Total expenses from continuing operations for the half-year increased by 4.1% to \$11.944 million from \$11.471 million in the corresponding period last year.

Gaming machine tax of \$2.307 million increased in line with gaming turnover. Cost of goods sold of \$4.466 million decreased due to lower sales levels. Outgoings on investment properties include non-recoverable legal fees. Employee benefits expense of \$2.113 million is the result of increased trading hours at the Aspley Central Tavern and award increases for hotel employees. Depreciation increased by \$0.042 million compared with the prior corresponding half-year due to the increased asset base, and increased depreciation rates applied to some groups of assets.

During the half-year the Group recognised a \$0.291 million (net of tax @27.5%) gain on fair value revaluations (\$0.401 million before tax) of its land and building assets, attributable to directors' valuations of the Ashmore Tavern and the Aspley Shopping Centre. During the previous corresponding half-year a \$0.988 million (net of tax @ 30%) gain on fair value revaluations (\$1.411 million before tax) of the Group's land and building assets was recognised, predominantly attributable to an independent valuation of the Ashmore Tavern by a member of the Australian Property Institute.

The net profit after tax, excluding fair value adjustments and the income tax benefit on restatement of deferred tax liabilities from 30% to 27.5% on 1 July 2018, increased by 10.5% to \$902,000.

In September 2018, the Group paid a total final dividend of \$1.212 million to shareholders (3.30 cents per share fully franked @ 30%) in respect of the year ended 30 June 2018.

Discussion and analysis of results (continued)

Cash flows from operating activities rose from \$1.549 million in the December 2017 half-year to \$1.665 million in the December 2018 half-year, mainly due to increased rental from the Plough Inn offset by increased financing costs. Cash outflows from investing activities of \$1.333 million are due to the capital works at the Aspley Shopping Centre and the Aspley Arcade Shopping Village, while outflows of \$14.402 million in the corresponding period last year were primarily due to the acquisition of the Plough Inn in November 2017, capital works, consulting fees for the refurbishment of the Aspley and Ashmore properties, and lease incentive payments.

Drawn borrowings decreased by \$0.085 million during the half-year and as at 31 December 2018 the Group had commercial loans of \$21.545 million and access to undrawn commercial loan facilities of a further \$4.455 million. The Group's net debt (\$20.332 million) to net assets (\$39.979 million) ratio as at 31 December 2018 was 50.9%, reduced from 53.4% as at 30 June 2018.


Subsequent events

During the half-year, the Company entered into contracts for the redevelopment of the Aspley Shopping Centre and the Aspley Village Shopping Centre which had a remaining capital expenditure value of \$3.018 million as at 31 December 2018. These works are expected to complete during the year ended 30 June 2019.

	31 December 2018	31 December 2017
NTA BACKING		
<i>Net tangible asset backing per ordinary security</i>	103.5c	98.8c

Statement

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

Signed:  Date: 26 February 2019

Name: Leni Stanley (Company Secretary)

EUMUNDI GROUP LIMITED

ABN 30 010 947 476

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

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 2018 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 2018.

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 25 February 2019 the board declared a fully franked interim dividend of 3.20 cents per share (\$1,219,000 in total) which will be paid to shareholders on 18 March 2019. The substantial increase in the interim dividend to 3.20 cents per share from 2.25 cent per share in the prior corresponding period reflects the adoption of a revised policy to align the timing of dividend distributions more closely with the underlying earnings of the Group, the majority of which are typically generated in the first half of the financial year. Total dividends per share in respect of the current financial year are not expected to change as a result of this revised dividend policy.

Review of operations

In the six months ended 31 December 2018, the Company:

- recorded a profit after tax of \$1,190,000 (Dec 2017: \$802,000), representing earnings per share of 3.12 cents (Dec 2017: 2.18 cents);
- recognised an income tax benefit of \$332,000 on restatement of deferred tax liabilities due to reduction of the Company's tax rate from 30% to 27.5% on 1 July 2018;
- recognised fair value increments of \$291,000 (net of tax @27.5%) (Dec 2017: \$988,000 net of tax @ 30%) on revaluation of the Company's land and buildings at the Aspley Shopping Centre and the Ashmore Tavern. Increments in the prior year were predominantly attributable to the Ashmore Tavern;
- paid a total final dividend of \$1,212,000 (3.30 cents per share fully franked @ 30%) on 17 September 2018 in respect of the year ended 30 June 2018;
- issued 1,384,579 ordinary shares pursuant to the dividend reinvestment plan in connection with the final dividend, as a result of which the Company's issued capital increased from 36,723,117 shares to 38,107,696 shares;
- completed roofing replacement and air-conditioning equipment upgrades at Aspley Shopping Centre and Aspley Arcade Shopping Village in November 2018 for a total cost of \$507,000;
- commenced redevelopment of the Aspley Shopping Centre and the Aspley Arcade Shopping Village stage one works with approved contracts totalling \$3,621,000 of which \$603,000 was recognised as at 31 December 2018;
- progressed design and feasibility for proposed stage two development of Aspley Shopping Centre and Aspley Arcade Shopping Village;
- completed upgrade of external bar and dining facilities at the Ashmore Tavern;
- progressed conceptual design of gaming and lounge bar upgrade at the Ashmore Tavern; and
- reported net tangible asset backing per share of 103.5 cents as at 31 December 2018.

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 2018 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.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

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 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, or in certain cases to the nearest dollar.

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



J M Ganim - Director

Dated this 26th day of February 2019



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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 2018, 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 APES110 of *Ethics for Professional Accountants*.

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

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
26 February 2019

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

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BAKER TILLY
INTERNATIONAL

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	31 Dec 18 \$'000	30 Jun 18 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,175	983
Trade and other receivables		240	179
Inventories		1,649	1,265
Other assets		370	308
Total current assets		3,434	2,735
Non-current assets			
Property, plant and equipment	4	33,299	32,732
Investment properties	5	31,508	31,000
Intangible assets		539	540
Total non-current assets		65,346	64,272
Total assets		68,780	67,007
LIABILITIES			
Current liabilities			
Trade and other payables		3,119	2,403
Borrowings	6	1,545	-
Income tax payable		25	106
Provisions		376	370
Total current liabilities		5,065	2,879
Non-current liabilities			
Borrowings	6	19,962	21,587
Deferred tax liabilities		3,774	3,988
Total non-current liabilities		23,736	25,575
Total liabilities		28,801	28,454
Net assets		39,979	38,553
EQUITY			
Contributed equity	7	22,969	21,812
Reserves		9,718	9,427
Retained profits		7,292	7,314
Total equity		39,979	38,553

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 2018**

	Notes	31 Dec 18 \$'000	31 Dec 17 \$'000
Revenue			
Sale of goods		6,668	6,680
Gaming revenue		4,612	4,368
Rental income and recoverable outgoings		1,579	1,284
Other		292	284
	3	13,151	12,616
Expenses			
Purchase of inventories		(4,850)	(4,586)
Change in inventories		384	42
Selling and promotional costs		(513)	(464)
Employee benefits expense		(2,113)	(1,995)
Depreciation and amortisation		(633)	(591)
Insurance		(63)	(53)
Operating lease rentals		(155)	(181)
Rates and taxes		(55)	(51)
Electricity		(125)	(137)
Outgoings – investment properties		(313)	(354)
Gaming machine tax		(2,307)	(2,183)
Finance costs		(428)	(241)
Listing and corporate governance costs		(183)	(182)
Net loss on fair value adjustment - investment properties	5	(61)	(20)
Other expenses		(529)	(475)
Total expenses		(11,944)	(11,471)
Profit before income tax		1,207	1,145
Income tax expense			
Income tax benefit on restatement of deferred tax liabilities due to the change in the Company's tax rate from 30% to 27.5% on 1 July 2018		332	-
Current and deferred tax for the half-year @ 27.5% (Dec 2017: 30%)		(349)	(343)
Total income tax expense		(17)	(343)
Profit for the half-year		1,190	802
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings	4	401	1,411
Income tax expense on items of other comprehensive income		(110)	(423)
Other comprehensive income for the half-year, net of tax		291	988
Total comprehensive income for the half-year		1,481	1,790
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share (cents)		3.12¢	2.18¢

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 2018**

	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	808
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 2018		21,812	9,427	7,314	38,553
Profit for the half-year		-	-	1,190	1,190
Other comprehensive income – net of tax		-	291	-	291
Total comprehensive income for the half-year		-	291	1,190	1,481
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	8	-	-	(1,212)	(1,212)
Contribution of equity net of tax	7	1,157	-	-	1,157
Balance at 31 December 2018		22,969	9,718	7,292	39,979

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 2018**

	Notes	31 Dec 18 \$'000	31 Dec 17 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,342	13,667
Payments to suppliers and employees		(11,831)	(11,494)
Interest received		4	1
Finance costs		(427)	(155)
Income tax paid		(423)	(470)
Net cash provided by operating activities		1,665	1,549
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property plant and equipment		-	12
Payments for property, plant and equipment	4	(826)	(445)
Payments for investment properties	5	(507)	(13,969)
Net cash used in investing activities		(1,333)	(14,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	14,330
Repayment of borrowings		(85)	-
Payment of loan establishment fees		-	(50)
Dividend paid	8	(49)	(1,193)
Share issue costs		(6)	-
Net cash used in financing activities		(140)	13,087
Net increase in cash and cash equivalents		192	234
Cash and cash equivalents at beginning of the reporting half-year		983	838
Cash and cash equivalents at end of the reporting half-year		1,175	1,072

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 2018**

1. BASIS OF PREPARATION OF INTERIM REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 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 2018 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 Company's annual financial report for the year ended 30 June 2018. The Company 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.

Half-year to 31 Dec 2018	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Revenue			
Sales to external customers	11,280	1,775	13,055
Other revenue	288	-	288
Total segment revenue	11,568	1,775	13,343
Inter-segment revenue			(196)
Interest revenue			4
Total revenue			13,151
Results			
Segment results	912	1,229	2,141
Finance expenses			(428)
Unallocated revenue less unallocated expenses			(445)
Fair value adjustment on investment properties			(61)
Profit before income tax			1,207
Income tax expense @ 27.5%			(17)
Profit for the half-year			1,190

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

2. SEGMENT INFORMATION (continued)

	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 @ 30%			(343)
Profit for the half-year			802

3. DISAGGREGATION OF REVENUES

The Company derives its revenue from the sale of goods at a point in time, and provision of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied.

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
At a point in time		
Sales of goods	6,668	6,680
Gaming revenue	4,612	4,368
Commission	159	173
Interest	4	1
Other	129	110
Over Time		
Rental income and recoverable outgoings	1,579	1,284
Total revenue	13,151	12,616

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 Shopping Centre and the Ashmore Tavern land and buildings 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 properties.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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 2018				
Opening net book amount 1 July 2018	10,010	21,300	1,422	32,732
Revaluation increment	-	401	-	401
Additions	-	591	235	826
Disposals	-	-	-	-
Straight line rentals	-	(29)	-	(29)
Depreciation charge	-	(373)	(258)	(631)
Closing net book amount 31 December 2018	10,010	21,890	1,399	33,299

As at 31 December 2018, the Company had commitments for capital expenditure totalling \$3,018,000 including professional fees and construction costs for redevelopment of the Aspley Shopping Centre and the Aspley Arcade Shopping Village (2017: Nil).

5. INVESTMENT PROPERTIES

Overall movement in investment properties was as follows:

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
At 1 July	31,000	13,700
Acquisitions	-	13,929
Capitalised expenditure	507	(4)
Straight line rentals and lease incentives	62	24
Net (loss) gain from fair value adjustment	(61)	(20)
At 31 December	31,508	27,629

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 2018**

5. INVESTMENT PROPERTIES (continued)

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

Investment Property	Acquisition Date	Cost Including Additions \$'000	Last Independent Valuation		Book Value	
			Date	\$'000	31 Dec 2018 \$'000	30 Jun 2018 \$'000
Aspley Arcade Shopping Village	Jun 2007	13,000	June 2018	17,000	17,508	17,000
Plough Inn	Nov 2017	13,929	June 2018	14,000	14,000	14,000
					31,508	31,000

(a) Valuation basis

The December 2018 fair value assessment for the Aspley Arcade Shopping Village and the Plough Inn was 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.

(b) Additions

Additions to the Aspley Arcade Shopping Village of \$507,000 include the replacement of roofing, construction works and professional fees relating to the shopping centre redevelopment.

(c) Commitments

As at 31 December 2018, the Company had commitments for capital expenditure totalling \$3,018,000 including professional fees and construction costs for redevelopment of the Aspley Shopping Centre and the Aspley Arcade Shopping Village (2017: Nil).

6. FINANCE FACILITIES

Details of the facilities drawn at 31 December 2018 are outlined below.

Facility Limit		Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date
31 Dec 18 \$'000	30 Jun 18 \$'000	31 Dec 18 \$'000	30 Jun 18 \$'000	31 Dec 18 %	30 Jun 18 %		
6,000	6,000	1,545	1,630	3.58	3.69	Variable	31/07/2019*
4,500	4,500	4,500	4,500	3.56	3.69	Variable	30/10/2020
4,500	4,500	4,500	4,500	3.58	3.58	Variable	30/10/2020
4,000	4,000	4,000	4,000	3.83	3.91	Variable	31/10/2022
3,000	3,000	3,000	3,000	3.58	3.67	Variable	30/10/2020
4,000	4,000	4,000	4,000	3.58	3.67	Variable	30/10/2020
26,000	26,000	21,545	21,630				

* In January 2019 commercial loan facilities with an expiry date of 31 July 2019 were extended to 31 January 2020.

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 2018**

6. FINANCE FACILITIES (continued)

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

As at 31 December 2018 the Company had unrestricted access to commercial loan facilities of \$26,000,000 of which \$4,455,000 was undrawn (June 2018: \$4,370,000).

7. CONTRIBUTED EQUITY

Movements in share capital	No. of Shares	Issue Price (cents per share)	\$'000
Balance at 1 July 2017	36,723,117		21,812
Balance at 31 December 2017	36,723,117		21,812
Shares issued under DRP	1,384,579	84.0	1,163
Share issue costs (net of tax)	-		(6)
Balance at 31 December 2018	38,107,696		22,969

8. DIVIDENDS

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

	2018 \$'000	2017 \$'000
Final fully franked (@ 30%) dividend of 3.30 cents per fully paid ordinary share paid on 17 September 2018 (2017: 3.25 cents per share fully franked @ 30%)	1,212	1,193
Proposed interim fully franked (@ 27.5%) dividend of 3.20 cents per fully paid ordinary share payable on 18 March 2019 but not recognised as a liability (2018: 2.25 cents per share fully franked @ 30%)	1,219	827

9. CONTINGENT LIABILITIES

The Company has no material contingencies.

10. SUBSEQUENT EVENTS

There are no other matters or events that have arisen since 31 December 2018 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs in future financial years.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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 2018 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 26th day of February 2019



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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 2018, 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 2018 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*.

Ken Ogden
Nigel Fischer
Mark Nicholson

Peter Camenzuli
Jason Evans
Ian Jones

Kylie Lamprecht
Norman Thurecht
Brett Headrick

Warwick Face
Nigel Batters
Cole Wilkinson

Simon Chun
Jeremy Jones
Tom Splatt

James Field
Daniel Colwell

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 2018 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*.

PITCHER PARTNERS



NIGEL BATTERS
Partner

Brisbane, Queensland
26 February 2019