

## Appendix 4D

### Half-year report Period ended 31 December 2021

Name of entity

<b>Eumundi Group Limited</b>
------------------------------

ABN or equivalent company reference

<b>30 010 947 476</b>
-----------------------

Half- year ended ('current reporting period')

<b>31 December 2021</b> (previous reporting period 31 December 2020)
---

#### Results for announcement to the market

\$A  
000's

Revenues and other income from ordinary activities	Up	11.8%	to	\$16,766
Represented by:				
Revenues from continuing ordinary activities	Up	4.0%	to	\$13,904
Profit from ordinary activities after tax attributable to members	Up	41.1%	to	\$3,667
Net profit for the period attributable to members	Up	41.1%	to	\$3,667
Net profit for the period attributable to members (excluding fair value revaluations and government subsidies)	Up	51.7%	to	\$1,509
<b>Dividends</b>				
The Board of Eumundi Group Limited ("the Group") has declared an interim dividend of 3.50 cents per share (\$1.454 million in total), unfranked.				
The Record Date for the interim dividend is Wednesday 2 March 2022 and the dividend will be paid on Monday 14 March 2022.				
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 Monday 7 March 2022.				

#### Discussion and analysis of results

The Group recorded a profit after tax of \$3,667,000 for the half-year ended 31 December 2021 (2020: \$2,599,000 profit) which represents earnings per share of 8.83 cents (2020: 6.26 cents).

The current half-year profit includes a fair value gain on revaluation of investment properties of \$2,147,000 net of tax (predominantly attributable to the Plough Inn and Aspley Arcade Shopping Village) and government COVID-19 subsidies of \$11,000 net of tax. Profit in the prior half-year included a fair value gain on revaluation of investment properties of \$1,205,000 net of tax and government COVID-19 subsidies of \$424,000 net of tax.

Adjusting for fair value adjustments and Government COVID-19 subsidies, the Group recorded a profit after tax of \$1,509,000 compared with \$995,000 in the prior corresponding period.

Other comprehensive income includes fair value increments of \$276,000 (net of tax) on revaluation of the Group's land and buildings at Ashmore Tavern and Aspley Shopping Centre (Dec 2020: gain \$443,000 (net of tax) on revaluation of the Group's land and buildings at the Ashmore Tavern).

Total comprehensive income net of tax for the half-year was \$3,943,000 (2020: \$3,042,000).

Investment properties increased by \$9,815,000 to \$45,350,000. The increase was mainly due to the acquisition of the land and buildings of the Court House Hotel, Murwillumbah NSW, for \$6,379,000 including costs, capitalised lease expenditure of \$558,000 and fair value increases on revaluation of the Group's properties of \$2,862,000 predominantly attributable to the Plough Inn and the Aspley Arcade Shopping Village.

The Group renegotiated its commercial debt facilities on favourable terms in July 2021. Approved commercial bill limits increased by \$10,000,000 to \$40,000,000 to support acquisition of the Court House Hotel while retaining working capital for proposed capital works and allowing flexibility to take advantage of potential market opportunities.

The Group retains access to \$6,891,000 in available commercial borrowings as at 31 December 2021.

Net assets increased from \$44,751,000 as at 30 June 2021 to \$48,694,000 at 31 December 2021, representing net assets per share of 117.2 cents (June 2021: 107.7 cents per share).

Cash inflows from operating activities in 1HY22 of \$2,165,000 included payment of March 2020 deferred gaming taxes of \$156,000. Prior year cash inflows from operations of \$3,712,000 included the receipt of COVID-19 government subsidies of \$471,000.

Cash flows from investing activities included \$6,379,000 for the Court House Hotel acquisition, \$390,000 in capital works and leasing costs for the Aspley Arcade Shopping Village and Aspley Shopping Centre, and \$658,000 in property plant and equipment for Ashmore Tavern and Aspley Central Tavern.

Financing cash inflows of \$5,041,000 included \$5,900,000 drawn to acquire the Court House Hotel, offset by repayment of commercial borrowings of \$715,000 during the half-year from operational cash inflows.

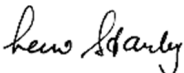
#### Subsequent events

There are no other matters or events that have arisen since 31 December 2021 not otherwise disclosed in the interim financial report 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.

	31 December 2021	31 December 2020
<b>NTA BACKING</b>		
<b>Net tangible asset backing per ordinary security</b>	111.5c	90.1c

#### Statement

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

Signed:  Date: 24 February 2022

Name: Leni Stanley (Company Secretary)

**EUMUNDI GROUP LIMITED**

ABN 30 010 947 476

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2021**

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 2021 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 Group") and the entities it controlled at the end of and during the six months ended 31 December 2021.

**Directors**

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

J M Ganim  
G De Luca  
M R Boyte

**Dividends**

On 24 February 2022 the board declared an interim dividend of \$1,454,000 (3.50 cents per share), unfranked. The dividend will be paid to shareholders on 14 March 2022.

**Review of operations**

In the six months ended 31 December 2021, the Group has:

- acquired the freehold land and buildings of the Court House Hotel, Murwillumbah NSW, for \$6,000,000 plus acquisition costs. The Court House Hotel is a low-risk passive investment which is subject to a long-term lease with an experienced hotel operator;
- renegotiated commercial debt facilities on favourable terms and conditions of three to five years, increasing approved facilities by \$10,000,000 to fund the acquisition of the Court House Hotel and provide increased working capital for planned capital works;
- completed lessor works totalling \$176,000 and recognised capital contributions of \$309,000 in respect of new leases at the Aspley investment properties;
- upgraded Ashmore Tavern gaming equipment at a cost of \$63,000; and
- progressed detailed design and costings for the expansion of the Ashmore Tavern kitchen and upgrade of bathroom amenities. Works are expected to commence in 2HY22 and complete in 1QFY23 at an estimated cost of \$1,500,000.

**COVID-19**

It is not feasible to quantify precisely the impacts of the pandemic and associated government enforced preventative measures on the Group's results as the effects, both positive and negative, and measures taken to manage the situation are interrelated and cannot be measured in isolation.

*Hotel Operations*

The Group's hotels continue to operate under the prevailing COVID-safe industry measures as mandated by the Queensland State Government. These measures include restrictions on patron numbers and increased management of patron COVID-19 compliance. Additionally, food, beverage and gaming operations have been subjected to periodic mandatory closures during 1QFY22.

Retail liquor has been able to continue to trade and has achieved growth except for the corporate sales division which predominantly supplies Gold Coast restaurants bars and cafés, which are yet to recover from the loss of tourism following protracted closure of international and domestic borders.

The spread of COVID-19 across South-East Queensland has resulted in operational difficulties such as delivery delays, supply shortages and price increases for inventories and other materials, unavailability of contractors and tradesmen, and increased incidence and duration of staff absences exacerbated by the inability to source skilled temporary staff from agencies.

*Investment Property*

There has been minimal impact to investment property operations attributable to COVID-19 in 1HY22.

**Financial results**

The Group recorded a profit after tax of \$3,667,000 for the half-year ended 31 December 2021 (2020: \$2,599,000 profit) which represents earnings per share of 8.83 cents (2020: 6.26 cents).

The current half-year profit includes a fair value gain on revaluation of investment properties of \$2,147,000 net of tax (predominantly attributable to the Plough Inn and Aspley Arcade Shopping Village) and government COVID-19 subsidies of \$11,000 net of tax. Profit in the prior half-year included a fair value gain on revaluation of investment properties of \$1,180,000 net of tax and government COVID-19 subsidies of \$424,000 net of tax.

Adjusting for fair value adjustments and Government COVID-19 subsidies, the Group recorded a profit after tax of \$1,509,000 compared with \$995,000 in the prior corresponding period.

---

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES**

**DIRECTORS' REPORT (continued)**

Other comprehensive income includes fair value increments of \$276,000 (net of tax) on revaluation of the Group's land and buildings at Ashmore Tavern and Aspley Shopping Centre (Dec 2020: gain \$443,000 (net of tax) on revaluation of the Group's land and buildings at the Ashmore Tavern).

Total comprehensive income net of tax for the half-year was \$3,943,000 (2020: \$3,042,000).

Investment properties increased by \$9,815,000 to \$45,350,000. The increase was mainly due to the acquisition of the land and buildings of the Court House Hotel for \$6,379,000 including costs, capitalised lease expenditure of \$558,000 and fair value increases on revaluation of the Group's properties of \$2,862,000 predominantly attributable to the Plough Inn and the Aspley Arcade Shopping Village.

The Group renegotiated its commercial debt facilities on favourable terms in July 2021. Approved commercial bill limits increased by \$10,000,000 to \$40,000,000 to support acquisition of the Court House Hotel while retaining working capital for proposed capital works and allowing flexibility to take advantage of potential market opportunities.

The Group retains access to \$6,891,000 in available commercial borrowings as at 31 December 2021.

Net assets increased from \$44,751,000 as at 30 June 2021 to \$48,694,000 at 31 December 2021, representing net assets per share of 117.2 cents (June 2021: 107.7 cents per share).

Cash inflows from operating activities in 1HY22 of \$2,165,000 included payment of March 2020 deferred gaming taxes of \$156,000. Prior year cash inflows from operations of \$3,712,000 included the receipt of COVID-19 government subsidies of \$471,000.

Cash flows from investing activities included \$6,379,000 for the Court House Hotel acquisition, \$390,000 in capital works and leasing costs for the Aspley Arcade Shopping Village and Aspley Shopping Centre, and \$658,000 in property plant and equipment for Ashmore Tavern and Aspley Central Tavern.

Financing cash inflows of \$5,041,000 included \$5,900,000 drawn to acquire the Court House Hotel, offset by repayment of commercial borrowings of \$715,000 during the half-year from operational cash inflows.

**Significant changes in the state of affairs**

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

**Significant after balance date events**

Other than the 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 Group, the results of those operations or the state of affairs of the Group 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 Group 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 24th day of February 2022

The Directors  
Eumundi Group Limited  
161 Cotlew St,  
ASHMORE QLD 4214

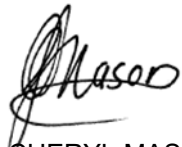
### Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

  
PITCHER PARTNERS



CHERYL MASON  
Partner

Brisbane, Queensland  
24 February 2022

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 Dec 21 \$'000	31 Dec 20 \$'000
<b>Revenue</b>	3	13,904	13,365
<b>Other income</b>			
Net gain on fair value adjustment – investment properties	5	2,862	1,628
<b>Total revenue and other income</b>		16,766	14,993
<b>Expenses</b>			
Purchase of inventories		(4,111)	(3,964)
Change in inventories		(283)	(259)
Selling and promotional costs		(555)	(463)
Employee benefits expense		(2,226)	(2,033)
Depreciation and amortisation	4	(884)	(851)
Insurance		(103)	(100)
Rates and taxes		(4)	(103)
Electricity		(130)	(121)
Outgoings – investment properties		(281)	(290)
Gaming machine tax		(2,485)	(2,723)
Finance costs		(334)	(283)
Listing and corporate governance costs		(189)	(167)
COVID-19 government subsidies		15	557
Other expenses		(539)	(635)
<b>Total expenses</b>		(12,109)	(11,435)
<b>Profit before income tax</b>		4,657	3,558
Income tax expense*		(990)	(959)
<b>Profit for the half-year</b>		3,667	2,599
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings	4	368	611
Income tax on items of other comprehensive income		(92)	(168)
<b>Other comprehensive income for the half-year, net of tax</b>		276	443
<b>Total comprehensive income for the half-year</b>		3,943	3,042
<b>Earnings per share:</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share		8.83¢	6.26¢

\* Income tax for the half-year ended 31 December 2021 included an income tax benefit of \$174,000 on restatement of deferred tax liabilities due to the change in the Company's tax rate from 26% to 25% on 1 July 2021.

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 FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	31 Dec 21 \$'000	30 Jun 21 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,247	1,468
Trade and other receivables		188	188
Inventories		1,473	1,190
Other assets		434	312
<b>TOTAL CURRENT ASSETS</b>		<b>3,342</b>	<b>3,158</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		6	7
Property, plant and equipment	4	40,713	40,704
Investment properties	5	45,350	35,535
Intangible assets		2,369	2,370
<b>TOTAL NON-CURRENT ASSETS</b>		<b>88,438</b>	<b>78,616</b>
<b>TOTAL ASSETS</b>		<b>91,780</b>	<b>81,774</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,523	3,469
Lease liabilities		222	217
Provisions		573	531
Income tax payable		174	3
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,492</b>	<b>4,220</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		339	451
Borrowings	6	33,061	27,885
Provisions		43	41
Deferred tax liabilities		5,151	4,426
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>38,594</b>	<b>32,803</b>
<b>TOTAL LIABILITIES</b>		<b>43,086</b>	<b>37,023</b>
<b>NET ASSETS</b>		<b>48,694</b>	<b>44,751</b>
<b>EQUITY</b>			
Contributed equity		25,938	25,938
Reserves		10,880	10,604
Retained profits		11,876	8,209
<b>TOTAL EQUITY</b>		<b>48,694</b>	<b>44,751</b>

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 CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Contributed equity \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2020</b>	25,938	6,291	3,946	36,175
Profit for the half-year	-	-	2,599	2,599
Revaluation of buildings - gross	-	611	-	611
Income tax relating to components of other comprehensive income	-	(168)	-	(168)
Total comprehensive income for the half- year	-	443	2,599	3,042
<b>Balance at 31 December 2020</b>	<b>25,938</b>	<b>6,734</b>	<b>6,545</b>	<b>39,217</b>
<b>Balance at 1 July 2021</b>	<b>25,938</b>	<b>10,604</b>	<b>8,209</b>	<b>44,751</b>
Profit for the half-year	-	-	3,667	3,667
Revaluation of buildings - gross	-	368	-	368
Income tax relating to components of other comprehensive income	-	(92)	-	(92)
Total comprehensive income for the half- year	-	276	3,667	3,943
<b>Balance at 31 December 2021</b>	<b>25,938</b>	<b>10,880</b>	<b>11,876</b>	<b>48,694</b>

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 2021**

	Notes	31 Dec 21 \$'000	31 Dec 20 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		14,904	15,501
Payments to suppliers and employees		(12,157)	(11,779)
COVID-19 payment of deferred government charges		(156)	-
COVID-19 government subsidies		15	471
Interest received	3	2	-
Finance costs		(257)	(265)
Income tax paid		(186)	(216)
<b>Net cash inflows from operating activities</b>		<b>2,165</b>	<b>3,712</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of investment property	5	(6,379)	-
Payments for property, plant and equipment		(658)	(2,480)
Payments for investment properties		(390)	(127)
<b>Net cash used in investing activities</b>		<b>(7,427)</b>	<b>(2,607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		5,900	-
Repayment of borrowings		(715)	(365)
Payment of loan establishment fees		(29)	-
Repayment of lease liabilities		(115)	(66)
<b>Net cash (used in) inflows from financing activities</b>		<b>5,041</b>	<b>(431)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(221)</b>	<b>674</b>
Cash and cash equivalents at beginning of the reporting half-year		1,468	693
<b>Cash and cash equivalents at 31 December</b>		<b>1,247</b>	<b>1,367</b>

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 2021**

## 1. Basis of preparation of interim report

These general purpose financial statements for the half-year reporting period ended 31 December 2021 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 2021 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 2021. 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 interim financial report as a result of the adoption of these standards.

### *Comparatives*

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

## 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.

	<b>Hotel Operations \$'000</b>	<b>Investment Properties \$'000</b>	<b>Total \$'000</b>
<b>Half-year to 31 Dec 2021</b>			
<b>Revenue</b>			
Revenue from contracts with customers	11,850	-	11,850
Lease revenue	-	2,019	2,019
Other revenue	294	-	294
Total segment revenue	12,144	2,019	14,163
Inter-segment revenue			(261)
Interest revenue			2
Total revenue			13,904
<b>Results</b>			
Segment results	1,091	1,503	2,594
Net finance costs			(331)
Unallocated revenue less unallocated expenses			(468)
Fair value adjustment on investment properties			2,862
Profit before income tax			4,657
Income tax expense			(990)
Profit for the half-year			3,667
<b>Assets as at 31 December 2021</b>			
Segment assets	23,085	68,609	91,694
Unallocated assets			86
Total assets			91,780
Depreciation and amortisation	648	235	883
Unallocated			1
Total depreciation and amortisation for the half-year to 31 December 2021			884

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**2. Segment information (continued)**

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
<b>Half-year to 31 Dec 2020</b>			
<b>Revenue</b>			
Revenue from contracts with customers	11,725	-	11,725
Lease revenue	-	1,646	1,646
Other revenue	252	-	252
Total segment revenue	11,977	1,646	13,623
Inter-segment revenue			(258)
Total revenue			13,365
<b>Results</b>			
Segment results	1,404	1,180	2,584
Net finance costs			(282)
Unallocated revenue less unallocated expenses			(372)
Fair value adjustment on investment properties			1,628
Profit before income tax			3,558
Income tax expense			(959)
Profit for the half-year			2,599
<b>Assets as at 31 December 2020</b>			
Segment assets	20,393	53,822	74,215
Unallocated assets			382
Total assets			74,597
Depreciation and amortisation	675	175	850
Unallocated			1
Total depreciation and amortisation for the half-year to 31 December 2020			851

**3. Revenue**

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Revenue from contracts with customers</b>		
<b>At a point in time</b>		
Sales of goods	7,018	6,443
Gaming revenue	4,832	5,283
<b>Other revenue</b>		
Commission	149	139
Interest	2	-
Rebates	145	112
	12,146	11,977
<b>Lease revenue</b>		
Rental income and recoverable outgoings from investment properties	1,758	1,388
Total revenue	13,904	13,365
<b>Disaggregation of revenue from contracts with customers</b>		
Revenue derived in Queensland	13,712	13,365
Revenue derived in New South Wales	192	-
	13,904	13,365

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

#### 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 (\$23,200,000) and the Ashmore Tavern land and buildings (\$15,300,000) was based upon the directors' internal valuation and resulted in a fair value revaluation increment of \$368,000 (\$276,000 net of tax). 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.

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

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Right-of-use assets \$'000	Total \$'000
<b>Half-year ended 31 December 2020</b>					
Opening net book amount 1 July 2020	9,440	19,900	1,964	392	31,696
Revaluation increment	60	551	-	-	611
Additions	-	1,354	1,126	240	2,720
Disposals	-	-	(1)	(156)	(157)
Straight line adjustments and lease incentives	-	118	-	-	118
Depreciation charge	-	(392)	(397)	(61)	(850)
Closing net book amount 31 Dec 2020	9,500	21,531	2,692	415	34,138
<b>Half-year ended 31 December 2021</b>					
Opening net book amount 1 July 2021	10,200	28,100	1,741	663	40,704
Revaluation increment	-	368	-	-	368
Additions	-	283	217	-	500
Disposals	-	-	(2)	-	(2)
Straight line adjustments and lease incentives	-	27	-	-	27
Depreciation charge	-	(478)	(311)	(95)	(884)
Closing net book amount 31 Dec 2021	10,200	28,300	1,645	568	40,713

As at 31 December 2021, the Group had commitments totalling \$167,000 for the purchase of plant and equipment for the Ashmore Tavern kitchen expansion.

#### 5. Investment properties

Overall movement in investment properties was as follows:

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
At 1 July	35,535	32,700
Capitalised expenditure	558	171
Straight line rentals and lease incentives	16	22
Acquisition of investment property	6,379	-
Net gain/(loss) from fair value adjustment	2,862	1,628
At 31 December	45,350	34,521

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

## 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 *	Last Independent Valuation		Book Value	
			Date	\$'000	31 Dec 2021	30 Jun 2021
Aspley Arcade Shopping Village	Jun 2007	16,316	June 2021	18,500	19,600	18,535
Plough Inn	Nov 2017	13,100	June 2021	17,000	19,250	17,000
Court House Hotel	Aug 2021	6,000	May 2021	6,100	6,500	-
					45,350	35,535

\* excluding acquisition costs

### (a) Acquisitions

On 2 August 2021, the Group purchased the land and buildings of the Court House Hotel, Murwillumbah NSW, for \$6,000,000 (being the purchase price) plus acquisition costs of \$379,000.

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

### (b) Valuation basis

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.

The 31 December 2021 fair value assessments for the Aspley Arcade Shopping Village, the Plough Inn and The Court House Hotel 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 Court House Hotel was independently valued by a member of the Australian Property Institute at \$6,100,000 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 and subsequent market yield tightening, consider the fair value of the property at 31 December 2021 to be \$6,500,000.

## 6. Finance facilities

### Commercial loans – secured

Details of the facilities drawn at 31 December 2021 are outlined below:

Facility Limit		Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date
31 Dec 21	30 Jun 21	31 Dec 21	30 Jun 21	31 Dec 21	30 Jun 21		
\$'000	\$'000	\$'000	\$'000	%	%		
10,000	-	5,400	-	1.71	-	Variable	31/10/2024
9,000	9,000	9,000	9,000	1.72	1.69	Variable	31/10/2023
10,000*	10,000	8,289	9,000	2.71	2.69	Variable	31/10/2023
11,000	11,000	10,420	9,920	2.71	1.69	Variable	31/10/2023
40,000	30,000	33,109	27,924				

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

On 15 July 2021, the Group renegotiated its commercial debt facilities on favourable terms, increasing approved commercial bill limits by \$10,000,000 to \$40,000,000 and securing tenure of new facilities of between two and three years.

\* From 30 September 2022, the facility limit on one of the Group's facilities will automatically reduce by \$125,000 per quarter. All other facilities are interest only until expiry.

---

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

---

**6. Finance facilities (cont'd)**

As at 31 December 2021 the Group had unrestricted access to commercial loan facilities of \$40,000,000 of which \$6,891,000 was undrawn (2020: \$3,076,000 undrawn).

**7. Dividends**

Dividends declared in respect of the half-year were as follows:

	<b>31 Dec 2021 \$'000</b>	<b>31 Dec 2020 \$'000</b>
Proposed interim dividend of 3.50 cents per fully paid ordinary share, unfranked, payable on 14 March 2022 but not recognised as a liability (2020: nil)	1,454	-

**8. Contingent liabilities**

The Group has no material contingencies.

**9. Subsequent events**

There are no other matters or events that have arisen since 31 December 2021 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 periods.

---

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
DIRECTORS' DECLARATION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

---

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 2021 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 24<sup>th</sup> day of February 2022



## Independent Auditor's Review Report To the Members of Eumundi Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Eumundi Group Limited and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of 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 annual 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 Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the Directors for the Financial Report

The directors of the Group 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 for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2021 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*.

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.

*Pitcher Partners*  
PITCHER PARTNERS

*Mason*  
CHERYL MASON

Partner

Brisbane, Queensland  
24 February 2022