Eumundi Group Limited & Controlled Entities
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Eumundi Group Limited
ABN:	30 010 947 476
Reporting period:	For the year ended 30 June 2024 **("FY24")**
Previous period:	For the year ended 30 June 2023 **("FY23")**

2. Results for announcement to the market

Year ended	**June 2024 $'000**	**June 2023 $'000**	**Change %**
Revenues from ordinary activities	30,432	29,733	2%
Profit from ordinary activities before tax and fair value gain/(loss) on revaluation of investment properties	3,983	3,703	8%
Fair value gain/(loss) on investment properties before tax	840	(1,740)	-
Profit from ordinary activities before tax attributable to shareholders	4,823	1,963	146%
Profit from ordinary activities after tax attributable to shareholders	3,621	1,477	145%
Net profit for the period attributable to shareholders	3,621	1,477	145%
Other comprehensive income after tax attributable to shareholders	703	3,740	(81%)
Total comprehensive income after tax attributable to shareholders	4,324	5,217	(17%)

3. Net tangible assets

	June 2024 $	**June 2023 $**	**Change %**
Net tangible asset backing per security	1.34	1.33	1%
Net asset backing per security	1.39	1.38	1%

4. Control over entities

There were no changes to controlled entities during the year ended 30 June 2024.

5. Dividends

	Amount per security Cents	Franked amount per security Cents
Current period		
FY24 interim dividend fully franked at the corporate tax rate of 25% with a record date of 4 March 2024 and paid to shareholders on 14 March 2024.	3.500	3.500
FY24 final dividend fully franked at the corporate tax rate of 25% with a record date of 30 August 2024 which will be paid to shareholders on 11 September 2024.	3.750	3.750
Prior period		
FY23 interim dividend fully franked at the corporate tax rate of 25% with a record date of 3 March 2023 and paid to shareholders on 15 March 2023.	3.500	3.500
FY23 final dividend fully franked at the corporate tax rate of 25% with a record date of 1 September 2023 and paid to shareholders on 13 September 2023.	3.500	3.500

6. Dividend reinvestment plan

A dividend reinvestment plan will be in operation for the final dividend. The last date for receipt of an election notice to participate in the plan is Wednesday, 4 September 2024.

7. Details of associates or joint venture entities

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Not applicable.

10. Audit

The financial report has been independently audited by Pitcher Partners and is not subject to a matter of emphasis paragraph.

11. Attachments

The Annual Report of Eumundi Group Limited for the year ended 30 June 2024 is attached.

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12. Signed

Signed ___________________________ Date: 26 August 2024

Duncan Cornish
Company Secretary
Brisbane

Chairman's message

I am pleased to present the Annual Report for Eumundi Group Limited (the "Group") for the year ended 30 June 2024 ("FY24").

Financial performance

The Group reported a statutory net profit after tax of $3.621 million for FY24, representing earnings per share of 7.71 cents. The result included a net gain on fair value adjustments of investment properties of $0.630 million after tax.

Total comprehensive profit for the year was $4.324 million, being net profit after tax of $3.621 million and fair value increments in respect of the Group's land and buildings of $0.703 million after tax.

In FY23, the reported net profit after tax of $1.477 million included a net loss on fair value adjustments of investment properties of $1.305 million after tax and the total comprehensive profit of $5.217 million after tax included fair value increments on the Group's land and buildings of $3.740 million after tax.

Following the cooling of the property market in FY23, there was little evidence during the FY24 year of sales of equivalent assets to the Group's. Current market guidance confirmed that capitalisation rates had remained unchanged since the prior independent valuations, however that the appetite for hotel assets, such as the Ashmore Tavern and particularly for triple net lease investment assets such as The Plough Inn and Court House Hotels, remained strong. Fair value gains recognised on the Group's land, building and investment property are attributable solely to improved returns from each asset.

FY24 was going to be a very challenging year from the outset.

On 1 July 2023, the Fair Work Commission increased the national minimum wage by 5.75%, while a 0.5% increase in statutory superannuation contributions also came into force. The impact of these increases, taking into account on-costs, represented an increase of approximately 7.3% for employee costs. For hotel operations, employee costs can represent as much as 55% of operating costs (excluding COGS, gaming tax, depreciation and interest). The impact of higher base wages also reflects in higher labour-based contractors and other costs albeit to a lesser extent. The reduction in consumer disposable income limited our ability to pass through these costs.

During FY24, already soft consumer confidence was eroded further as the Reserve Bank of Australia raised interest rates to 4.25% pa, intensifying the cost-of-living and housing affordability crises. CPI for Brisbane was 4.05% for the year.

Despite these market forces adversely impacting the Group's operations and constraining profit growth, I am pleased to report that a solid result was achieved. The FY24 underlying profit after tax before fair value adjustments and revaluations and finance costs was $4.262 million, achieved on revenue from operations of $30.432 million. This compared favourably with the prior year result of $3.863 million achieved on revenue of $29.773 million.

In summary, based on this measure which the Board believes best represents the underlying earnings of the Group, after tax profit was up by 10% in FY24 on a 2% sales increase.

Hotels

Ashmore Tavern

Following the completion of the Ashmore Tavern works programme in September 2022, the substantial and modern venue offers patrons a choice of six attractive indoor and outdoor dining spaces including the sports bar and sports bar deck, atrium bistro, lounge bistro, garden bistro and garden deck which are also available for use as function spaces. With a combined capacity of 850 patrons, Ashmore Tavern can capably deliver functions for up to 250 guests, while continuing to service fully the balance of the venue.

Gaming activity was strong throughout the year, lifting further during Q4FY24. The Group's ongoing investment in gaming facilities ensure that the offering remains at the highest standard possible to ensure customer satisfaction. An uplift in gaming revenues of 8% was achieved during FY24, delivering a 6% increase in contribution after gaming taxes and direct costs including wages.

Bistro sales increased by 14% compared with FY23, however this prior period included the impact of the 1QFY23 kitchen redevelopment. Bar sales were on par with the prior year. Overall contribution from bar and bistro increased by 6% in FY24 after direct costs including wages.

Retail liquor sales decreased by 3% compared with FY23 largely attributable to reduced consumer spend, leading to a trend towards value purchases, and the impact of heightened market competition. Sales to corporate customers, predominantly Gold Coast restaurants, were substantially impacted and suffered a 12% decline year-on-year. The impact of lower retail liquor revenues was partially offset by improved profit margin and cost efficiencies limiting the decrease in contribution after direct costs including wages to 2%.

Employment costs were contained during FY24, with an increase of less than 1% due to the reduction of employee hours across the business attributable to efficiencies achieved on implementation of the new point-of-sale and business systems, and roster tightening in response to fluctuation in sales levels particularly in respect of retail liquor.

Overall, operating costs (excluding COGS, gaming tax, depreciation and finance costs) at Ashmore Tavern increased by less than 1%, well below CPI, and Ashmore Tavern's contribution to the Group's EBITDA increased by 10% in FY24.

Aspley Central Tavern

Aspley Central Tavern revenues were more markedly impacted by the difficult trading conditions of FY24 and increased local competitor activity.

Gaming turnover had softened compared with the prior year, but lifted when gaming upgrades were delivered in Q4FY24 and resulting in a slight increase. An increase in gaming revenues of 4% was achieved during FY24 delivering a 5% increase in contribution after gaming taxes and direct costs including wages.

Bistro sales were in line with FY23, while bar sales decreased by 4%. The Aspley Central Tavern suffered significant staff turnover particularly in the kitchen, which reduced operational efficiency and resulted in higher employment costs attributable to contract staff, recruitment fees and training costs. A range of entertainment was commenced to increase bar and bistro patronage patterns, and customer numbers have been increasing gradually. With the recent appointment of a new head chef, bistro profitability is expected to improve in FY25.

Retail liquor sales decreased by 8% due to cost-of-living pressures and heightened local competition, while margins were also squeezed, falling by 11%. This resulted in a decline of 33% in retail contribution after direct costs including wages compared with FY23.

Overall, operating costs (excluding COGS, gaming tax, depreciation and finance costs) at Aspley Central Tavern increased by 4%, below CPI. Aspley Central Tavern's contribution to the Group's EBITDA decreased by 3% in FY24.

Investment properties

The Plough Inn

The Plough Inn is located within Southbank Parklands, Brisbane's major tourism precinct. Significant upgrades to public spaces in this area have been undertaken during the past 12 months. Pedestrian access between the city and Southbank will be improved with the opening of the Neville Bonner bridge and the new Queen's Wharf development on 29 August 2024. Up to 10,000 pedestrians are expected to use the bridge daily and further improvements are planned to modernise the precinct ahead of the 2032 Olympics.

The lessee of the Plough Inn is part of the 'Kickon Group', operators of seven high-profile destination venues across Queensland and Victoria. Since acquisition in 2017, the lessee has substantially invested in upgrades to the premises, strengthening its business and safeguarding the Group's asset. Rental income for this triple net lease has improved during FY24 due to the CPI increase.

Court House Hotel



The Court House Hotel, in the NSW far north coast town of Murwillumbah, is located within the town's main retail precinct. The hotel includes a coffee shop, public bar and TAB, and 15 accommodation rooms. The hotel has 21 gaming machines and benefits from the absence of other gaming hotel competition in the Murwillumbah CBD. The lessee is an experienced hotelier, and the triple net lease provides for annual fixed rent rises over the 15-year term which commenced in August 2021, ensuring a stable and predictable revenue stream through to 2036 and beyond. Rental income in FY24 includes the benefit of the annual rent increase.

Aspley shopping centres



As at 30 June 2024, four vacancies exist at the Group's Aspley Arcade Shopping Village and Aspley Shopping Centre representing 369m^2 or 7.9% of the gross lettable area. Efforts are being made to secure appropriate tenants for these tenancies in a challenging leasing environment. The weighted average lease expiry (or WALE) at the centres is now 4.1 years (excluding the Group's tavern operations). Notwithstanding vacancies, income from the combined centres has improved from the prior year due to annual rental rises.

Strong cash flows

Net operating cash inflows remained strong at $4.220 million, with the reduction from the previous corresponding period attributable solely to an increase in finance costs and tax payments. Finance costs paid increased by 27% due to higher interest rates, notwithstanding the Group's reduced level of borrowings. Tax payments included a $0.521 million final FY23 income tax payment and instalments were higher following an increase in the Group's tax instalment rate. Receipts from customers less payments to suppliers and employees were slightly above the prior year at $7.233 million.

Cash outflows from investing activities of $0.565 million predominantly reflected the replacement of the Group's hotel point-of-sale system and installation of solar equipment at the Ashmore Tavern.

Financing cash outflows of $3.830 million mainly comprised the repayment of borrowings of $3.345 million and lease liabilities of $0.213 million. Cash dividend payments of only $0.220 million reflected the continued strong uptake by shareholders of the Group's dividend reinvestment plan.

Solid financial position

The Group's net asset backing per share of $1.39 as at 30 June 2024 represents a slight increase on the prior year. The strong operating performance of the Group's hotel operations and investment properties, as well as the net fair value adjustment and revaluation gains of $1.333 million after tax, was offset by the payment to shareholders of 7.0 cents per share in fully franked dividends during FY24. Net tangible assets per share was $1.34 as at 30 June 2024.

Net debt of $24.775 million as at 30 June 2024 represented a reduction of 11% from $27.958 million in the prior year, resulting in a reduction in the gearing ratio (net debt: total equity) from 45% to 37% during this period. While finance costs have increased as noted previously due to interest rate rises, debt was comfortably serviced by interest cover (operating EBIT: interest) of 3.4 times in FY24.

The Group renegotiated commercial borrowing facilities on favourable terms and conditions during FY24 to extend expiry dates. Undrawn commercial loan facilities of $8.746 million were available at balance date, providing both working capital and the ability to respond to further growth opportunities that may be identified.

Dividends

The Board has declared an increased FY24 final dividend of 3.75 cents per share (FY23: 3.50 cents per share), fully franked at the Group's corporate tax rate of 25%. The final dividend is payable on Wednesday, 11 September 2024, with a Record Date of Friday, 30 August 2024. This brings total fully franked dividends in respect of FY24 to 7.25 cents per share (FY23: 7.0 cents per share), with shareholders having received a fully franked (at 25%) interim dividend of 3.5 cents per share on 14 March 2024.

The Dividend Reinvestment Plan will apply to the final dividend to preserve capital and maximise the Group's capacity to pursue further growth opportunities.

Outlook

In summary, the Group's hotel operations and investment properties have performed well during the year and the company is in a very sound financial position with reduced debt and a strong equity ratio. With continuing high inflation and interest, the Board is mindful market conditions will remain challenging. However, this may also create opportunities and the Board remains optimistic about the Group's future prospects given the quality of its assets, the strength of its cash flows and the determination and capability of its experienced management team.

On behalf of the Board, I would like to thank our CEO, Suzanne Jacobi, who has capably overseen the Group's business operations, including the substantial upgrade to the Group's assets in recent years. Thank you also to the Ashmore and Aspley staff who are the force behind our success.

Leni Stanley resigned as our Company Secretary as at 30 June 2024, having capably supported the Board and management for almost 20 years. We express our sincere gratitude to Leni for her service, and we wish her all the best.

We welcome Duncan Cornish as our new Company Secretary.

Finally, thanks to our auditors, Pitcher Partners, our banking partners at National Australia Bank, my fellow directors and, as always, our very supportive shareholders.

JM Ganim
Chairman

Eumundi Group Limited & Controlled Entities

ABN 30 010 947 476

Annual Report - 30 June 2024

Contents

Directors	Joseph Michael Ganim Non-executive Chairman Gilbert De Luca Non-executive director Murray Raymond Boyte Independent Non-executive Director
Chief Executive Officer and Chief Financial Officer	Suzanne Marie Jacobi
Company Secretary	Duncan Cornish
Notice of annual general meeting	The annual general meeting of Eumundi Group Limited will be held: 11:00am Friday, 29 November 2024 HopgoodGanim Lawyers Level 7, 1 Eagle Street Brisbane QLD 4000
Registered office	c/- HopgoodGanim Lawyers Level 8, 1 Eagle Street Brisbane QLD 4000 Telephone: (07) 3024 0000
Principal place of business	Ashmore Tavern 161 Cotlew Street Ashmore QLD 4214 Telephone: (07) 3229 7222
Share register	c/- Computershare Registry Services Pty Limited Level 1, 200 Mary Street Brisbane QLD 4000 Telephone 1300 552 270
Auditor	Pitcher Partners Level 38, Central Plaza One 345 Queen Street Brisbane QLD 4000
Solicitors	HopgoodGanim Lawyers Level 8, 1 Eagle Street Brisbane QLD 4000
Stock exchange listing	Eumundi Group Limited shares are listed on the Australian Securities Exchange (ASX code: EBG)
Website	www.eumundigroup.com.au

Your directors present their report on the consolidated entity (referred to hereafter as the **"Group"**) consisting of Eumundi Group Limited (referred to hereafter as the **"company"** or **"parent entity"**) and the entities it controlled for the year ended 30 June 2024 (**"FY24"**). The prior comparative period is the year ended 30 June 2023 (**"FY23"**).

Directors
The following persons were directors of Eumundi Group Limited during the year and up to the date of this report:

J M Ganim - Non-executive Chairman
G De Luca - Non-executive Director
M R Boyte - Independent Non-executive Director

Principal activities
During the year the principal activities of the Group remained unchanged and consisted of the operation of the Ashmore Tavern and Aspley Central Tavern and the holding of investment properties, predominantly in Queensland.

Dividends

	2024 $'000	2023 $'000
Dividends paid during the financial year were as follows:		
Final dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% paid on 13 September 2023 (FY23: 3.5 cents per share fully franked at 25%)	1,591	1,501
Interim dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% paid on 14 March 2024 (FY23: 3.5 cents per share fully franked at 25%)	1,639	1,549
Total dividends paid during the year	3,230	3,050
Dividends declared since the end of the financial year: On 26 August 2024, the board declared a final dividend of 3.75 cents per share fully franked at the corporate tax rate of 25% which will be paid on 11 September 2024 (FY23: 3.5 cents per share fully franked at the corporate tax rate of 25%)	1,807	1,591

Review of operations

Financial results
The Group recorded a profit after tax of $3,621,000 for FY24 representing basic and diluted earnings per share of 7.71 cents, compared with a profit after tax of $1,477,000 in the prior comparative year, representing basic and diluted earnings per share of 3.33 cents.

The current profit includes a fair value gain on revaluation of investment properties of $630,000 net of tax. Profit in the prior year included a fair value loss on revaluation of investment properties of $1,305,000 net of tax.

The FY24 underlying profit after tax before fair value adjustments and revaluations and finance costs was $4.262 million, achieved on revenue from operations of $30.432 million. This compared favourably with the prior year result of $3.863 million achieved on revenue of $29.773 million. Net profit after tax excluding non-cash fair value adjustments and revaluations and finance costs is not a measure that is calculated in accordance with International Financial Reporting Standards ("**IFRS**"). However, in the opinion of Directors, this is the most appropriate measure of the Group's performance.

Total comprehensive income of $4,324,000 included a $703,000 gain net of tax on the fair value revaluation of the Ashmore Tavern and Aspley Shopping Centre land and buildings (FY23: $5,217,000 included a $3,740,000 gain net of tax).

Revenue from hotel operations of $26,464,000 in FY24 was up 2.8% (FY23: $25,754,000), with strong gaming revenues across the Group. Food and beverage at the Ashmore Tavern in 1HFY24 benefitted from the kitchen and bathroom replacement completed in 1HYFY23, however revenues softened during 2HFY2024. Aspley Central Tavern food and beverage and retail liquor sales across the Group were below the prior comparative year with a lower average spend driven by continued cost of living pressures. Costs were well contained with total expenses rising less than inflation despite pressure on employment and subcontractor costs as competition for quality staff remains high.

The contribution of the hotel operations was $3,152,000 up 5.7% from $2,982,000 in the prior year, predominantly reflecting an uplift in gaming revenues and containment of costs.

Investment property contribution increased from $3,228,000 in FY23 to $3,530,000 in the current year due to CPI rises on several major tenancies. The prior year result included costs for independent valuations of the properties.

In FY24, the Group has:

- replaced hotel operational point-of-sale software and hardware at a total cost of $259,000, improving customer service capability, reducing repair costs and achieving efficiencies;
- installed solar panels at the Ashmore Tavern and Aspley Central Tavern at a total cost of $203,000, reducing ongoing electricity supply from the grid and achieving future savings;
- invested in gaming room upgrades at Ashmore Tavern and Aspley Central Tavern at a total cost of $176,000;
- entered into a five-year agreement with a new tenant to lease retail premises at Aspley Shopping Centre and negotiated the renewal of two tenant leases at Aspley Arcade;
- progressed replacement of the Group's financial system to improve management and statutory reporting delivery; and
- negotiated an extension of commercial debt facilities to October 2025 on favourable terms and conditions.

Cash flows
Cash inflows from operating activities for FY24 were $4,220,000 (FY23: $4,890,000) with higher tax instalments and interest rate escalation increasing finance costs despite lower debt levels.

Cash outflows from investing activities of $565,000 related predominantly to the hotel point-of-sale system replacement, Ashmore Tavern car park repairs and payment of the Ashmore Tavern solar panel installation.

Financing cash outflows of $3,830,000 comprised the repayment of borrowings of $3,345,000 and lease liabilities of $213,000. Cash dividend payments of only $220,000 reflected the continued strong uptake by shareholders of the Eumundi Group Limited Dividend Reinvestment Plan ("**DRP**") (FY23: $2,373,000 outflows).

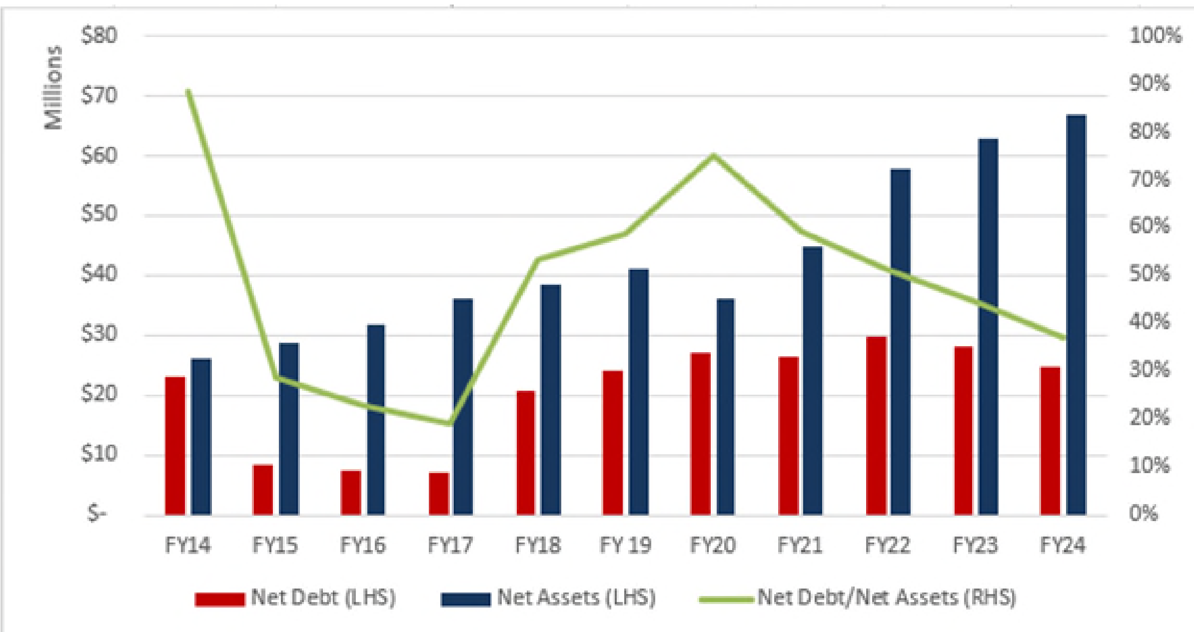
Financial position
The Group maintained its strong financial position during the year.

Total assets of $106,715,000 as at 30 June 2024 represented a slight increase compared with $106,180,000 reported at the same time last year.

Total liabilities decreased 8.2% to $39,911,000 from $43,469,000 due mainly to the repayment of commercial borrowings which reduced by $3,358,000. During the year the Group renegotiated its commercial borrowing facilities on favourable terms, with the expiry date of facilities extended to 31 October 2025. The Group retained access to available undrawn commercial loan facilities of $8,746,000 as at 30 June 2024.

Net debt of $24,775,000 as at 30 June 2024 represented a reduction of 11.4% from $27,958,000 at 30 June 2023, resulting in a reduction in the gearing ratio from 44.6% to 37.1% during this period.

Net assets increased by $4,093,000 to $66,804,000 at balance date representing $1.39 per share. The strong operating performance of the Group’s hotel operations and investment properties, as well as the net fair value adjustment and revaluation gains of $1,333,000 after tax, was offset by the payment to shareholders of 7.0 cents per share in fully franked dividends during FY24 and the high level of dividend reinvestment under the DRP which resulted in the issue of 2,719,262 shares during FY24 in respect of the FY23 final dividend and the FY24 interim dividend. As at 30 June 2024, a total of 48,185,154 ordinary shares were on issue in the Company.



Business risks
Business risks which the Group considers may materially impact its ability to achieve its strategic objectives in future periods include the following:

Workforce risk

The Group's people are key to its success. The Group competes in a highly competitive labour market in a time of record low unemployment. The Group's ability to attract and retain talent with the necessary skills and abilities to operate effectively in a challenging market is critical to the Group's operations, and particularly important in respect of leadership roles. The competitive nature of the labour market may result in the loss of key employees or a decrease in workforce availability. This may impair operational capability, lead to a loss of operational knowledge, impact customer experience and result in increased costs for short-term cover of key roles, as well as additional time and cost to identify, recruit and train suitable new staff to achieve proficiency. If the Group is unable to attract and retain appropriate employees, this may adversely impact the Group's operations and financial performance.

Employee expenses are the most significant controllable cost for the Group and staff levels are managed tightly to achieve the business objectives at the lowest cost without a reduction in customer service levels. This may lead to a loss of staff who require more hours than the Group can reliably offer and difficulty in securing replacement staff quickly when absences occur such as in the event of illness or resignation.

Hotel operations rely predominantly on casual employees to cover their extended trading hours including early morning closes, weekend and public holiday work. Rostered hours for an individual may vary widely because of seasonal trade levels. Skills required within the hotel industry are equally coveted in other sectors, including those which can offer a more friendly work-life balance or consistent hours.

Major competitors within the industry have numerous sites across the country and can offer potential employees a more attractive career path, relocation and training opportunities. Additionally, some of these competitors offer benefits such as grocery discounts which are particularly attractive and offer potential employees significant value for comparatively little cost.

For skilled roles such as qualified chefs, there is an ongoing deficit of suitable local candidates across all industries and it may become necessary to recruit from overseas, which involves additional costs as well as delays attributable to the government's visa application process.

The Group seeks to mitigate workforce risk through its strategy of connecting with the local community, building relationships and becoming an employer of choice. This is achieved through empowering and engaging staff, providing meaningful and rewarding employment opportunities and maintaining a positive organisational culture of respect and integrity. Identifying capable individuals at all levels of the business and developing their competencies to achieve succession planning is core to achieving this strategy.

Customer preference risk and competition risk

Customer preferences continually evolve because of varying economic conditions, healthy living trends, an ever-increasing range of goods and services available both online and through 'bricks and mortar' premises and other factors. Each of these may impact the spending decisions of our current and future customers.

Competition risk includes competitive activity such as price wars and discounting, as well as new entrants to the market, both online and physical, competing with the Group for customers and their discretionary spend. Competition risk is not limited by locality as liquor, food and gaming are all available to purchase on-line and consume at the customer's convenience.

The Group seeks to mitigate customer preference and competition risk in its hotel operations through its strategy of providing service excellence and a consistent quality offering at a reasonable price. Adoption of new point-of-sale technologies, including in-store retail systems, order-to-table and online stores combined with home delivery has been implemented to improve the Group's customers' experience no matter how they choose to do business with us. The success of this strategy is tied to recruitment, training and retention of high quality, customer-focussed staff.

Investment property operations are exposed to customer preference risk and competition risk as these may impact the commercial viability of the Group's tenants. On-line sales channels may also result in increased competition for tenants. With an increase in home delivery for take-away foods, locating these businesses in retail shopping centres may become less important than achieving lower rental and operating from a commercial kitchen. Retail leasing outcomes may be impacted by heightened competition for retail tenants by new and existing retail centres, which may increase the difficulty of attracting new tenants and may also lead to rental reductions, retention payments or loss of tenants when a lease is due for renegotiation.

The Group seeks to mitigate this risk through engagement with professional property advisers and managers to maintain awareness of leasing trends to address proactively current and emerging risks, and through financial and business capability assessments of prospective tenants which underpin the Group's leasing decisions.

Price risk

Price risk relates to the Group's ability to secure reliable access to quality goods and services at a competitive price to ensure continued profitability of hotel operations while meeting market expectations and strong competition. The Group seeks to mitigate this risk through purchasing negotiations, including membership of a wholesale buying group for major liquor purchases and the implementation of strategic marketing initiatives.

Technology and cyber risk

The Group relies upon technology to conduct its business operations and a severe disruption to its systems may significantly impact the Group's operations and financial results. The Group seeks to mitigate this risk through the engagement of IT professionals to manage hardware, networks and data management and recovery, selection criteria for business software solutions, hardware and software service agreements for key business systems and application of internal controls.

Regulatory risks

Regulatory risks include compliance with current legislation as well as the impact on the future performance or profitability of the Group of future legislative changes that might affect the types of goods or services provided and how they are delivered to customers. Future regulatory risks also include changes to taxation regimes at State or Federal Government levels as well as potential cost increases related to new compliance obligations or associated disclosures.

In addition to the general regulatory requirements faced by most businesses, the Group holds liquor and gaming licences which are critical to its hotel operations. A regulatory breach could result in breach notices, fines, investigations or potentially loss of licence, which may have a materially negative impact on the operational performance and financial results of the Group.

The Group seeks to mitigate these risks through its internal procedures and controls to monitor compliance with relevant legislation and appropriate staff training. Additionally, the Group is actively involved with industry groups and engages with professional advisers to address proactively current and emerging risks.

Other

The Group seeks to mitigate all risks through prudent operational and financial management.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial other than as disclosed elsewhere in this report.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

With sharply increased inflation and interest rates in the past 12 months, the Board is alive to potential market pressures in the coming year. However, this may also create opportunities and the Board remains optimistic about the Group's future prospects given the quality of its assets, the strength of its cash flows and the determination and capability of its experienced management team. However, trading conditions are expected to remain challenging through FY25 due to the ongoing cost-of-living crisis and political uncertainty at both State and Federal Government levels.

The Group intends to pursue its strategy for its hotel operations of connecting its venues with and building relations in the local community, becoming an employer of choice and providing patrons with excellent service and a consistent, quality offering at a reasonable price to ensure growth through customer loyalty.

Hotel operations are expected to remain stable through FY25 with continued growth in gaming offset by heightened competition for retail liquor sales.

The strategy for the Group's investment properties is to achieve full occupancy of remaining vacancies, securing long-term, quality tenants and deliver a solid recurring income base.

As at 30 June 2024 four vacancies exist at the Aspley Shopping Central and Aspley Arcade Shopping Villages. Enquiry continues from prospective tenants however, where financial institutions are tightening lending criteria, prospective tenants are looking to landlords to provide their business capital. All tenancy offers received are considered having regard for the tenant's business experience and financial capacity, particularly where substantial cash incentives are sought. In these circumstances leasing will remain challenging in the year ahead.

With the capital works program effectively completed, the Group will continue to prioritise debt reduction in the year ahead. The Group will seek to further enhance operational efficiency through technology and process engineering to achieve profit growth.

The Group has robust operating cash flows and a strong capital base to withstand a deterioration in market conditions, should that occur, while having the ability to respond to investment opportunities that may exist in the current market where such investments will improve the Group's asset portfolio.

Environmental regulation

The Group's operations are not subject to any particular or significant environmental regulation under Australian Commonwealth or State law.

Information on Directors and key management personnel

Name:	Joseph Michael Ganim
Title:	Non-executive Chairman
Age:	78
Qualifications:	LLB
Experience and expertise:	Over 50 years' experience conducting complex corporate and commercial litigious matters. Extensive public and private board experience. Non-executive Director since 1989 and Non-executive Chairman since 2004.
Other current directorships:	n/a
Former directorships (last 3 years):	n/a
Special responsibilities:	Member of the Audit and Risk Management committee
Interests in shares:	15,268,553

Name:	Gilbert De Luca
Title:	Non-executive Director
Age:	78
Experience and expertise:	A wide range of business experience in the property and construction fields overseeing the acquisition of investment and development properties. Non-executive Director since 1989.
Other current directorships:	n/a
Former directorships (last 3 years):	n/a
Special responsibilities:	Member of the Audit and Risk Management Committee
Interests in shares:	8,308,027

Name:	Murray Raymond Boyte
Title:	Independent Non-executive Director
Age:	76
Qualifications:	BCA, MAICD, CMInstD, CA
Experience and expertise:	Over 35 years' merchant banking and finance experience including corporate restructures, mergers and acquisitions. Extensive directorship and executive experience in transport, horticulture, financial services, investment, health services and property industries. Independent Non-executive Director since 2021.
Other current directorships:	Chairman of NTAW Holdings since 2017. Executive Chairman of Eureka Group Holdings Limited since 2017. Non-executive Director of Hillgrove Resources since 2019.
Former directorships (last 3 years):	n/a
Special responsibilities:	Chairman of the Audit and Risk Management Committee
Interests in shares:	n/a

Name:	Suzanne Marie Jacobi
Title:	Chief Executive Officer and Chief Financial Officer
Age:	57
Qualifications:	BCom, CPA, Grad Dip Corp Gov
Experience and expertise:	Over 30 years' experience in senior finance roles across various industries.
Other current directorships:	n/a
Former directorships (last 3 years):	n/a
Interests in shares:	52,619
Appointment date:	16 January 2006

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last three years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Name	Duncan Cornish
Qualifications	CA BCom
Experience and expertise	Chartered Accountant with significant experience as a public company CFO and Company Secretary, focused on finance, administration and governance roles.
Date of appointment	17 June 2024

Name	Leni Pia Stanley
Qualifications	CA BCom
Experience and expertise	Principal of a Chartered Accountancy firm and has held similar positions with other companies.
Appointment date	25 February 2005
Retirement date	30 June 2024

Meetings of Directors
The number of meetings of the company's Board of Directors (**'the Board'**) held during FY24, and the number of meetings attended by each Director were:

	Directors' meetings		Audit and Risk Management committee meetings	Audit and Risk Management committee meetings
	Meetings held during the period whilst in office	Meetings attended	Meetings held during the period whilst in office	Meetings attended
J M Ganim	9	9	2	2
G De Luca	9	9	2	2
M R Boyte	9	9	2	2

There were no other formally constituted committees of the board during the financial year.

Remuneration report (audited)
The remuneration report details the key management personnel **("KMP")** remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Principles used to determine the nature and amount of remuneration

Non-executive Director remuneration

Fees and payments to non-executive Directors reflect the financial status of the consolidated entity, and the demands that are made on, and the responsibilities of the Directors. Non-executive Directors' fees are reviewed annually by the board and are set within the limits approved by shareholders. No retirement benefits are payable to non-executive Directors.

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Non-executive Director remuneration is determined within the aggregate Directors' fee pool, which is periodically recommended for approval by shareholders. The latest determination was at an Annual General Meeting **("AGM")** held on 24 November 2005 when shareholders approved an aggregate remuneration of $250,000 per annum. The actual amount paid during FY24 was $162,192 (FY23: $161,460).

Executive remuneration

The Group's remuneration policy is to ensure that remuneration packages properly reflect the person's duties, responsibilities and performance and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The current executive remuneration structure has two components: base pay and benefits such as superannuation. At the discretion of the Directors, executives may receive a cash and/or share bonus as part of their remuneration. Upon retirement the executives are paid employee benefit entitlements accrued to date of retirement.

The remuneration policy for executives and other senior employees in terms of cost, market competitiveness and the linking of remuneration to the financial and operational performance of the Group is periodically reviewed.

Relationship to performance

There are no direct links between KMP remuneration and group performance.

The performance of the Group over the past five years is as follows:

	FY24	FY23	FY22	FY21	FY20
Profit (loss) after tax attributable to shareholders ($'000)	3,621	1,477	7,022	4,263	(1,022)
Total comprehensive income (loss) for the year ($'000)	4,324	5,217	13,103	8,576	(4,717)
Dividends paid ($'000)	3,230	3,050	1,453	-	1,882
Dividends paid per share	7.0c	7.0c	3.5c	-	4.7c
Net tangible asset backing per share	$1.34	$1.33	$1.29	$1.02	$0.82
Share price at end of year	$1.18	$1.15	$1.09	$1.00	$0.79

Details of remuneration

Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees[2]	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
FY24	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:							
J M Ganim	54,795	-	-	6,027	-	-	60,822
M R Boyte	45,662	-	-	5,023	-	-	50,685
G De Luca	45,662	-	-	5,023	-	-	50,685
Chief Executive Officer/Chief Financial Officer							
S M Jacobi[1,2]	232,369	-	19,093	28,371	5,146	-	284,979
	378,488	-	19,093	44,444	5,146	-	447,171

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees[2]	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
FY23	$	$	$	$	$	$	$
Non-Executive Directors:							
J M Ganim	54,795	-	-	5,753	-	-	60,548
M R Boyte	45,662	-	-	4,794	-	-	50,456
G De Luca	45,662	-	-	4,794	-	-	50,456
Chief Executive Officer/Chief Financial Officer							
S M Jacobi[1,2]	264,442	-	19,094	27,081	19,173	-	329,790
	410,561	-	19,094	42,422	19,173	-	491,250

[1] *Ms S M Jacobi's salary is $257,918 plus super inclusive of training and reimbursable expenses. Ms Jacobi receives a home office allowance of $1,250 per month, totalling $15,000 during FY24 (FY23: $15,000).*
[2] *Amounts disclosed for Ms S M Jacobi reflected net utilisation of accrued leave entitlements ($16,310) during FY24 (FY23: $29,791 net increase in accrued leave entitlements).*

The Board has assessed the executive group and the disclosures in the above table relate strictly to those individuals with the authority and responsibility for planning, directing, and controlling the activities of the entity directly or indirectly. There were no other KMP in the executive group in the current or prior year.

The resolution to approve the remuneration report at the 2023 AGM received a 98% "yes" vote. The Group did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Service agreements
Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	S M Jacobi
Title:	Chief Executive Officer and Chief Financial Officer
Agreement commenced:	1 July 2022
Term of agreement:	Ongoing
Details:	Salary package of $285,000 inclusive of superannuation, training and reimbursable expenses effective from 1 July 2022. Statutory superannuation increases will result in an increase to the total remuneration. A six month notice period applies.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other KMP as part of compensation during FY24.

Additional disclosures relating to KMP

Shareholding
The number of shares in the company held during the financial year by each Director and KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Shares issued pursuant to DRP	Share market trades	Balance at the end of the year
Ordinary shares					
J M Ganim	14,346,661	-	921,892	-	15,268,553
G De Luca	7,807,470	-	500,557	-	8,308,027
S M Jacobi	49,444	-	3,175	-	52,619
	22,203,575	-	1,425,624	-	23,629,199

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

There were no other related party transactions in the current or prior year.

Ordinary shares held directly, indirectly or beneficially by KMP, including their personally related entities are shown below.

	2024 $'000	2023 $'000
Balance at 1 July	22,203,575	20,838,714
Shares issued pursuant to DRP	1,425,624	1,349,364
Share market trades	-	15,497
Balance at 1 July	23,629,199	22,203,575

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers
The company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Pitcher Partners
There are no officers of the company who are former partners of Pitcher Partners.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
Pitcher Partners continues in office as auditor in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

J.M. Ganim
Chairman

26 August 2024
Brisbane

Pitcher Partners

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The Directors
Eumundi Group Limited
161 Cotlew Street
Ashmore QLD 4214

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2024, 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 year.

Pitcher Partners

PITCHER PARTNERS

Mason

CHERYL MASON
Partner

Brisbane, Queensland
26 August 2024

Eumundi Group Limited & Controlled Entities
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue	4	30,432	29,733
Other income			
Net fair value gain on revaluation of investment properties	11	840	-
Expenses			
Cost of goods sold		(8,141)	(8,310)
Selling and promotion		(1,017)	(1,034)
Employee benefits expense		(4,636)	(4,645)
Repair and maintenance		(151)	(139)
Depreciation and amortisation	5	(1,666)	(1,858)
Insurance		(174)	(205)
Rates and taxes		(127)	(127)
Electricity		(207)	(205)
Listing and governance		(362)	(350)
Gaming tax		(6,397)	(5,936)
Occupancy		(798)	(718)
Investment property expense		(594)	(563)
Other expenses		(485)	(499)
Finance costs	5	(1,694)	(1,441)
Net fair value loss on revaluation of investment properties	11	-	(1,740)
Total expenses		(26,449)	(27,770)
Profit before income tax expense		4,823	1,963
Income tax expense	6	(1,202)	(486)
Profit after income tax expense for the year attributable to the shareholders of Eumundi Group Limited		3,621	1,477
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value revaluation of land and buildings	10	937	4,987
Income tax on other items of comprehensive income		(234)	(1,247)
Other comprehensive income for the year, net of tax		703	3,740
Total comprehensive income for the year attributable to the shareholders of Eumundi Group Limited		4,324	5,217
		Cents	**Cents**
Basic earnings per share	30	7.71	3.33
Diluted earnings per share	30	7.71	3.33

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Eumundi Group Limited & Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	7	1,431	1,606
Trade and other receivables	8	186	223
Inventories		1,387	1,332
Other assets	9	427	349
Total current assets		3,431	3,510
Non-current assets			
Trade and other receivables	8	-	2
Property, plant and equipment	10	53,765	53,900
Investment properties	11	47,100	46,349
Intangibles	12	2,419	2,419
Total non-current assets		103,284	102,670
Total assets		106,715	106,180
Liabilities			
Current liabilities			
Trade and other payables	13	3,502	3,578
Lease liabilities	14	144	192
Income tax	6	364	521
Provisions	15	590	586
Total current liabilities		4,600	4,877
Non-current liabilities			
Borrowings	16	26,206	29,564
Lease liabilities	14	263	407
Deferred tax	6	8,795	8,574
Provisions	15	47	47
Total non-current liabilities		35,311	38,592
Total liabilities		39,911	43,469
Net assets		66,804	62,711
Equity			
Issued capital	17	33,080	30,081
Reserves		21,128	20,425
Retained profits		12,596	12,205
Total equity		66,804	62,711

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

Eumundi Group Limited & Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2022	27,276	16,685	13,778	57,739
Profit after income tax expense for the year	-	-	1,477	1,477
Other comprehensive income for the year, net of tax	-	3,740	-	3,740
Total comprehensive income for the year	-	3,740	1,477	5,217
Transactions with shareholders in their capacity as shareholders:				
Contributions of equity, net of transaction costs (note 17)	2,805	-	-	2,805
Dividends paid (note 18)	-	-	(3,050)	(3,050)
Balance at 30 June 2023	30,081	20,425	12,205	62,711

	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2023	30,081	20,425	12,205	62,711
Profit after income tax expense for the year	-	-	3,621	3,621
Other comprehensive income for the year, net of tax	-	703	-	703
Total comprehensive income for the year	-	703	3,621	4,324
Transactions with shareholders in their capacity as shareholders:				
Contributions of equity, net of transaction costs (note 17)	2,999	-	-	2,999
Dividends paid (note 18)	-	-	(3,230)	(3,230)
Balance at 30 June 2024	33,080	21,128	12,596	66,804

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

Eumundi Group Limited & Controlled Entities
Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		34,460	32,402
Payments to suppliers and employees (inclusive of GST)		(27,227)	(25,199)
		7,233	7,203
Interest received		1	-
Interest and other finance costs paid		(1,646)	(1,296)
Income taxes paid		(1,368)	(1,017)
Net cash from operating activities	29	4,220	4,890
Cash flows from investing activities			
Payments for investment property	11	(15)	(55)
Payments for property, plant and equipment	10	(580)	(2,714)
Proceeds from disposal of property, plant and equipment		30	27
Net cash used in investing activities		(565)	(2,742)
Cash flows from financing activities			
Repayment of borrowings		(3,345)	(1,860)
Loan establishment costs		(37)	(30)
Share issue transaction costs		(15)	(13)
Dividends paid	18	(220)	(235)
Repayment of lease liabilities		(213)	(235)
Net cash used in financing activities		(3,830)	(2,373)
Net decrease in cash and cash equivalents		(175)	(225)
Cash and cash equivalents at the beginning of the financial year		1,606	1,831
Cash and cash equivalents at the end of the financial year	7	1,431	1,606

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

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. None of these are expected to result in any material change to the Group's financial statements in the period of initial application. Other than the early adoption of AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*, the Group intends to apply the accounting standards and interpretations in the period commencing on or after their effective dates.

Going concern
The financial report has been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 30 June 2024, the Group has $1,431,000 in cash and cash equivalents (FY23: $1,606,000), net assets of $66,804,000 (FY23: $62,711,000) and available undrawn commercial loan facilities of $8,746,000 (FY23: $5,401,000). Profit before tax and fair value adjustments was $3,983,000 (FY23:$3,703,000) and operating cash inflows were $4,220,000 (FY23 inflows of $4,890,000). The Group uses non-current commercial borrowing facilities to manage fluctuations in cash flows. The net current liability position of $1,169,000 (FY23: $1,367,000 net current liability) is due to the timing of end of year payments and receipts.

Measures are in place to manage the Group's ongoing operations which include, amongst others, continued monitoring of operating costs, further draw down of available facilities (note 16), and availability of additional borrowing facilities negotiated with the Group's financier on favourable terms and conditions.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, investment properties and certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

For the year ended 30 June 2024 the areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in the preparation of these financial statements are incorrect are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Asset valuations
The fair value is the price that would be received to sell the property in an orderly transaction between market participants at balance date, under current market conditions, in the principal market for the asset. Such measurement takes into consideration the highest and best use of the property, being the use (either by the Group or by another market participant) that would maximise the value of the property.

The Group has determined that the current use of its tangible property assets carried at fair value, being held for rental returns for its retail assets and held for use in owner managed business operations for its tavern assets, represents the highest and best use of the assets.

Fair value measurements for land and buildings and investment property fall within level 3 of the fair value hierarchy described in note 1(f), as the valuation of these assets at balance date has been derived utilising valuation techniques which make use of one or more significant unobservable inputs. No assets have been transferred between levels of the fair value hierarchy during the financial year.

The carrying amounts in the current year are based upon directors' valuation and used the capitalisation of net income approach and direct comparison approach (for the land component).

In the prior year the valuations were based on external valuations and directors' valuation. The external valuation approach used for retail assets was the capitalisation of net income and discounted cash flow approach, and the valuation approach used for hotel assets was the capitalisation of net income and the direct comparison approach. The directors' valuation of The Plough Inn used the capitalisation of net income approach.

Method	Description
Discounted cash flow method	Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.
Direct comparison approach	Where an asset is valued, a direct comparison approach is used which is a procedure where a value is derived by comparing the asset being valued to similar asset that has been sold and adjusting the value for property specific attributes (usually land).
Capitalisation of net income method	This method involves assessing the total net income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital reversions.

The table below explains the key inputs used to measure fair value under the capitalisation of net income method described above.

Input	
Net market rent/ market EBITDA	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regard to market evidence.
Perpetual vacancy allowance	A reduction applied to net market rent prior to capitalisation to reflect expected prevailing vacancies over the life of the asset. The percentage allowance is determined with regard to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regard to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence.
Adopted market EBITDA	The earnings before interest, taxation, depreciation, amortisation, and rent expense determined as achievable for the subject property, having regard to market evidence and trading performance history

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Categories of tangible assets measured at fair value

The Group's tangible assets carried at fair value are grouped into the following categories for the purpose of the below analysis:

Retail assets – The Plough Inn, Court House Hotel, Aspley Arcade Shopping Village, and land and buildings of the Aspley Shopping Centre (with a value determined by reference to the retail component as described in note 12) with a value derived from the capitalisation of net income and discounted cashflow approach.

Tavern assets **–** Ashmore Tavern land and buildings with a value derived from the capitalisation of net income method and direct comparison approach.

The range of significant unobservable inputs adopted in the valuation of retail and tavern assets is as follows:

	FY24	**FY24**	**FY23**	**FY23**
	Valuation basis **Method**	**Directors' valuations** **Capitalisation of net income**	**Valuation basis** **Method**	**Independent valuations and Directors' valuations** **Capitalisation of net income and discounted cash flow**
Retail Assets	Inputs used to measure fair value	Range of unobservable inputs	Inputs used to measure fair value	Range of unobservable inputs
	Adopted capitalisation rate	5.51% - 6.37%	Adopted capitalisation rate	5.51% - 6.37%
	Perpetual vacancy allowance	0.0% - 3.5%	Perpetual vacancy allowance	0.0% - 3.5%
	Net market rental (per sqm)	$344 - $1,091	Net market rental (per sqm)	$342- $1,049
	Adopted discount rate	n/a	Adopted discount rate	7.0% - 8.25%
	Terminal yield	n/a	Terminal yield	6.5% - 6.75%
Tavern Assets	Inputs used to measure fair value	Range of unobservable inputs	Inputs used to measure fair value	Range of unobservable inputs
	Adopted capitalisation rate	9.00%	Adopted capitalisation rate	9.02%
	Adopted market EBITDA	$3,350,000	Adopted market EBITDA	$3,427,000

A significant increase or decrease in one or more of the inputs described above will have an effect on the reported fair value as follows:

Significant input	**Fair value measurement sensitivity to significant increase in input**	**Fair value measurement sensitivity to significant decrease in input**
Net market rent/ market EBITDA	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase
Perpetual vacancy allowance	Decrease	Increase
Adopted discount rate (Independent valuations only)	Decrease	Increase
Adopted terminal yield (Independent valuations only)	Decrease	Increase

Generally, a change in the assumption made for the adopted capitalisation rate is accompanied by a directionally similar change in the adopted terminal yield. The adopted capitalisation rate is a significant input of the capitalisation of net income method and the adopted terminal yield is a significant input of the discounted cash flow method.

Under the capitalisation method, the net market rent has a strong interrelationship with the adopted capitalisation rate. In theory, a directionally similar movement in both inputs could potentially offset the impact to the fair value. A directionally opposite change in both inputs could potentially magnify the impact to the fair value.

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value given the discount rate will determine the rate in which the terminal value is discounted to terminal value. In theory, a directionally similar movement in both inputs could potentially offset the impact to the fair value. A directionally opposite change in both inputs could potentially magnify the impact to the fair value.

Note 3. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based upon internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The chief operating decision maker, who is responsible for allocating the resources and assessing the performance of the operating segments, has been identified as the chief executive officer.

Note 3. Operating segments (continued)

Reportable Segment	*Description of segment*
Hotel operations	Sells packages alcoholic beverages and other products through its retail outlets, sells food and alcoholic and other beverages on-premise through bars and bistros and provides licensed gaming entertainment.
Investment property operations	Owns and leases investment property assets to retail and hotel tenants.

FY24	Hotel operations $'000	Investment property operations $'000	Unallocated $'000	Total $'000
Revenues				
Revenue from contracts with customers	26,099	-	-	26,099
Lease revenue	-	4,541	(574)	3,967
Commissions	350	-	-	350
Interest	-	1	-	1
Other revenue	15	-	-	15
	26,464	4,542	(574)	30,432
Results				
Segment results	3,152	3,530	-	6,682
Finance costs	-	-	(1,694)	(1,694)
Unallocated revenue less unallocated costs	-	-	(1,005)	(1,005)
Fair value adjustment on investment properties	-	-	840	840
Income tax expense	-	-	(1,202)	(1,202)
Profit for the year	3,152	3,530	(3,061)	3,621
Assets				
Segment assets	34,602	71,947	166	106,715
Non-current assets acquired	643	146	-	789
Depreciation and amortisation	(1,341)	(325)	-	(1,666)

FY23	Hotel operations $'000	Investment property operations $'000	Unallocated $'000	Total $'000
Revenues				
Revenue from contracts with customers	25,414	-	-	25,414
Lease revenue	-	4,471	(549)	3,922
Commissions	322	-	-	322
Other revenue	18	-	57	75
	25,754	4,471	(492)	29,733
Results				
Segment results	2,982	3,228	-	6,210
Finance costs	-	-	(1,441)	(1,441)
Unallocated revenue less unallocated costs	-	-	(1,066)	(1,066)
Fair value adjustment on investment properties	-	-	(1,740)	(1,740)
Income tax expense	-	-	(486)	(486)
Profit for the year	2,982	3,228	(4,733)	1,477
Assets				
Segment assets	34,843	71,192	145	106,180
Non-current assets acquired	2,218	44	-	2,262
Depreciation and amortisation	(1,310)	(599)	51	(1,858)

Note 3. Operating segments (continued)

Intersegment transactions
An internally determined transfer price is set for all inter-entity sales. All such transactions are eliminated on consolidation for the Group's financial statements. Inter-segment revenue relates to Aspley Central Tavern rent and outgoings.

Segment assets and liabilities
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature.

Unless indicated otherwise in the segment assets note, investments in financial assets and deferred tax assets have not been allocated to operating segments.

Information pertaining to segment liabilities is not regularly reported to the board of directors.

Working capital, plant and equipment relating to the Group's hotel operations and Ashmore Tavern land and buildings are included in hotel segment assets.

The total value of the land and buildings within the Aspley Shopping Centre has been included in the investment property segment assets, as this segment receives the majority of the economic value from these assets. The results of the Aspley Central Tavern which forms part of this property are included in the hotel operations segment.

Unallocated items
Certain items of revenue, expense and assets are not allocated to operating segments as they are not considered part of the core operations of any segment including fair value adjustments, financing costs and corporate overheads.

Note 4. Revenue

	2024 $'000	2023 $'000
Revenue from contracts with customers		
Sales of goods	13,989	14,088
Gaming revenue	12,110	11,326
	26,099	25,414
Other revenue		
Commissions	350	322
Rental income and recoverable outgoings from investment properties	3,967	3,922
Interest	1	-
Gain on disposal of plant and equipment	-	57
Other revenue	15	18
	4,333	4,319
Revenue	30,432	29,733

Disaggregation of revenue from contracts with customers
Revenue derived in Queensland $26,000,000 (FY23: $25,346,000).

Accounting policy for revenue recognition
The Group owns and operates public hotels with bar, bistro and gaming facilities, conducts commercial and retail liquor sales through owned and leased premises, and owns hotel and commercial retail real estate leased to external customers.

Revenue from contracts with customers
Sale of goods relates to on-premise food and liquor revenue and retail liquor. Revenue is recognised when the performance obligation to transfer control of the goods to the customer is satisfied at point of sale or delivery.

Gaming revenue is the net difference between gaming wins and losses measured by daily banking, net of jackpot liability movement.

Assets related to contracts with customers are disclosed in note 8. The Group does not have any liabilities related to contracts with customers.

Rental income and recoverable outgoings from investment properties
Rental income from investment properties is recognised on a straight-line basis over the lease term. Recoverable outgoings are estimated for the year ahead, charged monthly in advance on the basis of that estimate and then trued up annually to audited actual recoverable outgoings expenditure resulting in an audited outgoings recoverable adjustment.

Note 5. Expenses

	2024 $'000	2023 $'000
Profit before income tax includes the following specific expenses:		
Cost of goods sold	8,141	8,310
Depreciation		
Buildings	876	1,116
Plant and equipment	612	605
Lease assets	178	188
Total depreciation	1,666	1,909
Amortisation reversal - intangibles	-	(51)
Total depreciation and amortisation	1,666	1,858
Finance costs		
Amortisation of loan establishment costs	24	22
Interest and finance charges paid/payable on borrowings	1,649	1,411
Interest and finance charges paid/payable on lease liabilities	21	8
Total finance costs	1,694	1,441
Superannuation expense	437	419

Note 6. Income tax

	2024 $'000	2023 $'000
Income tax expense		
Current tax	1,234	1,043
Deferred tax - origination and reversal of temporary differences	(30)	(553)
(Over)/under provision in prior years - current tax	(23)	98
Under/(over) provision in prior years - deferred tax	21	(102)
Aggregate income tax expense	1,202	486
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax liabilities	(30)	(553)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	4,823	1,963
Tax at the statutory tax rate of 25%	1,206	491
(Non-taxable)/non-deductible sundry items	(2)	(1)
(Over)/under provision in prior years - current tax	(23)	98
Under/(over) provision in prior years - deferred tax	21	(102)
Income tax expense	1,202	486

Note 6. Income tax (continued)

	2024 $'000	2023 $'000
Deferred income tax at 30 June relates to the following:		
Investment properties	(3,254)	(2,976)
Property, plant and equipment	(6,264)	(6,318)
Lease liabilities	102	136
Lease assets	(97)	(134)
Employee benefits	147	147
Accrued expenses	148	140
Prepayments	(82)	(74)
Sundry items	6	6
Tax losses	499	499
Net deferred tax liabilities	(8,795)	(8,574)
Movement in deferred tax:		
At 1 July	(8,574)	(7,986)
Credited/(charged) to profit or loss	30	553
Under/(over) provision in prior years	(21)	102
Credited to contributed equity	4	4
Charged to other comprehensive income	(234)	(1,247)
At 30 June	(8,795)	(8,574)
Tax expense relating to items of other comprehensive income		
Tax expense on revaluation of land and buildings	234	1,247
Amounts relating to items recognised directly in equity		
Share issue costs	4	4

Note 7. Cash and cash equivalents

	2024 $'000	2023 $'000
Current assets		
Cash on hand	801	670
Cash at bank	630	936
	1,431	1,606

Accounting policy for cash and cash equivalents
Cash and cash equivalents include cash on hand deposits held at call with financial institutions and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	2024 $'000	2023 $'000
Current assets		
Trade receivables from contracts with customers	123	174
Other receivables	63	49
	186	223
Non-current assets		
Trade receivables from contracts with customers	-	2

Note 8. Trade and other receivables (continued)

Fair value and credit risk

Due to the short-term nature of trade and other receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk is the carrying amount mentioned above. Refer to note 19 for more information on the risk management policy of the Group and the credit quality of the entity's trade and other receivables.

Note 9. Other assets

	2024 $'000	2023 $'000
Current assets		
Prepayments	397	309
Other short term deposits	30	40
	427	349

Note 10. Property, plant and equipment

	2024 $'000	2023 $'000
Non-current assets		
Land - at valuation	20,600	20,600
Buildings - at valuation	30,953	30,946
Plant and equipment - at cost	3,453	3,095
Less: Accumulated depreciation	(1,630)	(1,404)
	1,823	1,691
Lease assets - at cost	728	968
Less: Accumulated depreciation	(339)	(305)
	389	663
	53,765	53,900

Note 10. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land at fair value $'000	Buildings at fair value $'000	Plant and equipment at cost $'000	Lease assets at cost $'000	Total $'000
Balance at 1 July 2022	11,000	35,833	1,416	474	48,723
Additions	-	1,283	934	377	2,594
Straight-line adjustments and lease incentives	-	(495)	-	-	(495)
Revaluation increments/ (decrements)	9,600	(4,613)	-	-	4,987
Transfers in/(out)	-	54	(54)	-	-
Depreciation expense	-	(1,116)	(605)	(188)	(1,909)
Balance at 30 June 2023	20,600	30,946	1,691	663	53,900
Additions	-	47	648	-	695
Straight-line adjustments and lease incentives	-	(101)	-	-	(101)
Revaluation increments/ (decrements)	-	937	-	-	937
Transfers in/(out)	-	-	96	(96)	-
Depreciation expense	-	(876)	(612)	(178)	(1,666)
Balance at 30 June 2024	20,600	30,953	1,823	389	53,765

Accounting policy
Land and buildings, which includes Ashmore Tavern and Aspley Shopping Centre, are shown at fair value, based upon periodic, but at least biennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Lease assets
Lease assets represents lease contracts in which the company is lessee of retail premises and gaming machines purchased utilising deferred payment terms.

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Leases of 12 months or less and leases of low-value assets
Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Valuation of land and buildings
Valuations of land and building assets are prepared as at balance date. Information on the basis for determining the fair value of land and buildings at balance date, including a description of significant valuation inputs, is contained within note 2.

Note 10. Property, plant and equipment (continued)

Non-current assets pledged as security
Refer to note 16 for information on assets pledged as security by the Group.

Contractual obligations
Refer to note 24 for information on contractual obligations.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	5-40 years
Plant and equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Land and buildings stated under the historical cost convention
If land and buildings were stated under the historical cost convention, the amounts would be as follows:

	2024 $'000	2023 $'000
Land - at cost	7,426	7,426
	7,426	7,426
Buildings - at cost	21,940	21,940
Less: Accumulated depreciation	(4,875)	(4,457)
	17,065	17,483

Note 11. Investment properties

At fair value	2024 $'000	2023 $'000
Non-current assets		
At beginning of year	46,349	48,150
Capitalised expenditure	58	8
Straight-line rentals and lease incentives	(147)	(69)
Net gain (loss) from fair value adjustment	840	(1,740)
At end of year	47,100	46,349

Accounting policy for investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Group. Investment properties are carried at fair value, representing open-market value determined by external valuers or an internal valuation process. Changes in fair value are recorded in profit or loss as part of other income or as a separate expense (as appropriate).

Note 11. Investment properties (continued)

Valuations of investment properties

Information on the basis for determining the fair value of investment properties at balance date, including a description of significant valuation inputs, is contained within note 2.

The table below summarises the adopted fair values of the investment properties held by the Group as at balance date:

Property	Acquisition date	Costs including additions *	Last independent valuation Date	Last independent valuation Amount $'000	Carrying value 2024 $'000	Carrying value 2023 $'000
Aspley Arcade Shopping Village	01/06/2007	16,133	30/06/2023	20,399	20,400	20,399
Plough Inn	01/11/2017	13,100	30/06/2023	18,300	19,300	18,750
Courthouse Hotel	01/08/2021	6,379	30/06/2023	7,200	7,400	7,200
		35,612		45,899	47,100	46,349

** excluding acquisition costs*

Leasing arrangements - Group as lessor
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	2024 $'000	2023 $'000
Minimum lease commitments receivable but not recognised in the financial statements:		
1 year or less	3,996	3,760
Between 1 and 2 years	4,004	3,563
Between 2 and 3 years	3,795	3,489
Between 3 and 4 years	3,290	3,304
Between 4 and 5 years	3,116	3,048
Over 5 years	9,706	11,865
	27,907	29,029

Non-current assets pledged as security
Refer to note 16 for information on assets pledged as security by the Group.

Contractual obligations
Refer to note 24 for information on contractual obligations.

Note 12. Intangibles

	2024 $'000	2023 $'000
Non-current assets		
Gaming authorities - at cost	2,315	2,315
Hotel licence - at cost	104	104
	2,419	2,419

Note 12. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Hotel Licence $'000	Gaming Authorities $'000	Total $'000
Balance at 1 July 2022	53	2,315	2,368
Amortisation reversed *	51	-	51
Balance at 30 June 2023	104	2,315	2,419
Balance at 30 June 2024	104	2,315	2,419

* During the FY2023 year the effective life of liquor licences was reviewed, and the asset life was determined to be infinite. Amortisation relating to prior periods was reversed.

Accounting policy for intangible assets

Gaming authorities
Gaming authorities have no expiry date and can only be withdrawn or cancelled by a government authority under circumstances of breach or legislative change. They are deemed to have an indefinite useful life and are carried at cost less any impairment losses. Intangible assets with an indefinite useful life are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired. An impairment loss is recognised when the carrying amount of an asset exceeds the assets' recoverable amount. Gaming authorities are tested for impairment on an individual asset basis.

Gaming authorities are carried at cost less impairment losses. Under Australian Accounting Standards, the maximum cost recognisable by the Group for these authorities is the purchase cost of $2,315,000 representing 15 of the Group's 90 authorities which were acquired for Ashmore Tavern and Aspley Central Tavern since 2013.

As part of the Group's annual review of impairment the net realisable value is determined using the most recent price at auction for gaming authorities as issued by the Queensland Government Office of Liquor and Gaming Regulation less selling costs.

At 30 June 2024, based on the most recent tender held on 20 March 2024, the sale price net of GST and 15% selling costs was $360,036 per authority, representing a net realisable value of $32,403,000 for the Group's 90 gaming authorities. (2023: $294,309 per authority based on the tender held 13 April 2022 representing a net realisable value of $26,488,000 for the Group's 90 gaming authorities).

Hotel licence
Hotel licences never expire and have an infinite useful life and are carried at cost less impairment losses if any. The Group has not impaired its hotel licence.

Note 13. Trade and other payables

	2024 $'000	2023 $'000
Current liabilities		
Trade payables	2,073	1,871
Other payables	1,429	1,707
	3,502	3,578

Refer to note 19 for further information on financial instruments.

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

Note 14. Lease liabilities

	2024 $'000	2023 $'000
Current liabilities		
Lease liability	144	192
Non-current liabilities		
Lease liability	263	407

Refer to note 19 for further information on financial instruments.

	2024 $'000	2023 $'000
Opening balance 1 July	599	451
Additions	-	375
Interest expense	21	8
Lease payments	(213)	(235)
Carrying amount 30 June	407	599

Note 15. Provisions

	2024 $'000	2023 $'000
Current liabilities		
Annual leave	209	219
Long service leave	218	210
Sick leave	163	157
	590	586
Non-current liabilities		
Lease make good	47	47

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 16. Borrowings

	2024 $'000	2023 $'000
Non-current liabilities		
Commercial loan facilities - secured	26,254	29,599
Unamortised loan establishment costs	(48)	(35)
	26,206	29,564

Note 16. Borrowings (continued)

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Assets pledged as security
Bank overdraft and commercial facilities are wholly secured by way of:
(i) Registered mortgage debenture over the assets and undertakings of the Group;
(ii) Unlimited fully interlocking guarantee by Eumundi Group Limited, Eumundi Property Group Pty Ltd and Eumundi Group Hotels Pty Ltd; and
(iii) First registered mortgage over the property, plant and equipment and investment properties of the Group.

As such all assets are pledged as security for borrowings.

Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit: *Credit standby arrangements*	**2024 $'000**	**2023 $'000**
Total facilities		
Bank overdraft	100	100
Commercial loan facilities	35,000	35,000
Bank guarantee facility	100	100
Direct debit facility	250	250
	35,450	35,450
Used at the reporting date		
Bank overdraft	-	-
Commercial loan facilities	26,254	29,599
Bank guarantee facility	19	19
Direct debit facility	-	-
	26,273	29,618
Unused at the reporting date		
Bank overdraft	100	100
Commercial loan facilities	8,746	5,401
Bank guarantee facility	81	81
Direct debit facility	250	250
	9,177	5,832

On 9 November 2023, the Group renegotiated its commercial debt facilities, reducing the borrowings limit and extending the term of approved commercial loan facilities until 31 October 2025 on an interest only basis.

Bank overdraft
Standby funds provided by the Group's bankers are in the form of a bank overdraft which has a limit of $100,000 (FY23: $100,000). The interest rate is variable and is based on prevailing market rates. This facility is subject to annual review, may be drawn down at any time and may be terminated by the bank without notice.

Note 16. Borrowings (continued)

Facilities
Commercial loan facilities are able to be drawn against and repaid at any time, with interest rates fixed for each 90-day loan period, and interest is payable at the end of the roll period based on daily balances.

The finance facilities are subject to annual pricing review. Interest is at variable rates. All facilities are interest only until expiry. Further details are outlined below.

Facility Limit		Amount Drawn (Face Value)	Amount Drawn (Face Value	Interest Rate*		Interest Type	Expiry Date
2024	2023	2024	2023	2024	2023		
$'000	$'000	$'000	$'000	%	%		
5,000	5,000	-	-	5.45%	5.25%	Variable	31/10/2025
9,000	9,000	9,000	9,000	5.86%	5.13%	Variable	31/10/2025
10,000	10,000	6,254	9,599	5.86%	5.14%	Variable	31/10/2025
11,000	11,000	11,000	11,000	5.86%	5.14%	Variable	31/10/2025
35,000	35,000	26,254	29,599				

* *includes facility fees and margins*

Note 17. Issued capital

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	48,185,154	45,465,892	33,080	30,081

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	**1 July 2022**	42,902,666		27,276
shares issued under the DRP		2,563,226	$1.100	2,815
Share issue costs (net of tax)		-	$0.000	(10)
Balance	**30 June 2023**	45,465,892		30,081
shares issued under the DRP		2,719,262	$1.107	3,010
Share issue costs (net of tax)		-	$0.000	(11)
Balance	**30 June 2024**	48,185,154		33,080

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote per share. Ordinary shares have no par value and the company has an unlimited amount of authorised capital. Subject to legislative requirements, the directors control the issue of shares in the company.

Options
As at 30 June 2024, there were no options to purchase ordinary shares in the parent entity (FY23: Nil).

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 17. Issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not have a current on-market share buy-back.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the current or prior financial year.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'trade and other payables' and 'borrowings' as shown in the consolidated statement of financial position) less 'cash and cash equivalents' as shown in the consolidated statement of financial position. Total capital is calculated as 'total equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio at the reporting date was as follows:

The gearing ratios as at 30 June were as follows:	2024 $'000	2023 $'000
Total borrowings (note 16)	26,206	29,564
less: cash and cash equivalents (note 7)	(1,431)	(1,606)
Net debt	24,775	27,958
Total equity	66,804	62,711
Total capital	91,579	90,669

	2024 %	2023 %
Gearing ratios		
Net debt/equity	37.1%	44.6%
Net debt/total capital	27.1%	30.8%

Note 18. Dividends

Dividends paid during the financial year were as follows:	2024 $'000	2023 $'000
Final dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% paid on 13 September 2023 (FY23: 3.5 cents per share fully franked at 25%)	1,591	1,501
Interim dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% paid on 14 March 2024 (FY23: 3.5 cents per share fully franked at 25%)	1,639	1,549
Total dividends paid during the year	3,230	3,050
Dividends declared since the end of the year: On 26 August 2024 the board declared a final dividend of 3.75 cents per share fully franked at the corporate tax rate of 25% which will be paid on 11 September 2024 (FY23: 3.5 cents per share fully franked at 25%)	1,807	1,591

Franking credits	2024 $'000	2023 $'000
Franking credits available at the reporting date based on a tax rate of 25%	292	1
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 25%	364	521
Franking credits available for subsequent financial years based on a tax rate of 25%	656	522

Note 19. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by management under policies approved by the board of directors. The board provides principles for overall risk management as well as policies covering specific areas such as mitigating interest rate and credit risks and investing excess liquidity.

The Group holds the following financial instruments:	2024 $'000	2023 $'000
Financial Assets (at amortised cost)		
Cash and cash equivalents	1,431	1,606
Trade and other receivables	186	223
	1,617	1,829
Financial Liabilities (at amortised cost)		
Trade and other payables	3,502	3,578
Borrowings	26,206	29,564
Lease liability	407	599
	30,115	33,741

Refer to note 16 for information on assets pledged as security by the Group.

Market risk

Interest rate risk
The Group's interest rate risk arises from long-term borrowings being commercial loans. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. No hedging instruments are used. There is no material interest rate risk associated with cash at bank.

The Group manages its exposure to interest rate risks through a formal set of policies and procedures approved by the board. The Group does not engage in any significant transactions which are speculative in nature.

The Group's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rate on classes of financial assets and financial liabilities at reporting date are:

	2024		2023	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Finance facilities	5.86%	26,254	5.13%	29,599
Net exposure to cash flow interest rate risk		26,254		29,599

Sensitivity
At 30 June 2024, if interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been $197,000 lower/higher (FY23: change of 100 bps: $222,000 lower/ higher) as a result of a change in interest from borrowings. Weighted average interest rates exclude facility fees paid on undrawn facilities.

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures to trade and other receivables.

For rental income and recoverable outgoings from investment properties, the maximum credit risk exposure is the sum of remaining rental and outgoings payments for the contract term plus re-leasing costs less the amount of lease security held (including bank guarantee and personal guarantees).

For all other categories, the maximum credit risk exposure is represented by the carrying amount of financial assets in the statement of financial position, net of any provisions for expected losses.

Note 19. Financial instruments (continued)

The Group extends credit only to recognised, creditworthy third parties. In addition, trade and other debtor receivable balances are monitored on a continual basis. The Group's exposure to expected credit losses is not significant.

The Group had no other significant concentrations of credit risk from any single debtor or group of debtors at balance date.

Creditworthiness of potential tenants is established through the review of applicants' credit history and financial position. Security in the form of deposits, bank guarantees and third-party guarantees is obtained which can be called upon if the counterparty is in default under the terms of the lease agreement.

At period end cash and deposits were held with the National Australia Bank.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. The Group has a voluntary working capital deficiency based on its capital management strategy of paying down debt with excess cash.

As at 30 June 2024, none of the Group's commercial loans are payable in the next 12 months (FY23: nil).

Refinancing risk

Refinancing risk is the risk that the group will be unable to refinance its debt facilities as they mature, or will only be able to finance its debt facilities at unfavourable interest rates and credit market conditions (margin price risk).

The Group has several debt facilities with varying maturity dates to reduce the exposure to market conditions in any one period, and proactively manages renewal of maturing facilities to ensure renewal is achieved at competitive market terms.

Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based upon the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Cash flows are managed on a daily basis to ensure adequate funds are available to pay liabilities as they come due while minimising the use of credit facilities.

Standby funds provided by the Group's bankers are in the form of a bank overdraft which has a limit of $100,000 (2023FY23: $100,000). The interest rate is variable and is based on prevailing market rates. This facility is subject to annual review, may be drawn down at any time and may be terminated by the bank without notice.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

2024	**Weighted average interest rate %**	**Less than 6 months $'000**	**6 to 12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Remaining contractual maturities $'000**
Non-derivatives							
Non-interest bearing							
Trade and other payables	-	3,502	-	-	-	-	3,502
Interest-bearing - variable							
Borrowings	5.86%	776	776	27,011	-	-	28,563
Interest-bearing - fixed rate							
Lease liability	4.64%	80	81	105	179	-	445
Total non-derivatives		4,358	857	27,116	179	-	32,510

Note 19. Financial instruments (continued)

2023	Weighted average interest rate %	Less than 6 months $'000	6 to 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives							
Non-interest bearing							
Trade and other payables	-	3,578	-	-	-	-	3,578
Interest-bearing - variable							
Borrowings	5.13%	1,136	766	30,350	-	-	32,252
Interest-bearing - fixed rate							
Lease liability	3.66%	120	92	161	285	-	658
Total non-derivatives		4,834	858	30,511	285	-	36,488

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of lease liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the incremental interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

Note 20. Fair value measurement

Fair value estimation
The fair value of financial assets and liabilities, and certain non-financial assets and liabilities, must be estimated for recognition and measurement or for disclosure purposes. To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies assets and liabilities which are measured at fair value into the three levels prescribed under the accounting standards, as follows:
Level 1: The fair value of assets and liabilities traded in active markets is based on quoted market prices at the end of the reporting period. The Group does not hold any assets or liabilities which are classified as level 1.

Level 2: The fair value of assets and liabilities that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. That is, all valuation inputs are observable. The Group does not hold any assets or liabilities which are classified as level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the asset or liability is included in level 3. The Group's land and buildings and investment properties are included within this level.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. Refer to note 2 for more information.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 21. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2024	2023
Short-term employee benefits	397,581	429,655
Post-employment benefits	44,444	42,422
Long-term benefits	5,146	19,173
	447,171	491,250

For additional information refer to the remuneration table in the Directors' report.

Transactions with key management personnel

	2024	2023
Dividends paid to key management personnel through existing shareholdings	1,579,170	1,483,193
Subscription for new ordinary shares by key management personnel as a result of the reinvestment of dividends	1,579,170	1,483,193

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

There were no other transactions with key management personnel in the current or prior year.

Ordinary shares held directly, indirectly or beneficially by key management personnel, including their personally related entities, are shown below:

	2024	2023
Balance at 1 July	22,203,575	20,838,714
Shares issued pursuant to DRP	1,425,624	1,349,364
Share market trades	-	15,497
Balance at 30 June	23,629,199	22,203,575

There were no other related party transactions in the current or prior year.

Note 22. Remuneration of auditor

During the financial year the following fees were paid or payable for services provided by the auditor of the company, Pitcher Partners and its related practices and non-related audit firms:

	2024	2023
Audit services - Pitcher Partners		
Audit or review of the financial statements	84,800	80,000
Other services - Pitcher Partners		
Tax compliance services	10,639	13,320
	95,439	93,320

Note 22. Remuneration of auditor (continued)

It is the Group's policy to employ Pitcher Partners on assignments in addition to their statutory audit duties where Pitcher Partners' expertise and experience with the Group are important. It is the Group's policy to seek competitive tenders for all major consulting projects. No payments were made to non-related audit firms in the current or prior year.

Note 23. Contingent liabilities

The Group has no material contingencies.

Note 24. Commitments

The Group had no contractual obligations as 30 June 2024.

As at 30 June 2023, the Group had a contractual obligation for the purchase of IT equipment for Ashmore Tavern and Aspley Central Tavern $259,000.

Note 25. Related party transactions

Parent entity
Eumundi Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 21 and the Remuneration report included in the Directors' report.

Transactions with related parties
There were no other related party transactions in the current or prior year.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 26. Parent entity information

The individual financial statements for the parent entity show the following aggregate amounts:

Consolidated Statement of Comprehensive Income

	2024 $'000	2023 $'000
Profit after income tax	-	-
Total comprehensive income	-	-

Note 26. Parent entity information (continued)

Consolidated Statement of Financial Position

	2024 $'000	2023 $'000
Total current assets	-	-
Total assets	37,477	37,865
Total current liabilities	364	521
Total liabilities	364	521
Equity		
Issued capital	33,080	30,081
Retained profits	4,033	7,263
Total equity	37,113	37,344

Guarantees entered into by the parent entity
The parent entity has provided financial guarantees in respect of the Group's facilities and borrowings which are secured by registered mortgages over the freehold properties of the subsidiaries.

No liability was recognised by the parent entity in respect of these guarantees, as the fair value of the guarantees is immaterial.

Contingent assets and liabilities
The parent entity had no contingent assets or liabilities as at 30 June 2024 (2023: nil).

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 (2023: nil)

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest*	
Name	**Country of incorporation**	**2024 %**	**2023 %**
Eumundi Property Group Pty Ltd	Australia	100%	100%
Eumundi Group Hotels Pty Ltd	Australia	100%	100%
Airlie Beach Lagoon Hotel Pty Ltd	Australia	100%	100%

** The proportion of ownership interest is equal to the proportion of voting power held.*

Note 28. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 29. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	2024 $'000	2023 $'000
Profit after income tax expense for the year	3,621	1,477
Adjustments for:		
Depreciation and amortisation	1,666	1,858
Amortisation of loan establishment costs	24	22
Interest on lease liabilities	21	8
Straight line rental adjustment	92	(222)
Rent incentive	(29)	538
Net gain on disposal of property, plant and equipment	-	(57)
Net fair value loss/(gain) on investment properties	(840)	1,740
Change in operating assets and liabilities:		
(Increase)/decrease in:		
Trade and other receivables	40	1
Inventories	(55)	3
Other current assets	(79)	(42)
Increase/(decrease) in:		
Trade And Other Payables	(82)	(18)
Accrued interest	3	112
Income tax payable	(153)	125
Deferred tax liability	(13)	(656)
Employee benefits	4	(2)
Other provisions	-	3
Net cash from operating activities	4,220	4,890

Non-cash investing and financing activities

Additions to the lease asset is disclosed in note 10. During the current year share issues were made under the company's DRP, as disclosed in note 17. There were no other non-cash financing and investing activities during the current or prior year.

Changes in liabilities arising from financing activities

	Commercial Loan Facilities $'000	Lease Liabilities $'000	Total $'000
Balance at 1 July 2022	31,459	451	31,910
Net cash used in financing activities	(1,860)	(235)	(2,095)
Acquisition of leases	-	375	375
Unwinding of discount	-	8	8
Balance at 30 June 2023	29,599	599	30,198
Net cash used in financing activities	(3,345)	(213)	(3,558)
Unwinding of discount	-	21	21
Balance at 30 June 2024	26,254	407	26,661

Note 30. Earnings per share

	2024 $'000	2023 $'000
Profit after income tax attributable to the shareholders of Eumundi Group Limited	3,621	1,477

	Cents	Cents
Basic earnings per share	7.71	3.33
Diluted earnings per share	7.71	3.33

	2024	2023
Weighted average number of ordinary shares used in calculating basic earnings per share	46,953,907	44,327,920
Weighted average number of ordinary shares used in calculating diluted earnings per share	46,953,907	44,327,920

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Eumundi Group Limited	Body corporate	Australia	-	Australia
Eumundi Group Hotels Pty Ltd	Body corporate	Australia	100.00%	Australia
Eumundi Property Group Pty Ltd	Body corporate	Australia	100.00%	Australia
Airlie Beach Lagoon Hotel Pty Ltd	Body corporate	Australia	100.00%	Australia

Eumundi Group Limited & Controlled Entities
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

J.M. Ganim
Chairman

26 August 2024
Brisbane

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Independent Auditor's Report to the Members of Eumundi Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eumundi Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Properties Held Refer to note 10 Property, plant and equipment Refer to note 11: Investment Properties	
At 30 June 2024, Eumundi Group Limited valued land and buildings recognised in property, plant and equipment at $51,553,000 and recognised investment properties valued at $47,100,000. These amounts represent 92% of total assets of $106,715,000. The 30 June 2024 valuations for all properties were performed by the directors by applying a capitalisation approach valuation methodology. The capitalisation approach applies a capitalisation rate to net operating income or earnings. The valuation process requires that critical accounting estimates and judgements are made to determine unobservable key inputs and assumptions in the valuation process: • net market income or earnings; • capitalisation rates; • tenant agreements and terms in place; • future vacancy rates; and • incentives and rebates to be granted in future periods. The observable inputs used in the valuations are based on lease terms in place with current tenants. This is a key area of audit focus due to the size of the balances and critical estimates and judgements made.	Our procedures included: • Obtaining an understanding and evaluating the design and implementation of relevant controls associated with the valuation process; • Assessing the competence and capabilities of the directors to perform the valuations; • Evaluating the valuation methodology adopted by the directors; • Testing the mathematical accuracy of the valuations; • Evaluation and testing the unobservable key inputs based on our knowledge of the property portfolio and published reports of industry commentators; - net market income or earnings; - capitalisation rates; - future vacancy rates; - tenant lease terms; and - incentives and rebates to be granted in future periods • Testing on a sample basis the observable inputs used in the valuations, being the current tenant data to supporting lease documentation; • Evaluating the changes in key inputs and assumptions in the directors' valuations and obtaining supporting evidence; • Assessing the adequacy of the relevant disclosures in the financial report including the disclosure of observable and unobservable key inputs and assumptions disclosed within the critical accounting estimates and judgements note.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and
(c) for such internal control as the directors determine is necessary to enable the preparation of:
  (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Eumundi Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

CMason

CHERYL MASON
Partner

Brisbane, Queensland
26 August 2024

The shareholder information set out below was applicable as at 02 August 2024.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	168	0.22
1,001 to 5,000	178	0.87
5,001 to 10,000	26	0.42
10,001 to 100,000	63	4.37
100,001 and over	34	94.12
	469	100.00
Holding less than a marketable parcel	58	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
DE LUCA GROUP SUPER FUND PTY LTD - DE LUCA GROUP S/F A/C	8,259,720	17.14
SCMS PTY LTD - SJ SHOOBRIDGE S/F A/C	5,618,470	11.66
GANSONS PTY LTD	3,211,517	6.66
GANBROS PTY LTD	3,031,878	6.29
GANBOYS PTY LTD	2,989,908	6.21
AGPRO PTY LTD - JOE GANIM SUPER A/C	2,653,835	5.51
MR ROBERT DARIUS FRASER	2,628,370	5.45
SCMS PTY LTD - SJ SHOOBRIDGE SUPER A/C	2,605,799	5.41
MR OTTO HEINRICH WILHELM + MR MARGARET JANE WILHELM + MS THERESIA ANNA WILHELM - WILHELM SUPER FUND A/C	2,320,166	4.82
JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,785,510	3.71
MR PETER MILTON GANIM + MR PAUL CALILE GANIM - PETER GANIM SUPER FUND A/C	1,235,944	2.56
MRS TRACY FRASER - TRACY FRASER A/C	940,650	1.95
LAICOS SECURITIES PTY LTD - FRASER FAMILY SUPER A/C	830,177	1.72
MR PAUL CALILE GANIM + MRS ALISON ELIZABETH GANIM - PAUL GANIM SUPER FUND A/C	780,970	1.62
KEISER INVESTMENTS PTY LTD - GANN FAMILY RETIREMENT A/C	747,749	1.55
RUMINATOR PTY LTD	730,000	1.51
MR JOSEPH MICHAEL GANIM	695,113	1.44
KST GROUP PTY LTD	605,088	1.26
CITICORP NOMINEES PTY LIMITED	596,384	1.24
ROGAND SUPERANNUATION PTY LTD - ROGAND SUPER FUND A/C	461,739	0.96
	42,728,987	88.67

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Details of substantial shareholdings as notified to the company as at the above date are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Joseph Michael Ganim [1]	12,582,251	26.11
Peter Milton Ganim [2]	10,469,247	21.73
Paul Calile Ganim [3]	10,190,807	21.15
Gilbert De Luca [4]	8,308,027	17.24
SCMS Pty Ltd - SJ Shoobridge Superannuation Fund	7,971,842	16.54
Mr Robert Darius Fraser	3,458,547	7.18
Gansons Pty Ltd	3,211,517	6.66
Ganbros Pty Ltd	3,031,878	6.29
Ganboys Pty Ltd	2,989,908	6.21
Agpro Pty Ltd	2,653,835	5.51

[1] includes Agpro Pty Ltd, Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd
[2] includes Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd
[3] includes Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd
[4] includes De Luca Group Superannuation Pty Ltd

Voting rights
The voting rights attached to ordinary shares are set out in the company's constitution.

There are no other classes of equity securities.

There is no current on-market buy-back.

The Corporate Governance Statement of the company is available on its website at https://eumundigroup.com.au/corporate-governance/