

Appendix 4D

Half-year report Period ended 31 December 2012

Name of entity

Eumundi Group Limited

ABN or equivalent company reference

30 010 947 476

Financial year ended ('current reporting period')

31 December 2012

(previous reporting period 31 December 2011)

Results for announcement to the market

				\$A 000's
Revenues and other income from ordinary activities	Down	16.3 %	to	10,130
Represented by:				
Revenues from continuing ordinary activities	Down	16.3 %	to	10,130
Profit from ordinary activities after tax attributable to members	Up	44.5%	to	633
Net profit for the period attributable to members	Up	44.5%	to	633

Dividends

It is not proposed to pay any dividends.

Discussion and analysis of results

Eumundi Group has delivered a net profit after tax of \$0.633 million (\$0.896 million profit before tax) compared with a profit of \$0.438 million after tax (\$0.613 million profit before tax) for the corresponding period in 2011.

Revenue and other income from ordinary activities decreased to \$10.130 million from \$12.103 million in the corresponding period in 2011.

The prior period result included \$1,635,000 settlement of insurance claims, offsetting an impairment charge of \$1,446,000 in respect of the Home Hill investment property destroyed by fire on 14 December 2011, and interim operation of a tavern.

Discussion and analysis of results (continued)

Revenue from continuing ordinary activities of \$10.130 million represents a decrease of \$1.973 million in comparison to last year. The prior half-year included Home Hill insurance settlement of \$1,635,000 and revenues from the Aspley Shopping Centre Tavern operations until 23 October 2011 pending commencement of a new lease.

Fair value adjustments on investment properties in December 2012 resulted in decrements of \$0.048 million which are shown as expenses in the current half year results compared to decrements of \$0.193 million in the prior half-year.

Expenses from continuing operations for the year were \$9.186 million after adjusting for the net loss on fair value adjustment of \$0.048 million compared with expenses of \$9.851 million for the corresponding period in 2011 after adjusting for the impairment of Home Hill \$1.446 million and net loss on fair value adjustment of \$0.193 million. Costs of goods sold increased to \$4.211 million from \$3.914 million predominantly as a result of retail sales growth and success of the corporate sales department.

The prior half-year result included costs attributable to the interim operation of the Aspley Shopping Centre Tavern until 23 October 2011.

Finance costs reduced by \$0.297 million to \$1.12 million due to lower interest rates and decreased debt levels as compared to the prior year.


Debt was reduced by \$0.4 million during the half year.

The Groups has secured an extension of banking facilities to 30 January 2015.

	2012	2011
NTA BACKING		
<i>Net tangible asset backing per ordinary security</i>	\$0.13	\$0.12

Statement

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

Sign here:  Date: 22 February 2013

Print name: Leni Stanley

EUMUNDI GROUP LIMITED

ABN 30 010 947 476

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2012**

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your directors present their report on Eumundi Group Limited ("the Company") and the entities it controlled at the end of and during the six months ended 31 December 2012.

Directors

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

J M Ganim
G De Luca
V A Wills
C R McCart

Principal Activities

The principal activities of the consolidated entity during the six months ended 31 December 2012 consisted of:

- a) the operation of the Ashmore Tavern; and
- b) the holding of investment properties

Dividends

No dividends were paid or declared during or since the half-year ended 31 December 2012.

Review of Operations

In the six months ended 31 December 2012, the Group recorded a profit for the half year of \$633 ,000 (Dec 11: profit of \$438,000). During the half year the Group:

- Recognised a fair value gain on revaluation of land and buildings of \$458,000 (net of tax);
- Reduced debt by \$400,000; and
- Secured an extension of the Group's banking facilities to 30 January 2015.

A summary of the operations by segment is shown below.

(a) Hotel Operations

This segment comprises the Ashmore Tavern and its 3 detached bottle shops located on Queensland's Gold Coast. Revenues relate to retail sales at the bottle shops and Tavern, sales to restaurants and businesses through the corporate sales division, in addition to gaming revenue and bar sales at the Tavern.

(b) Investment Properties

The Group's investment properties comprise Aspley Central, Aspley Arcade and Bribie Harbour Shopping Centres. Revenue from investment properties includes rent received from tenants under commercial leases.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

Significant After Balance Date Events

There are no matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

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

Rounding

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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



J M Ganim
Director

Dated this 22nd day of February 2013



PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

Level 30
345 Queen Street
Brisbane
Queensland 4000

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

Tel: 07 3222 8444
Fax: 07 3221 7779

www.pitcher.com.au
info@pitcherpartners.com.au

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BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS

PRIVATE AND CONFIDENTIAL

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

Auditor's Independence Declaration

As lead auditor for the review of Eumundi Group Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

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

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

PITCHER PARTNERS

RCN WALKER
Partner

Brisbane, Queensland
22 February 2013

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Notes	31 Dec 12 \$'000	30 Jun 12 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		977	684
Trade and other receivables		380	100
Inventories		1,426	1,278
Available-for-sale financial assets		2	8
Held-to-maturity investments		37	40
Other assets		326	248
Total current assets		3,148	2,358
Non-current assets			
Other debtors	5	421	-
Property, plant and equipment	3	9,489	8,892
Investment properties	4	39,900	39,900
Held-to-maturity investments		37	53
Deferred tax asset		40	442
Intangible assets		73	74
Total non-current assets		49,960	49,361
Total assets		53,108	51,719
LIABILITIES			
Current liabilities			
Trade and other payables		2,130	1,488
Borrowings	6	874	870
Income tax payable		170	114
Provisions		206	204
Total current liabilities		3,380	2,676
Non-current liabilities			
Borrowings	6	30,950	31,350
Total non-current liabilities		30,950	31,350
Total liabilities		34,330	34,026
Net assets		18,778	17,693
EQUITY			
Contributed equity		11,038	11,038
Reserves		3,506	3,054
Retained profits		4,234	3,601
Total equity		18,778	17,693

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Notes	31 Dec 12 \$'000	31 Dec 11 \$'000
Revenue			
Sale of goods		5,719	5,488
Gaming revenue		1,936	2,188
Rental income and recoverable outgoings		2,264	2,484
Other		211	308
		<u>10,130</u>	<u>10,468</u>
Other income			
Insurance claim – Home Hill (fire)	4	-	1,635
		<u>10,130</u>	<u>12,103</u>
Expenses			
Purchase of inventories		(4,359)	(3,703)
Change in inventories		148	(211)
Employee benefits expense		(1,253)	(1,592)
Depreciation and amortisation		(178)	(193)
Insurance		(45)	(37)
Operating lease rentals		(157)	(176)
Rates and taxes		(54)	(48)
Outgoings – investment properties		(461)	(537)
Impairment of investment property – Home Hill (fire)	4	-	(1,446)
Net loss on fair value adjustment - investment properties	4	(48)	(193)
Gaming machine tax		(935)	(1,008)
Finance costs		(1,120)	(1,417)
Other expenses		(772)	(929)
Total expenses		<u>(9,234)</u>	<u>(11,490)</u>
Profit before income tax		896	613
Income tax expense		(263)	(175)
Profit for the half-year		<u>633</u>	<u>438</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value loss on available-for-sale financial assets		(6)	-
Income tax on items of other comprehensive income		2	-
		<u>(4)</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings	3	654	-
Income tax on items of other comprehensive income		(198)	-
		<u>456</u>	<u>-</u>
Other comprehensive income for the period, net of tax		<u>452</u>	<u>-</u>
Total comprehensive income for the half-year		<u>1,085</u>	<u>438</u>
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share (cents per share)		0.45¢	0.31¢

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Contributed equity	Revaluation surplus	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	11,038	3,059	3,423	17,520
Profit for the period	-	-	438	438
Total comprehensive income for the period	-	-	438	438
Balance at 31 December 2011	11,038	3,059	3,861	17,958
Balance at 1 July 2012	11,038	3,054	3,601	17,693
Profit for the period	-	-	633	633
Other comprehensive income – net of tax	-	452	-	452
Total comprehensive income for the period	-	452	633	1,085
Balance at 31 December 2012	11,038	3,506	4,234	18,778

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

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	31 Dec 12 \$'000	31 Dec 11 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,849	12,031
Payments to suppliers and employees		(8,534)	(9,112)
Interest received		22	17
Finance costs		(1,115)	(1,415)
Income tax paid		-	(13)
Income tax received		-	10
Receipts from other debtors		-	150
Net cash provided by operating activities		1,222	1,668
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to third party	5	(421)	-
Payments for investment properties		(7)	(232)
Payments for property, plant and equipment		(121)	(107)
Receipts from held-to-maturity investments		20	-
Net cash used in investing activities		(529)	(339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		250	200
Repayment of borrowings		(650)	(1,700)
Net cash used in financing activities		(400)	(1,500)
Net increase/(decrease) in cash and cash equivalents		293	(171)
Cash and cash equivalents at beginning of the reporting period		684	937
Cash and cash equivalents at end of the reporting period		977	766

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

1. BASIS OF PREPARATION OF INTERIM REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The Group have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. This adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the current and prior periods.

2. SEGMENT INFORMATION

Reportable segments

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

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

	Hotel Operations \$'000	Investment Property \$'000	Total \$'000
Half-year to 31 Dec 2012			
Revenue			
Sales to external customers	7,655	2,264	9,919
Other revenue	188	-	188
Total segment revenue	7,843	2,264	10,107
Other revenue/income			23
			10,130
Results			
Segment results	583	1,803	2,386
Unallocated revenue less unallocated expenses			(1,442)
Fair value adjustment on investment properties			(48)
Profit before income tax			896
Income tax expense			(263)
Profit for the half-year			633

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. SEGMENT INFORMATION (continued)

	Hotel Operations \$'000	Investment Property \$'000	Total \$'000
Half-year to 31 Dec 2011			
Revenue			
Sales to external customers	7,676	2,484	10,160
Other revenue	243	-	243
Total segment revenue	7,919	2,484	10,403
Insurance claim – Home Hill			1,635
Other revenue/income			65
			12,103
Results			
Segment results	486	1,947	2,433
Unallocated revenue less unallocated expenses			(181)
Fair value adjustment on investment properties			(193)
Impairment – Home Hill			(1,446)
Profit before income tax			613
Income tax expense			(175)
Profit for the half-year			438

3. PROPERTY, PLANT AND EQUIPMENT

The basis of valuation of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based upon current prices in an active market for similar properties in the same location and condition.

The December 2012 valuation was based upon independent assessment by a member of the Australian Property Institute for bank valuation purposes.

The December 2011 and June 2012 valuation was based upon Directors assessment of fair value.

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

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Period ended 31 December 2011				
Opening net book amount	4,350	4,000	680	9,030
Additions	-	19	88	107
Depreciation charge	-	(54)	(137)	(191)
Closing net book amount	4,350	3,965	631	8,946
Period ended 31 December 2012				
Opening net book amount	4,350	3,910	632	8,892
Revaluation increment	310	344	-	654
Additions	-	-	121	121
Depreciation charge	-	(54)	(124)	(178)
Closing net book amount	4,660	4,200	629	9,489

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

Overall movement in investment properties was as follows:

	2012	2011
	\$'000	\$'000
At 30 June	39,900	42,440
Capitalised subsequent expenditure	7	232
Straight-line rentals	41	(33)
Net loss from fair value adjustment	(48)	(193)
Impairment of Home Hill due to fire (see below)	-	(1,446)
Transfer land asset to inventory	-	(200)
At 31 December	39,900	40,800

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

There were no independent valuations of investment properties during the December 2012 and December 2011 half years. In arriving at fair value, the Directors considered whether there was any changes to the last independent valuation and determined the fair value of each property by the capitalised income projections based upon the properties net market income

In December 2011, the Home Hill property, which had a carrying value of \$1,640,000, was destroyed by fire. The property was insured for damage and for loss of income. The Insurer agreed to settle the claim for \$1,635,000, and this recovery was reflected in the revenue and carried in trade and other receivables as at 31 December 2011.

The remaining land, valued by Directors at \$200,000, was transferred to inventory as land held for sale.

5. NON-CURRENT OTHER RECEIVABLES

	31 Dec 12	30 Jun 12
	\$'000	\$'000
Loan to third party	421	-

During the half year, a loan was extended to a Lessee to fund gaming machine upgrades and capital improvements in respect of their Aspley Shopping Centre tenancy. Security is held in the form of registered charge over the assets acquired. Interest is payable at the rate of 15% pa calculated daily and capitalised monthly.

The loan is repayable at the expiry of the current lease term in March 2014, or immediately upon termination of the lease due to breach.

6. FINANCE FACILITIES

Details of the facilities at 31 December 2012 are outlined below.

Amount Drawn (Face Value)		Repayment Terms
31 Dec 12 \$'000	30 Jun 12 \$'000	
12,100	12,000	Interest only until expiry
12,000	12,000	Interest only until expiry
2,700	2,800	Interest only until expiry
2,050	2,600	Quarterly amortisation of \$250,000 and interest until expiry
3,100	2,950	Interest only until expiry
<u>31,950</u>	<u>32,350</u>	

Commercial bill facilities expire 30 January 2015.

The group retains unrestricted access to commercial bill facilities of \$33,000,000, of which \$1,150,000 is currently undrawn. Additional facilities totalling \$5,700,000 remain available to the group for expenditure approved by the bank. Quarterly amortisation of \$250,000 until expiry applies to this facility. These facilities are subject to lower charges until drawn. This facility is unutilised.

7. SUBSEQUENT EVENTS

There are no matters or events that have arisen since 31 December 2012 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years or the results of those operations in future financial years or the state of affairs in future financial years.

8. CONTINGENCIES

There has been no material change in contingent liabilities disclosed in the 30 June 2012 financial report.

The Group has no other material contingencies.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

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

- (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

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

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



J M Ganim

Director

Dated this 22nd day of February 2013



Level 30
345 Queen Street
Brisbane
Queensland 4000

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

Tel: 07 3222 8444
Fax: 07 3221 7779

www.pitcher.com.au
info@pitcherpartners.com.au

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ROSS WALKER
KEN OGDEN
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Eumundi Group Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eumundi Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of their performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS



RCN WALKER
Partner

Brisbane, Queensland
22 February 2013