

## Appendix 4D

### Half-year report Period ended 31 December 2009

Name of entity

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

ABN or equivalent company reference

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

Financial year ended ('current reporting period')

<b>31 December 2009</b> (previous reporting period 31 December 2008)
---

#### Results for announcement to the market

				\$A 000's
Revenues from ordinary activities	Up	3.8 %	to	10,282
Profit (loss) from ordinary activities after tax attributable to members	Down	2.8%	to	(3,033)
Net profit (loss) for the period attributable to members	Down	2.8%	to	(3,033)

#### Dividends

It is not proposed to pay any dividends.

#### Discussion and analysis of results

Eumundi Group has delivered a net loss after tax of \$3.034 million (\$4,323 million loss before tax) compared with a profit of \$2.955 million after tax (\$4.241 million loss before tax) for the corresponding period in 2008.

Revenue from ordinary activities of \$10,282 million represents an increase of \$0.376 million in comparison to last year. Hotel sales of goods and gaming increased \$0.236 million or 3.3% over the prior period, while investment property rental and recovery revenues increased from \$2.015 million in the prior period to \$2.184 million for the current period due to the expansion of Bribie Harbour Shopping Village and market rental reviews on properties.

Property revaluations in December 2009 resulted in decrements of \$5.022 million which are shown as expenses in the current half year results compared to decrements on fair value adjustment of \$4.454 million in the prior half-year. These unfavourable property revaluations are attributable to a continued downward shift in market capitalisation rates due to the economic downturn.

Expenses for the year were \$9.583 million after adjusting for the net loss on fair value adjustment of \$5.022 million compared with expenses of \$9.693 million for the corresponding period in 2008 after adjusting for the net loss on fair value adjustment of \$4.454 million. Costs of goods sold increased from \$4.133 million to \$4.214 million in line with turnover and due to increased pressure on margins. Finance costs decreased by \$0.446 million to \$1.003 million due to lower interest rates offsetting the higher level of borrowings. Employee benefits expense increased by \$0.105 million to \$1.626 million in the property management and hotel divisions as these divisions pursue market growth.

The Group changed its accounting policy relating to the measurement of Gaming Licences for the period ended 31 December 2009. Gaming licences were previously recognised at fair value at each reporting date under AASB138 Intangibles, assuming that an active market existed to enable the fair value to be assessed. The active market being the Queensland Office of Gaming Regulations (QOGR) auctions.

Based upon this market, at 30 June 2009 the intangible assets of Eumundi Group Limited included an amount of \$3,035,000 being gaming machine licences held by the Ashmore Tavern as confirmed by the independent valuation of the Tavern. At 31 December 2009 taking the most recent sale price achieved at auction on 18 November 2009 these gaming licenses have a value of \$2,745,000.

Subsequent to the release of the Group's 2009 Annual Report, it came to the attention of the directors that ASIC has determined that the QOGR auctions do not satisfy the definition of an active market and, as such, these assets must be held at cost however no value attributed to the gaming licences associated with the Ashmore Tavern at the time of acquisition in 1996.

The change in accounting policy has been recognised retrospectively and comparatives have been restated.

	<b>2009</b>	<b>2008</b>
<b><i>NTA BACKING</i></b>		
<i>Net tangible asset backing per ordinary security</i>	\$0.19	\$0.24

**Statement**

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

Sign here:  Date: 26 February 2010

Print name: Leni Stanley

# **EUMUNDI GROUP LIMITED**

ABN 30 010 947 476

## **FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2009**

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 2009 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 half-year ended 31 December 2009.

**Directors**

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

J M Ganim  
G De Luca  
V A Wills

**Principal Activities**

The principal activities of the consolidated entity during the half-year consisted of:

- a) the operation of the Ashmore Tavern; and
- b) the holding of investment properties; and
- c) the management of commercial, industrial and retail property.

**Dividends**

No dividends were paid or declared during or since the half-year ended 31 December 2009.

**Review of Operations**

During the past six months Eumundi Group has focused on strengthening its assets. While the redevelopment of the Bribie Harbour Shopping Village was effectively completed more than a year ago, the difficult economic climate resulted in a higher than anticipated level of vacancy and accordingly focus for our investment property segment was the long term security of revenue streams through lease renewals and selection of proven quality tenants for each centre. Hotel operations have focused on pursuit of market growth, by repositioning to capture additional market segments. Property management operations have focussed on service delivery to existing clients and stabilising the operation.

Comments on the operations are set out 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, in addition to gaming revenue and bar sales at the Tavern.

Turnover from Hotel operations has increased \$236,000 compared with the prior period. Growth in on-premises bar and restaurant sales of \$164,000 was achieved and is attributable to management's ongoing efforts to establish the Tavern as a favoured local venue. Renovation works were completed to the Tavern's Public/Sports Bar in August 2009, and minor refurbishment works to the Tavern's amenities and Lounge Bar restaurant were undertaken in November 2009.

Relocation of an underperforming detached bottle shop to a superior site counteracted contraction of sales through other retail outlets with an increase in retail sales of \$102,000 compared to the prior period.

Gaming continues to perform strongly with only a minor decrease in net revenues down 1.6% in comparison to the prior period bucking the regional trend of substantial decline.

Segment results have decreased by \$49,000 due to costs of promoting the venue, pressure on retail margins from increased competition and higher staff costs.

**EUMUNDI GROUP LIMITED**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**

---

(b) Investment Properties

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

Property segment results have increased by \$30,000 compared to the prior period due to increased occupancy of the Bribie Harbour Shopping Village, with redevelopment of the centre completed in December 2008, in addition to market and annual increases on other property leases.

(c) Property Management

The Group's property management segment comprises Keendove Holdings Pty Ltd. Revenue from property management includes management fees for the facility and lease administration of commercial, retail and industrial properties. Management fee incomes are below the level achieved in the prior year due to the loss of a major client in September 2009. Leasing income has increased on the prior period with market confidence slowly returning.

**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 26<sup>th</sup> day of February 2010.

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

Level 30, Central Plaza One  
345 Queen Street Brisbane Q 4000  
GPO Box 1144 Brisbane Q 4001  
Ph 07 3222 8444 / Fax 07 3222 8300  
Website [www.jr.com.au](http://www.jr.com.au)  
Email [jr@jr.com.au](mailto:jr@jr.com.au)

Dear Sirs,

### **Auditor's Independence Declaration**

As lead engagement partner for the review of the financial report of Eumundi Group Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

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

**JOHNSTON RORKE**  
Chartered Accountants



**KA HAIDUK**  
Partner

Brisbane, Queensland  
26 February 2010

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Notes	31 Dec 2009 \$'000	30 June 2009 \$'000	30 June 2008 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		1,003	1,259	1,256
Trade and other receivables		391	441	406
Inventories		1,702	1,295	1,580
Available-for-sale financial assets		264	239	101
Current tax assets		-	39	-
Other assets		427	207	110
<b>Total current assets</b>		<b>3,787</b>	<b>3,480</b>	<b>3,453</b>
<b>Non-current assets</b>				
Other receivables		130	271	397
Available-for-sale financial assets		108	108	207
Property, plant and equipment	3	10,212	10,200	12,292
Investment properties	4	43,630	47,585	48,253
Intangible assets	5	978	1,078*	1,882*
Other assets		171	-	-
<b>Total non-current assets</b>		<b>55,229</b>	<b>59,242</b>	<b>63,031</b>
<b>Total assets</b>		<b>59,016</b>	<b>62,722</b>	<b>66,484</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		1,910	2,044	1,875
Borrowings	6	24,326	23,686	600
Current tax liabilities		24	-	54
Provisions		283	285	262
<b>Total current liabilities</b>		<b>26,543</b>	<b>26,015</b>	<b>2,791</b>
<b>Non-current liabilities</b>				
Borrowings	6	17,483	17,347	36,016
Deferred tax liabilities		105	1,452*	3,990*
Provisions		-	7	6
<b>Total non-current liabilities</b>		<b>17,588</b>	<b>18,806</b>	<b>40,012</b>
<b>Total liabilities</b>		<b>44,131</b>	<b>44,821</b>	<b>42,803</b>
<b>Net assets</b>		<b>14,885</b>	<b>17,901</b>	<b>23,681</b>
<b>EQUITY</b>				
Contributed equity		8,695	8,695	8,695
Reserves		4,064	4,046*	5,598*
Retained earnings		2,026	5,059	9,242
<b>Parent entity interest</b>		<b>14,785</b>	<b>17,800</b>	<b>23,585</b>
Non-controlling interest		100	101	96
<b>Total equity</b>		<b>14,885</b>	<b>17,901</b>	<b>23,681</b>

\* The June 2009 comparatives have been represented to exclude gaming machine licences previously included at fair value in intangibles (refer note 5).

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 2009**

	Notes	Half-Year	
		31 Dec 2009 \$'000	31 Dec 2008 \$'000
Sale of goods		5,633	5,367
Gaming revenue		1,787	1,817
Rental income and recoveries from investment properties		2,184	2,015
Management services		434	451
Other revenue		244	256
<b>Revenue</b>		<u>10,282</u>	<u>9,906</u>
<b>Expenses</b>			
Purchase of inventories		(4,621)	(4,228)
Change in inventories		407	95
Employee benefits expense		(1,626)	(1,521)
Depreciation and amortisation		(261)	(305)
Insurance		(34)	(41)
Operating lease rentals		(163)	(148)
Rates and taxes		(47)	(42)
Outgoings – investment properties		(446)	(321)
Net loss on fair value adjustment - investment properties	4	(5,022)	(4,454)
Gaming machine tax		(823)	(837)
Finance costs		(1,003)	(1,449)
Other expenses		(966)	(896)
<b>Total expenses</b>		<u>(14,605)</u>	<u>(14,147)</u>
<b>Loss before income tax</b>		(4,323)	(4,241)
Income tax benefit		1,289	1,286
<b>Loss for the half-year</b>		<u>(3,034)</u>	<u>(2,955)</u>
<b>Other comprehensive income</b>			
Fair value gains on available-for-sale financial assets		25	19
Fair value revaluation of land and buildings		-	(1,459)
Income tax on items of other comprehensive income		(7)	432
Other comprehensive income for the period, net of tax		18	(1,008)
<b>Total comprehensive income for the half-year</b>		<u>(3,016)</u>	<u>(3,963)</u>
<b>Profit/(loss) for the period is attributable to:</b>			
Non-controlling interest		(1)	(5)
Owners of the parent		(3,033)	(2,950)
		<u>(3,034)</u>	<u>(2,955)</u>
<b>Total comprehensive income for the period is attributable to:</b>			
Non-controlling interest		(1)	(5)
Owners of the parent		(3,015)	(3,958)
		<u>(3,016)</u>	<u>(3,963)</u>
<b>Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share (cents per share)		(4.27)¢	(4.16)¢
Diluted earnings per share (cents per share)		(4.27)¢	(4.16)¢

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 2009**

	Issued capital \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Attributable to owners of the parent \$'000	Non- controlling interest \$'000	Total \$'000
<b>Balance at 1 July 2008</b>	8,695	5,598	9,242	23,535	146	23,681
Loss for the period	-	-	(2,950)	(2,950)	(5)	(2,955)
Changes in fair value of available-for-sale financial assets	-	19	-	19	-	19
Loss on revaluation of land and buildings	-	(1,459)	-	(1,459)	-	(1,459)
Income tax relating to other components of comprehensive income	-	432	-	432	-	432
Total comprehensive income for the period	-	(1,008)	(2,950)	(3,958)	(5)	(3,963)
<b>Balance at 31 December 2008</b>	8,695	4,590	6,292	19,577	141	19,718
<b>Balance at 1 July 2009</b>	8,695	4,046	5,059	17,800	101	17,901
Loss for the period	-	-	(3,033)	(3,033)	(1)	(3,034)
Changes in fair value of available-for-sale financial assets	-	25	-	25	-	25
Income tax relating to other components of comprehensive income	-	(7)	-	(7)	-	(7)
Total comprehensive income for the period	-	18	(3,033)	(3,015)	(1)	(3,016)
<b>Balance at 31 December 2009</b>	8,695	4,064	2,026	14,785	100	14,885

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 2009**

	<b>31 Dec 2009 \$'000</b>	<b>Half-Year 31 Dec 2008 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	11,407	10,840
Payments to suppliers and employees	(10,336)	(9,447)
Interest received	13	32
Finance costs	(1,027)	(1,373)
Income tax paid	-	(90)
Income tax received	6	-
Receipts from other debtors	150	150
Net cash provided by operating activities	<u>213</u>	<u>112</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for investment properties	(1,096)	(4,670)
Payments for property, plant and equipment	(173)	(46)
Net cash used in investing activities	<u>(1,269)</u>	<u>(4,716)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	950	5,080
Repayment of borrowings	(150)	(400)
Net cash provided by financing activities	<u>800</u>	<u>4,680</u>
Net increase/(decrease) in cash and cash equivalents	(256)	76
Cash and cash equivalents at beginning of the reporting period	1,259	1,256
Cash and cash equivalents at end of the reporting period	<u><u>1,003</u></u>	<u><u>1,332</u></u>

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

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

---

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 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 is intended to provide users with an update on the latest annual financial statements of Eumundi Group Limited and its controlled entities (the Group). As such it does not contain information that represents insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009 together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards and the change in accounting policy described in Note 5.

**Accounting Standards not previously applied**

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply in the current interim period. Disclosures required by these Standards that are deemed material have been included in this report on the basis that they represent a significant change in information from that previously made available.

*Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this report include:

- The replacement of the income statement with a statement of comprehensive income. Items of income and expense not recognised in profit and loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- The adoption of a single statement approach to the presentation of comprehensive income;
- Other financial statements are renamed in accordance with the Standard; and
- Presentation of a third statement of financial position as at the beginning of the comparative financial half-year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

*Operating Segments*

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to or reviewed by the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using the same measures as those used in preparing the statement of comprehensive income and statement of financial position.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

---

**2. SEGMENT INFORMATION**

**Identification of reportable 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 Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and meet the aggregation criteria of AASB 8.

**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 Operations*

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

*Property Management Operations*

The property management segment provides lease administration, facility management and lease accounting services to investment property owners.

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Inter-segment 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.

*Segment assets*

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.

*Unallocated items*

Certain items of revenue, expense, assets and liabilities 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.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**2. SEGMENT INFORMATION (continued)**

*Comparative information*

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

	<b>Hotel Operations \$'000</b>	<b>Investment Property \$'000</b>	<b>Property Management \$'000</b>	<b>Total \$'000</b>
<b>Half-year to 31 Dec 2009</b>				
<b>Revenue</b>				
Sales to external customers	7,420	2,184	434	10,038
Intersegment sales	-	-	68	68
Total sales revenue	7,420	2,184	502	10,106
Other revenue/income	223	-	-	223
Total segment revenue/income	7,643	2,184	502	10,329
Intersegment elimination				(68)
Unallocated revenue				21
Consolidated revenue/income				10,282
<b>Results</b>				
Segment results	485	1,669	(23)	2,131
Unallocated revenue less unallocated expenses				(1,432)
Fair value adjustment on investment properties				(5,022)
Loss before income tax				(4,323)
Income tax benefit				1,289
Loss for the half-year				(3,034)
<b>As at 31 Dec 2009</b>				
<b>Assets</b>				
Segment assets	13,613	43,746	1,013	58,372
Unallocated assets				644
Total assets				59,016

**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	Property Management \$'000	Total \$'000
<b>Half-year to 31 Dec 2008</b>				
<b>Revenue</b>				
Sales to external customers	7,184	2,015	451	9,650
Intersegment sales	-	-	56	56
Total sales revenue	7,184	2,015	507	9,706
Other revenue/income	211	-	-	211
Total segment revenue/income	7,395	2,015	507	9,917
Intersegment elimination				(56)
Unallocated revenue				45
Consolidated revenue/income				9,906
<b>Results</b>				
Segment results	534	1,639	(76)	2,097
Unallocated revenue less unallocated expenses				(1,884)
Fair value adjustment on investment properties				(4,454)
Loss before income tax				(4,241)
Income tax benefit				1,286
Loss for the half-year				(2,955)
<b>As at 30 June 2009</b>				
<b>Assets</b>				
Segment assets	13,164	47,747	1,160	62,071
Unallocated assets				651
Total assets				62,722

**3. PROPERTY, PLANT AND EQUIPMENT**

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 30 June 2008</b>				
Cost or fair value	7,500	4,000	1,455	12,955
Accumulated depreciation	-	-	(663)	(663)
Net book amount	7,500	4,000	792	12,292
<b>At 30 June 2009</b>				
Cost or fair value	6,500	2,975	1,463	10,938
Accumulated depreciation	-	-	(738)	(738)
Net book amount	6,500	2,975	725	10,200
<b>At 31 December 2009</b>				
Cost or fair value	6,500	3,072	1,364	10,936
Accumulated depreciation	-	(38)	(686)	(724)
Net book amount	6,500	3,034	678	10,212

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

Half-year movement in the Group's land and building assets were as follows:

	<b>Freehold land \$'000</b>	<b>Buildings \$'000</b>	<b>Total \$'000</b>
<b>Period ended 31 December 2009</b>			
Opening net book amount	6,500	2,975	9,475
Additions	-	97	97
Depreciation charge	-	(38)	(38)
Closing net book amount	6,500	3,034	9,534
<b>Period ended 31 December 2008</b>			
Opening net book amount	7,500	4,000	11,500
Revaluation increment/(decrement)	(1,510)	51	(1,459)
Depreciation charge	-	(51)	(51)
Closing net book amount	5,990	4,000	9,990

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 arms length transaction, based upon current prices in an active market for similar properties in the same location and condition.

In December 2009 Directors reviewed the carrying value of the Group's land and building assets based upon advice from a member of the Australian Property Institute. It was determined that the carrying amount of these assets reflected their current value and that no revaluation was necessary.

The June 2009 revaluation was based on an independent assessment by a member of the Australian Property Institute.

In December 2008 Directors undertook a revaluation of the Group's land and building assets which resulted in a revaluation decrement of \$1,510,000 being recorded for land, and an increment of \$51,000 being recorded for the building assets.

**4. INVESTMENT PROPERTIES**

Overall movement in investment properties was as follows:

	<b>2009 \$'000</b>	<b>2008 \$'000</b>
At 30 June	47,585	48,253
Capitalised subsequent expenditure	1,096	5,424
Straight-line rentals	(29)	47
Net gain/(loss) from fair value adjustment	(5,022)	(4,454)
At 31 December	43,630	49,270

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 arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**4. INVESTMENT PROPERTIES (continued)**

The 31 December 2009 valuations for all investment properties were based upon Directors' valuations. In arriving at fair value, the Directors considered the discounted cash flows of the relevant investment property based upon estimates of future cash flows; other contracts; and recent prices for similar properties; and capitalised income projections based upon the properties net market income. In addition, independent valuations are performed at regular intervals appropriate to the nature of the investment property and movement in market values. These valuations are also considered by the Directors when determining fair value.

The 30 June 2009 valuation of the Bribie Harbour Shopping Village was an independent valuation carried out by CB Richard Ellis (registered property valuers) for bank lending purposes. The 30 June 2009 valuations of Aspley Central Shopping Centre, Aspley Arcade Shopping Centre and Home Hill Shopping Centre were based upon Directors' valuations.

The 30 November 2008 revaluation for the Home Hill investment property and the 31 December 2008 revaluations for the Aspley Central Shopping Centre, Aspley Arcade Shopping Centre and Bribie Harbour Shopping Village (formerly known as Banksia Beach Shopping Village) were based upon independent assessments made by members of the Australian Property Institute.

Property	Acquisition Date	Cost including Additions* \$'000	Valuation		
			31 December 2009 \$'000	30 June 2009 \$'000	30 June 2008 \$'000
Aspley Shopping Centre	March 2004	17,362	17,700	21,600	22,500
Bribie Harbour Shopping Village	November 2005	16,328	12,600	11,800	10,050
Aspley Arcade Shopping Centre	June 2007	13,020	11,800	12,600	14,150
Home Hill Shopping Centre	January 2007	1,453	1,530	1,585	1,553
			43,630	47,585	48,253

\* excluding acquisition costs

**5. INTANGIBLE ASSETS**

	31 Dec 2009 \$'000	30 June 2009 \$'000	30 June 2008 \$'000
Hotel licences	80	81	83
Management rights	898	997	1,799
	978	1,078	1,882

**Change in accounting policy**

The Group changed its accounting policy relating to the measurement of Gaming Licences for the period ended 31 December 2009. Gaming licences were previously recognised at fair value at each reporting date under AASB138 Intangible Assets, assuming that an active market existed to enable the fair value to be assessed. The active market being the Queensland Office of Gaming Regulations (QOGR) auctions.

Based upon this market, at 30 June 2009 the intangible assets of Eumundi Group Limited included an amount of \$3,035,000 being gaming machine licences held by the Ashmore Tavern as confirmed by the independent valuation of the Tavern. At 31 December 2009 taking the most recent sale price achieved at auction on 18 November 2009 these gaming licenses have a value of \$2,745,000.

Subsequent to the release of the Group's 2009 Annual Report, it came to the attention of the Directors that ASIC has determined that the QOGR auctions do not satisfy the definition of an active market and, as such, these assets must be recorded at cost. The gaming licences are considered to have an indefinite useful life and accordingly are not amortised and are tested for impairment each reporting period.



**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**5. INTANGIBLE ASSETS (continued)**

**Change in accounting policy (continued)**

The change in accounting policy has been recognised retrospectively and comparatives have been restated. As there was no value attributed to the gaming licences associated with the Ashmore Tavern at the time of acquisition in 1996, the change in accounting policy had the following impact on the financial statements:

	<b>31 Dec 2009 \$'000</b>	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Decrease in Intangible Assets	(3,035)	(3,035)	(3,500)
Decrease in Deferred Tax Liabilities	910	910	1,050
Decrease in Net Assets	<u>(2,125)</u>	<u>(2,125)</u>	<u>(2,450)</u>
Decrease in Revaluation Reserve/Equity	(2,125)	(2,125)	(2,450)

**6. BORROWINGS**

	<b>31 Dec 2009 \$'000</b>	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Commercial bills - secured			
Current	24,326	23,686	600
Non-current	17,483	17,347	36,016
	<u>41,809</u>	<u>41,033</u>	<u>36,616</u>

Unrestricted access was available at balance date to the following lines of credit:

	<b>31 Dec 2009 \$'000</b>	<b>30 June 2009 \$'000</b>
<b>Credit standby arrangements</b>		
Total facilities		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	43,065	43,315
	<u>43,565</u>	<u>43,815</u>
Used at balance date		
Bank overdraft	-	-
Finance lease liabilities	-	-
Commercial bill facility *	41,950	41,150
	<u>41,950</u>	<u>41,150</u>
Unused at balance date		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	1,115	2,165
	<u>1,615</u>	<u>2,665</u>

\* Used at balance date comprises the face value of bills drawn. The amount recognised in the Consolidated Statement of Financial Position is net of discounts and other transaction costs.

The facilities are subject to annual review next scheduled to occur on 31 August 2010. Unused facilities can be drawn down at any time. Further details are outlined below.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**6. BORROWINGS (continued)**

Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date	Repayment Terms
31 December 2009 \$'000	30 June 2009 \$'000	31 December 2009 %	30 June 2009 %			
12,900	13,000	6.6	4.0	Variable	31/08/10	Interest only until expiry
14,150	14,200	6.6	4.0	Variable	31/07/12	Interest only until expiry
3,400	3,200	6.4	4.0	Variable	31/01/13	Interest only until expiry
7,500	6,750	6.4	4.1	Variable	31/08/10	Quarterly amortisation of \$250,000 and interest until expiry
4,000	4,000	6.4	4.2	Variable	31/08/10	Interest only until expiry
<u>41,950</u>	<u>41,150</u>					

In accordance with the bank lending documents, independent valuations of the Aspley investment properties are to be provided to the National Australia Bank by 31 March 2010 and are currently being undertaken. On receipt of these valuations the bank has the right to review covenants applicable to the Group's facilities.

Based on the directors' valuations of the investment properties at 31 December 2009, as set out in Note 4 and the property included in property, plant and equipment, as set out in Note 3, the Group would be in breach of the loan to value ratio (LVR) lending covenant when reportable at 30 June 2010. The Bank has provided the directors with comfort that, although they have not received or reviewed the independent valuations, the banks intent is to reset the LVR covenant to ensure the Group does not breach its covenant moving forward. As such, the directors are confident that the finance facilities will not be in breach of this covenant.

As shown above, bank borrowings of \$24.4 million have an expiry date of 31 August 2010. The bank has provided the directors with comfort that once the independent valuations are received, it intends to extend the facilities out until February 2011, subject to its normal review.

**7. SUBSEQUENT EVENTS**

There are no matters or events that have arisen since 31 December 2009 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. CONTINGENT ASSETS AND LIABILITIES**

Further to the ASX announcement made on 5<sup>th</sup> November 2009, the Bribie Harbour building dispute has been amicably resolved on confidential terms for an immaterial sum. All costs associated with this dispute were recognised in the financial statements as at 31 December 2009.

The Group has no material contingent assets or liabilities.

**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 2009 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 26<sup>th</sup> day of February 2010

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of Eumundi Group Limited

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eumundi Group Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Eumundi Group Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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 Interim and Other Financial Reports 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 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 2009 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**JOHNSTON RORKE**  
Chartered Accountants

  
**KA HAIDUK**  
Partner

Brisbane, Queensland  
26 February 2010