



EUMUNDI GROUP

24 February 2020

**APPENDIX 4D AND HALF YEAR REPORT FOR 31 DECEMBER 2019**

Please find attached Appendix 4D and the Interim Financial Report for the Half-Year ended 31 December 2019.

**Authorised by the Board**

For further information please contact:

Suzanne Jacobi-Lee, Chief Executive Officer - 07 3229 7222

For personal use only

## Appendix 4D

### Half-year report Period ended 31 December 2019

Name of entity

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

ABN or equivalent company reference

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

Half- year ended ('current reporting period')

<b>31 December 2019</b> (previous reporting period 31 December 2018)
---

#### Results for announcement to the market

\$A  
000's

Revenues and other income from ordinary activities	Down	4.0%	to	\$12,625
Represented by:				
Revenues from continuing ordinary activities	Down	4.0%	to	\$12,625
Profit from ordinary activities after tax attributable to members	Down	47.2%	to	\$629
Net profit for the period attributable to members	Down	47.2%	to	\$629
Net profit for the period attributable to members (excluding fair value revaluation and adjustments and restatement of deferred tax liabilities)	Down	24.5%	to	\$681

#### Dividends

Final and interim dividends were paid or declared as follows:

	<b>Final dividend for year ended 30 June 2019</b>	<b>Interim dividend for half year ended 31 December 2019</b>
Cents per share	2.35 cents	2.35 cents
Franking	100% @ 27.5% tax rate	50% @ 27.5% tax rate
Total	\$0.929 million	\$0.954 million
Record Date	03 September 2019	28 February 2020
Date paid	16 September 2019	16 March 2020

The Board of Eumundi Group Limited ("the Group") has declared an interim dividend of 2.35 cents per share (\$0.954 million in total) 50% franked at a tax rate of 27.5%.

The Record Date for the interim dividend is Tuesday 28 February 2020 and the dividend will be paid on Monday 16 March 2020. The Eumundi Group Limited Dividend Reinvestment Plan ("DRP") will apply to the interim dividend. The last date for receipt of an election notice to participate in the DRP will be 5pm (Brisbane time) on Wednesday 4 March 2020.

#### Discussion and analysis of results

The Group has delivered a net profit after tax of \$0.629 million (\$0.867 million profit before tax) for the half-year ended 31 December 2019 representing earnings per share of 1.57 cents for the half-year. The reported profit after tax of \$1.191 million (\$1.208 million profit before tax) for the corresponding period in 2018 included an income tax benefit of \$0.332 million on restatement of deferred tax liabilities due to the change in the Group's tax rate from 30% to 27.5% on 1 July 2018.

The December 2019 half year profit included a fair value loss on revaluation of investment properties of

\$0.072 million (\$0.052 million net of tax) compared with a fair value loss on revaluation of investment properties of \$0.061 million (\$0.044 million net of tax) in the prior corresponding period.

Revenue and other income from ordinary activities decreased by 4.0% to \$12.625 million from \$13.151 million in the corresponding half-year in 2018.

The Group's gaming revenues decreased by \$0.060 million (down 1.3%) mainly due to disruption arising from the redevelopment of the gaming room at Aspley Central Tavern. Food and on-premise beverage revenues across the Group increased by \$0.045 million (up 2.5%) while retail liquor sales decreased by \$0.463 million (down 9.5%) over the prior corresponding half-year due to difficult retail trading conditions.

As foreshadowed, investment property revenues decreased by \$0.022 million (down 1.4%) due to increased vacancy rates and rental concessions during the redevelopment of the Aspley investment properties which completed in November 2019 having commenced 12 months prior. A formal leasing campaign is underway to drive leasing outcomes at the centres.

Total expenses from continuing operations net of fair value adjustments for the half-year decreased by 1.6% to \$11.686 million from \$11.882 million in the corresponding period last year.

Cost of goods sold of \$4.131 million decreased due to lower sales levels. Depreciation increased by \$0.156 million compared with the prior corresponding half-year due to increased assets and depreciation of right-of-use assets.

During the half-year the Group recognised a \$0.324 million (net of tax @27.5%) gain on fair value revaluations (\$0.447 million before tax) of its land and building assets on valuations of the Ashmore Tavern and the Aspley Shopping Centre. During the previous corresponding half year, a \$0.291 million net of tax (\$0.401 million before tax) gain on fair value revaluation of these assets was recognised.

In September 2019, the Group paid a total final dividend of \$0.929 million to shareholders (2.35 cents per share fully franked @ 27.5%) in respect of the year ended 30 June 2019.

The Dividend Reinvestment Plan (DRP) recommenced and applied to the final dividend, preserving cash for the Group's capital works program. DRP participation was in excess of 96% resulting in the issue of an additional 1,030,581 shares. Issued capital as at 31 December 2019 was 40,576,624 shares.

Cash flows from operating activities increased from \$1.382 million in the December 2018 half-year to \$1.674 million in the December 2019 half-year, due mostly to a reduction in income tax attributable to the change in the corporate tax rate. Cash outflows from investing activities of \$3.819 million included upgrade of Ashmore Tavern lounge bar and kitchen in July 2019, expansion of the Aspley Central Tavern gaming room to increase the operating fleet from 35 to 42 machines, and completion of the Aspley Shopping Centre and Aspley Arcade Shopping Village redevelopment in November 2019.

Borrowings increased by \$2.974 million during the half-year and as at 31 December 2019 the Group had commercial loans of \$28.008 million and access to undrawn commercial loan facilities of a further \$1.992 million. The Group's net debt (\$26.282 million) to net assets (\$41.892 million) ratio as at 31 December 2019 was 62.7%, increased from 58.8% as at 30 June 2019.

**Subsequent events**

There are no other matters or events that have arisen since 31 December 2019 not otherwise disclosed in the interim financial report that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs in future financial years.

	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>NTA BACKING</b>		
<b>Net tangible asset backing per ordinary security</b>	98.8c	103.5c
<b>Net tangible asset backing per ordinary security excluding right-of-use assets</b>	97.6c	102.5c

**Statement**

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

Signed:  Date: 24 February 2020

Name: Leni Stanley (Company Secretary)

For personal use only

For personal use only

**EUMUNDI GROUP LIMITED**

ABN 30 010 947 476

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2019**

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 2019 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 2019.

**Directors**

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

J M Ganim  
G De Luca  
V A Wills

**Dividends**

On 24 February 2020 the board declared an interim dividend of \$954,000 (2.35 cents per share) 50% franked at a 27.5% tax rate which will be paid to shareholders on 16 March 2020 (Dec 2018: \$1,219,000 (3.20 cents per share fully franked at 27.5%)).

**Review of operations**

In the six months ended 31 December 2019, the Company:

- recorded profit before tax of \$867,000 (Dec 2018: \$1,208,000), representing earnings per share of 1.57 cents (Dec 2018: 3.12 cents);
- recognised fair value increments of \$324,000 (net of tax) (Dec 2018: \$291,000 net of tax) on revaluation of the Company's land and buildings at the Aspley Shopping Centre and the Ashmore Tavern;
- paid a total final dividend of \$929,000 (2.35 cents per share fully franked @ 27.5%) on 16 September 2019 in respect of the year ended 30 June 2019;
- issued 1,030,581 ordinary shares pursuant to the dividend reinvestment plan in connection with the final dividend, as a result of which the Company's issued capital increased from 39,546,043 shares to 40,576,624 shares;
- completed an upgrade of the Ashmore Tavern kitchen and lounge bar in July 2019 for a total cost of \$338,000;
- completed expansion of the Aspley Central Tavern gaming room in September 2019 for a total cost of \$796,000 including plant and equipment;
- completed redevelopment works at the Aspley Shopping Centre and Aspley Arcade Shopping Village in November 2019 recognising costs of \$1,692,000 during the half year, and commencing a leasing campaign;
- progressed detailed design of the Ashmore Tavern lounge atrium, gaming room and dining extension and sports bar deck with plans lodged with council in December 2019 for approval; and
- reported net tangible asset backing per share of 98.8 cents as at 31 December 2019.

**Significant changes in the state of affairs**

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

**Significant after balance date events**

Other than the proposed interim dividend in respect of the half-year ended 31 December 2019 there are no other matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Auditor's independence declaration**

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

**Rounding**

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases to the nearest dollar.

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



**J M Ganim - Director**

Dated this 24th day of February 2020

For personal use only



Level 38, 345 Queen Street  
Brisbane, QLD 4000

Postal address  
GPO Box 1144  
Brisbane, QLD 4001

p. +61 7 3222 8444

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

**Auditor's Independence Declaration**

In relation to the independent auditor's review for the half-year ended 31 December 2019, to the best of my knowledge and belief there have been:

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

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

PITCHER PARTNERS

NIGEL BATTERS  
Partner

Brisbane, Queensland  
24 February 2020

**Brisbane Sydney Newcastle Melbourne Adelaide Perth**

**Pitcher Partners is an association of independent firms.**

An Independent Queensland Partnership ABN 84 797 724 539. Liability limited by a scheme approved under Professional Standards Legislation.  
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



[pitcher.com.au](http://pitcher.com.au)

KEN OGDEN	MARK NICHOLSON	JASON EVANS	KYLIE LAMPRECHT	BRETT HEADRICK	NIGEL BATTERS	SIMON CHUN	TOM SPLATT	DANIEL COLWELL	FELICITY CRIMSTON
NIGEL FISCHER	PETER CAMENZULI	IAN JONES	NORMAN THURECHT	WARWICK FACE	COLE WILKINSON	JEREMY JONES	JAMES FIELD	BOEYH COOPER	

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	31 Dec 19 \$'000	31 Dec 18 \$'000
<b>Revenue</b>	5	12,625	13,151
		<u>12,625</u>	<u>13,151</u>
<b>Expenses</b>			
Purchase of inventories		(3,826)	(4,850)
Change in inventories		(305)	384
Selling and promotional costs		(526)	(513)
Employee benefits expense		(2,103)	(2,113)
Depreciation and amortisation		(833)	(677)
Insurance		(70)	(63)
Short term leases	4	-	(112)
Rates and taxes		(62)	(55)
Electricity		(130)	(125)
Outgoings – investment properties		(319)	(313)
Gaming machine tax		(2,309)	(2,307)
Finance costs		(416)	(431)
Listing and corporate governance costs		(192)	(183)
Net loss on fair value adjustment - investment properties	7	(72)	(61)
Other expenses		(595)	(524)
<b>Total expenses</b>		<u>(11,758)</u>	<u>(11,943)</u>
<b>Profit before income tax</b>		867	1,208
<b>Income tax expense</b>			
Income tax expense *		(238)	(17)
<b>Profit for the half-year</b>		<u>629</u>	<u>1,191</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings	6	447	401
Income tax expense on items of other comprehensive income		(123)	(110)
<b>Other comprehensive income for the half-year, net of tax</b>		<u>324</u>	<u>291</u>
<b>Total comprehensive income for the half-year</b>		<u>953</u>	<u>1,482</u>
<b>Earnings per share:</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share		1.57¢	3.12¢

\* Income tax for the half-year ended 31 December 2018 included an income tax benefit of \$332,000 on restatement of deferred tax liabilities due to the change in the Company's tax rate from 30% to 27.5% on 1 July 2018.

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



**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Notes	31 Dec 19 \$'000	30 Jun 19 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,726	954
Trade and other receivables		298	305
Inventories		1,516	1,211
Other assets		331	335
Income tax receivable		-	18
<b>TOTAL CURRENT ASSETS</b>		<b>3,871</b>	<b>2,823</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4,6	37,651	35,628
Investment properties	7	34,406	33,520
Intangible assets		1,806	1,807
<b>TOTAL NON-CURRENT ASSETS</b>		<b>73,863</b>	<b>70,955</b>
<b>TOTAL ASSETS</b>		<b>77,734</b>	<b>73,778</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,913	3,149
Lease liabilities	4	182	133
Income tax payable		11	-
Provisions		367	370
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,473</b>	<b>3,652</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	4	353	212
Borrowings		28,008	25,034
Provisions		29	29
Deferred tax liabilities		3,979	3,887
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>32,369</b>	<b>29,162</b>
<b>TOTAL LIABILITIES</b>		<b>35,842</b>	<b>32,814</b>
<b>NET ASSETS</b>		<b>41,892</b>	<b>40,964</b>
<b>EQUITY</b>			
Contributed equity	8	25,032	24,128
Reserves		10,310	9,986
Retained profits		6,550	6,850
<b>TOTAL EQUITY</b>		<b>41,892</b>	<b>40,964</b>

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

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	Contributed equity \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2018		21,812	9,427	7,314	38,553
Adjustment on initial adoption of accounting standards	2	-	-	(7)	(7)
<b>Balance at 1 July 2018</b>		<b>21,812</b>	<b>9,427</b>	<b>7,307</b>	<b>38,546</b>
Profit for the half-year		-	-	1,191	1,191
Revaluation of buildings - gross		-	401	-	401
Income tax relating to components of other comprehensive income		-	(110)	-	(110)
Total comprehensive income for the half-year		-	291	1,191	1,482
Dividends paid to shareholders	9	-	-	(1,212)	(1,212)
Contribution of equity net of tax	8	1,157	-	-	1,157
<b>Balance at 31 December 2018</b>		<b>22,969</b>	<b>9,718</b>	<b>7,286</b>	<b>39,973</b>
<b>Balance at 1 July 2019</b>		<b>24,128</b>	<b>9,986</b>	<b>6,850</b>	<b>40,964</b>
Profit for the half-year		-	-	629	629
Revaluation of buildings - gross		-	447	-	447
Income tax relating to components of other comprehensive income		-	(123)	-	(123)
Total comprehensive income for the half-year		-	324	629	953
Dividends paid to shareholders	9	-	-	(929)	(929)
Contribution of equity net of tax	8	904	-	-	904
<b>Balance at 31 December 2019</b>		<b>25,032</b>	<b>10,310</b>	<b>6,550</b>	<b>41,892</b>

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

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	31 Dec 19 \$'000	31 Dec 18 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		14,008	14,342
Payments to suppliers and employees		(11,692)	(12,114)
Interest received		2	4
Finance costs		(406)	(427)
Income tax paid		(238)	(423)
<b>Net cash inflows from operating activities</b>		<b>1,674</b>	<b>1,382</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	6	(2,615)	(684)
Payments for investment properties	7	(1,204)	(366)
<b>Net cash used in investing activities</b>		<b>(3,819)</b>	<b>(1,050)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		3,020	-
Repayment of borrowings		-	(85)
Payment of loan establishment fees		(60)	-
Share issue costs		(9)	(6)
Dividends paid		(34)	(49)
<b>Net cash inflows from (used in) financing activities</b>		<b>2,917</b>	<b>(140)</b>
<b>Net increase in cash and cash equivalents</b>		<b>772</b>	<b>192</b>
Cash and cash equivalents at beginning of the reporting half-year		954	983
<b>Cash and cash equivalents at 31 December</b>		<b>1,726</b>	<b>1,175</b>

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

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**1. Basis of preparation of interim report**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Company's annual financial report for the year ended 30 June 2019. The Company has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

*Comparatives*

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

**2. Changes in accounting policies**

*AASB 16 Leases*

The group applied AASB 16 Leases with a date of initial application of 1 July 2018 using the modified retrospective approach. As a result, the group has changed its accounting policy for lease contracts as detailed in Note 2 (b) of the 30 June 2019 financial statements. However, these changes were not reflected in the published financial statements of the group as at 31 December 2018.

**Impacts on the comparative financial statements 31 December 2018**

On 1 July 2018, on initial application of AASB16, the group the group recognised \$141,000 of right-of-use assets, \$151,000 of lease liabilities and \$3,000 in deferred tax assets with the difference of \$7,000 (net of tax) recognised in retained earnings.

<b><i>Impact on the statement of financial position</i></b>	<b>30 June 2018</b>	<b>Adjustments</b>	<b>1 July 2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Retained profits	7,314	(7)	7,307
Total equity	38,553	(7)	38,546

<b><i>Impact on the consolidated statement of changes in equity</i></b>	<b>30 June 2018</b>	<b>Adjustments</b>	<b>1 July 2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Retained profits	7,314	(7)	7,307
Total equity	38,553	(7)	38,546

During the half-year ended 31 December 2018 the group recognised an additional \$278,000 of right-of-use assets, an additional \$273,000 in lease liabilities, an additional \$44,000 of depreciation, an additional \$3,000 in finance costs, offset by a reduction of \$43,000 in operating lease rentals and an reduction of \$5,000 in other expenses with a net gain of \$1,000 applied to profit. There was no material impact on tax.

For personal use only

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**2. Changes in accounting policies (continued)**

<b>Impact on the statement of comprehensive Income</b>	<b>Pre-adoption 31 December 2018 \$'000</b>	<b>Adjustments \$'000</b>	<b>Post-adoption 31 December 2018 \$'000</b>
Depreciation and amortisation	(633)	(44)	(677)
Operating lease rentals	(155)	43	(112)
Finance costs	(428)	(3)	(431)
Other expenses	(529)	5	(524)
Total expenses	(11,944)	1	(11,943)
Profit before income tax	1,207	1	1,208
Profit for the half-year	1,190	1	1,191
Total comprehensive income for the half-year	1,481	1	1,482
<b>Impact on the statement of changes in equity</b>			
Retained profits at 1 July 2018	7,314	(7)	7,306
Profit for the half-year	1,190	1	1,191
Retained profits at 31 December 2018	7,292	(6)	7,286
Total equity – 1 July 2018	38,553	(7)	38,546
Profit for the half-year	1,190	1	1,191
Total equity – 31 December 2018	39,979	(6)	39,973

For a detailed disclosure on the impacts of the early adoption of AASB 16 Leases upon the comparative balance sheet as at 30 June 2019 refer to Note 2 (b) of the 30 June 2019 financial statements.

**3. Segment information**

**Reportable segments**

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

*Investment Properties* - The investment properties segment owns and leases investment property assets to retail tenants.

<b>Half-year to 31 Dec 2019</b>	<b>Hotel Operations \$'000</b>	<b>Investment Properties \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>			
Sales to external customers	10,802	1,793	12,595
Other revenue	264	-	264
Total segment revenue	11,066	1,793	12,859
Inter-segment revenue			(236)
Interest revenue			2
Total revenue			12,625
<b>Results</b>			
Segment results	662	1,198	1,860
Net finance costs			(414)
Unallocated revenue less unallocated expenses			(507)
Fair value adjustment on investment properties			(72)
Profit before income tax			867
Income tax expense			(238)
Profit for the half-year			629
<b>Assets as at 31 December 2019</b>			
Segment assets	20,472	56,877	77,349
Unallocated assets			385
Total assets			77,734
Depreciation and amortisation	556	276	832
Unallocated			1
Total depreciation and amortisation for the half-year to 31 December 2019			833

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**3. Segment information (continued)**

<b>Half-year to 31 Dec 2018</b>	<b>Hotel Operations \$'000</b>	<b>Investment Properties \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>			
Sales to external customers	11,280	1,775	13,055
Other revenue	288	-	288
Total segment revenue	<u>11,568</u>	<u>1,775</u>	<u>13,343</u>
Inter-segment revenue			(196)
Interest revenue			4
Total revenue			<u>13,151</u>
<b>Results</b>			
Segment results	915	1,237	2,152
Net finance costs			(427)
Unallocated revenue less unallocated expenses			(456)
Fair value adjustment on investment properties			(61)
Profit before income tax			<u>1,208</u>
Income tax expense*			(17)
Profit for the half-year			<u>1,191</u>
<b>Assets as at 31 December 2018</b>			
Segment assets	<u>17,530</u>	<u>50,798</u>	<u>68,328</u>
Unallocated assets			827
Total assets			<u>69,155</u>
Depreciation and amortisation			
Unallocated	<u>435</u>	<u>233</u>	<u>668</u>
Total depreciation and amortisation for the half-year to 31 December 2018			<u>9</u>
			<u>677</u>

\* Income tax for the half-year ended 31 December 2018 included an income tax benefit of \$332,000 on restatement of deferred tax liabilities due to the change in the Company's tax rate from 30% to 27.5% on 1 July 2018.

For personal use only

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**4. Leases**

*Real estate as lessee*

The group leases land and buildings for office premises and retail liquor stores. The leases typically run for periods from two to five years. Some leases include an extension option for an additional period after the end of the contract term. Extension options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement whether it is reasonably certain to exercise the extension options and reassess whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control. Future lease payments are subject to yearly price adjustments based on either fixed percentage increases or consumer price index related increases.

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

	<b>31 Dec 2019 \$'000</b>	<b>31 Dec 2018 \$'000</b>
<b>Right-of-use assets</b> (Refer note 6)		
Carrying amount of right of use assets – 1 July	310	141
Additions	282	278
Depreciation charge	(100)	(44)
Carrying amount of right-of-use assets – 31 December	<u>492</u>	<u>375</u>
<b>Lease liability</b>		
Opening balance – 1 July	345	151
Additions	285	273
Interest expense – unwinding of discount	9	3
Lease payments	(104)	(43)
Carrying amount of leases – 31 December	<u>535</u>	<u>384</u>
Current	182	102
Non-current	353	283
Total	<u>535</u>	<u>384</u>
The maturity profile of the contractual undiscounted cash flows of the leases is as follows:		
Within one year	196	113
Later than one year but not later than five years	368	299
Greater than five years	-	-
Total undiscounted lease payments	<u>564</u>	<u>412</u>
Other disclosures relating to leases where the group is lessee are as follows:		
Expense related to short term leases excluded from the measurement of lease liabilities*	-	112
Expense related to low value assets excluded from the measurement of lease liabilities	-	-

\* In the prior period the group elected not to recognise commitments relating to leases of 12 months or less as right-of-use assets. The group recognised the lease payments associated with those short-term leases as an expense on a straight-line basis over the lease term. The related leases have since been either extended or terminated and replaced by leases related to new premises.

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**5. Revenue**

	<b>31 Dec 2019 \$'000</b>	<b>31 Dec 2018 \$'000</b>
<b>Revenue from contracts with customers</b>		
<b>At a point in time</b>		
Sales of goods	6,250	6,668
Gaming revenue	4,552	4,612
Commission	139	159
Interest	2	4
Other	125	129
	11,068	11,572
<b>Lease revenue</b>		
<b>Over time</b>		
Rental income and recoverable outgoings from investment properties	1,557	1,579
Total revenue	12,625	13,151

*Disaggregation of revenue from contracts with customers*

The group derives its revenue from the sale of goods at a point in time, and provision of services over time and at a point in time. A disaggregation of revenue by when performance obligations are satisfied is outlined below. All revenue of the group is derived in the state of Queensland.

**6. Property plant and equipment**

The basis of valuation of land and buildings is fair value being the price that would be received to sell the assets in an orderly transaction between market participants at balance date, based upon current prices in an active market for similar properties in the same location and condition.

The valuation of Aspley Shopping Centre and the Ashmore Tavern land and buildings was based upon the directors' internal valuation. In arriving at fair value, the directors considered whether there were any changes to the significant inputs into the last independent valuation of the properties.

	<b>Freehold land \$'000</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Right-of- use assets \$'000</b>	<b>Total \$'000</b>
<b>Half-year ended 31 December 2018</b>					
Opening net book amount 1 July 2018	10,010	21,300	1,422	141	32,873
Revaluation increment	-	401	-	-	401
Additions	-	591	235	278	1,104
Disposals	-	-	-	-	-
Straight line adjustments and lease incentives	-	(29)	-	-	(29)
Depreciation charge	-	(373)	(258)	(44)	(675)
Closing net book amount 31 Dec 2018	10,010	21,890	1,399	375	33,674
<b>Half-year ended 31 December 2019</b>					
Opening net book amount 1 July 2019	10,010	23,759	1,549	310	35,628
Revaluation increment	-	447	-	-	447
Additions	-	1,561	600	282	2,443
Transfers	-	103	(103)	-	-
Disposals	-	-	-	-	-
Straight line adjustments and lease incentives	-	(35)	-	-	(35)
Depreciation charge	-	(412)	(320)	(100)	(832)
Closing net book amount 31 Dec 2019	10,010	25,423	1,726	492	37,651

As at 31 December 2019, the Company had no commitments for capital expenditure (Dec 2018: \$3,018,000).



**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**7. Investment properties**

	<b>31 Dec 2019 \$'000</b>	<b>31 Dec 2018 \$'000</b>
At 1 July	33,520	31,000
Capitalised expenditure	886	507
Straight line rentals and lease incentives	72	62
Net loss from fair value adjustment	(72)	(61)
At 31 December	<u>34,406</u>	<u>31,508</u>

The basis of valuation of investment properties is fair value being the price that would be received to sell the properties in an orderly transaction between market participants at balance date, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

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

Investment Property	Acquisition Date	Cost Including Additions *	Last Independent Valuation		Book Value	
			Date	\$'000	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Aspley Arcade Shopping Village	Jun 2007	16,108	June 2018	17,000	20,056	19,170
Plough Inn	Nov 2017	13,100	June 2018	14,000	14,350	14,350
					<u>34,406</u>	<u>33,520</u>

\* excluding acquisition costs

**(a) Valuation basis**

The December 2019 fair value assessment for the Aspley Arcade Shopping Village and the Plough Inn was based on directors' internal valuations. In arriving at fair value, the directors considered whether there were any changes to the last independent valuation and determined the fair value of the property using capitalised income projections based on the property's net market income.

**(b) Additions**

Additions to the Aspley Arcade Shopping Village during the half-year to 31 December 2019 of \$886,000 include the replacement of roofing, construction works and professional fees relating to the shopping centre redevelopment.

**(c) Commitments**

As at 31 December 2019, the Company had no commitments for capital expenditure (2018: \$3,018,000).

**8. Contributed equity**

Movements in share capital	No. of Shares	Issue Price (cents per share)	\$'000
<b>Balance at 1 July 2018</b>	36,723,117		21,812
Shares issued under DRP	1,384,579	84.0	1,163
Share issue costs (net of tax)	-		(6)
<b>Balance at 31 December 2018</b>	<u>38,107,696</u>		<u>22,969</u>
<b>Balance at 1 July 2019</b>	39,531,043		24,128
Shares issued under DRP	1,030,581	86.9	895
Shares issued as executive remuneration	15,000	98.0	15
Share issue costs (net of tax)	-		(6)
<b>Balance at 31 December 2019</b>	<u>40,576,624</u>		<u>25,032</u>

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**9. Dividends**

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

	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Final fully franked (@ 27.5%) dividend of 2.35 cents per fully paid ordinary share paid on 16 September 2019 (2018: 3.30 cents per share fully franked @ 30%)	929	1,212
Proposed interim 50% franked (@ 27.5%) dividend of 2.35 cents per fully paid ordinary share payable on 16 March 2020 but not recognised as a liability (2018: 3.20 cents per share fully franked @ 27.5%)	954	1,219

**10. Contingent liabilities**

The Company has no material contingencies.

**11. Subsequent events**

There are no other matters or events that have arisen since 31 December 2019 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs in future financial years.

For personal use only

**EUMUNDI GROUP LIMITED  
AND CONTROLLED ENTITIES  
DIRECTORS' DECLARATION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

---

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 2019 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

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

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



**J M Ganim**  
**Director**

Dated this 24<sup>th</sup> day of February 2020

For personal use only

For personal use only



Level 38, 345 Queen Street  
Brisbane, QLD 4000

Postal address  
GPO Box 1144  
Brisbane, QLD 4001

p. +61 7 3222 8444

## 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 ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 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 the Group, 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.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

Pitcher Partners is an association of independent firms.

An Independent Queensland Partnership ABN 84 797 724 539. Liability limited by a scheme approved under Professional Standards Legislation.

Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



[pitcher.com.au](http://pitcher.com.au)

KEN OGDEN | MARK NICHOLSON | JASON EVANS | KYLIE LAMPRECHT | BRETT HEADRICK | NIGEL BATTERS | SIMON CHUN | TOM SPLATT | DANIEL COLWELL | FELICITY CRIMSTON  
NIGEL FISCHER | PETER CAMEZULI | IAN JONES | NORMAN THURECHT | WARWICK FACE | COLE WILKINSON | JEREMY JONES | JAMES FIELD | ROBYN COOPER

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eumundi Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *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 the Group is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS



NIGEL BATTERS  
Partner

Brisbane, Queensland  
24 February 2020

For personal use only