



EUMUNDI GROUP

2 September 2010

Company Announcements Office  
Australian Stock Exchange Limited  
SYDNEY NSW 2000

**Eumundi Group Limited – Amended Appendix 4E – Preliminary Final Report for  
Year ended 30 June 2010**

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Please find attached an Amended Appendix 4E – Preliminary Final Report for Year ended 30 June 2010. The Company lodged its Appendix 4E on 30 August 2010, however it contained an error in that on page 4 of the Report, a description line was missing in the Consolidated Statement of Financial Position. The description line should have read “Current tax liability”. The attached report has been corrected accordingly.

Yours faithfully

Leni Stanley  
Group Company Secretary

# Appendix 4E

## Preliminary Final Report Period ending on or after 30 June 2010

### EUMUNDI GROUP LIMITED ACN 010 947 476

#### 1. Reporting Period

The financial information contained in this report is for the year ended 30 June 2010.

Comparative amounts, unless otherwise indicated, are for the year ended 30 June 2009.

#### 2. Results for Announcement to the Market

		(\$'000)		(\$'000)
2.1	Revenues from ordinary activities	\$724	up to	\$19,818
2.2	Profit (loss) from ordinary activities after tax attributable to members	\$702	up to	\$(3,481)
2.3	Net Profit (loss) for the period attributable to members	\$702	up to	\$(3,481)
2.4	Dividends	It is not proposed to pay a dividend with respect to Ordinary Shares		
2.5	Record date for determining entitlements to the final dividend	Not Applicable		
2.6	In 2009/10, the group recorded a loss after tax and minority interest of \$3,481,000 which is \$702,000 above the 2008/09 reported loss of \$4,183,000. The current year result includes a fair value decrement on revaluation of investment properties of \$5,985,000. The prior year result includes a fair value decrement on revaluation of investment properties of \$6,228,000.			
2.7	Net assets attributable to members of Eumundi Group Limited at 30 June 2010 were \$12,453,000, a decrease of 30.0% from \$17,800,000 at 30 June 2009 attributable to fair value decrements on investment properties \$4,190,000 (2009: \$4,360,000 decrement) (net of tax), and revaluation decrements on land and building assets \$1,786,000 (2009: \$1,579,000 decrement) (net of tax) The prior year result also included the write down on impairment of management rights intangible \$383,000 (net of tax). The net tangible asset backing per share has decreased to 16.4 cents per share from 23.7 cents per share at the end of the prior period.			

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**Discussion and analysis of results**

Eumundi Group Limited has recorded a loss after tax attributable to members of \$3,481,000 for the year ended 30 June 2010. This reflects in an increase in profit of \$702,000 from a loss of \$4,183,000 for the prior year.

The current year profit includes a fair value decrement on revaluation of investment properties \$5,985,000.

The prior year profit includes a fair value decrement on revaluation of investment properties \$6,228,000, and impairment of intangibles of \$547,000.

Revenue of \$19,818,000 represents an increase of 3.79% compared to \$19,094,000 for the prior year.

Ashmore Tavern sales have increased by 6.08% from \$10,065,000 in 2009 to \$10,677,000 in the current year while cost of sales increased 2.91% from \$7,726,000 in 2009 to \$7,951,000 in the current year. Gaming revenue has decreased from \$3,390,000 to \$3,310,000.

Profit from investment properties of \$3,422,000 in the current period was \$33,000 above the profit of \$3,389,000 for the prior period due to higher net rentals achieved offsetting vacancies in the first half of the year.

A loss from property management of \$24,000 for the year to 30 June 2010 was an increase of \$629,000 compared to the loss of \$653,000 for the year to 30 June 2009. Included in the prior year's result was the write down of management roll assets of \$547,000. Revenues of \$971,000 were down on the prior year of \$1,061,000 due to the loss of a significant client. Operating costs of \$815,000 were down \$99,000 or 10.83% from \$914,000 and amortisation of intangible assets including the impairment adjustment was \$180,000 compared to \$800,000 in the prior period (refer note 4.10)

Fair value decrements on revaluation of investment properties reduced by \$243,000 from \$6,228,000 in 2009 compared to \$5,985,000 in 2010 due to continued softening of property yields offsetting improved leasing arrangements.

Financing costs were \$2,415,000 in 2010 compared to \$2,438,000 in the previous year due to lower average interest rates during the current period as compared to the prior period average, offsetting a higher average level of debt through the current year than in the prior period.

**Financial Position**

Net assets at 30 June 2010 were \$12,553,000, a decrease of 29.87% from \$17,901,000 at 30 June 2009.

This represents a net tangible asset backing of 16.4 cents per share at 30 June 2010 compared to 23.7 cents per share at 30 June 2009.

The decrease is attributable to the fair value decrement on investment properties \$4,190,000 (2009: \$4,360,000 decrement) (net of tax), decrement on revaluation of \$1,786,000 (2009: \$1,579,000 decrement) (net of tax) for the Ashmore Tavern land and buildings based upon an independent valuation at June 2010.

Borrowings increased from \$41,150,000 at 30 June 2009 to \$41,250,000 at 30 June 2010.

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling \$24,065,000, drawn at \$23,300,000 as at 30 June 2010 which are presently due to expire on 31 January 2011.

**Dividends**

The board consider that the capital growth of the company is essential and is committed to building the group's assets. It therefore it is not proposed to pay any dividends at this time.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2010

	<b>Notes</b>	<b>Consolidated 2010 \$'000</b>	<b>2009 \$'000</b>
<b>Revenue</b>	3.1	19,818	19,094
Other Income	3.2	170	-
<b>Expenses</b>			
Purchase of inventories		(7,694)	(8,011)
Change in inventories		(257)	285
Employee benefits expense		(3,220)	(3,092)
Depreciation and amortisation		(528)	(610)
Impairment charge – management rights		-	(547)
Insurance		(70)	(81)
Operating lease rentals		(340)	(297)
Rates and taxes		(96)	(84)
Outgoings – investment properties		(989)	(770)
Net loss on fair value adjustment -investment properties		(5,985)	(6,228)
Gaming machine tax		(1,525)	(1,532)
Finance costs	3.3	(2,415)	(2,438)
Other expenses		(1,859)	(1,739)
Total expenses		<u>(24,978)</u>	<u>(25,144)</u>
<b>Loss before income tax</b>		(4,990)	(6,050)
Income tax benefit	3.4(a)	1,508	1,822
<b>Loss for the year</b>		<u>(3,482)</u>	<u>(4,228)</u>
<b>Other comprehensive income</b>			
Available-for-sale financial assets		(114)	39
Loss on revaluation of land and buildings		(2,552)	(2,256)
Income tax on items of other comprehensive income	3.4(d)	800	665
Other comprehensive income for the period, net of tax		<u>(1,866)</u>	<u>(1,552)</u>
<b>Total comprehensive income for the year</b>		<u>(5,348)</u>	<u>(5,780)</u>
<b>Profit/(loss) for the year is attributable to:</b>			
Non-controlling interest		(1)	(45)
Owners of the parent		(3,481)	(4,183)
		<u>(3,482)</u>	<u>(4,228)</u>
<b>Total comprehensive income for the year is attributable to:</b>			
Non-controlling interest		(1)	(45)
Owners of the parent		(5,347)	(5,735)
		<u>(5,348)</u>	<u>(5,780)</u>
<b>Earnings per share for profit/(loss) attributable to the ordinary equity holders of the company:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	(4.90)	(5.89)
Diluted earnings per share	9	(4.90)	(5.89)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2010

		<b>Consolidated</b>		
	<b>Notes</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	4.1	751	1,259	1,256
Trade and other receivables	4.2	412	441	406
Inventories	4.3	1,551	1,295	1,580
Available-for-sale financial assets	4.4	-	239	101
Current tax asset		16	39	-
Other assets	4.5	358	207	110
<b>TOTAL CURRENT ASSETS</b>		<b>3,088</b>	<b>3,480</b>	<b>3,453</b>
<b>NON-CURRENT ASSETS</b>				
Other receivables	4.6	138	271	397
Available-for-sale financial assets	4.7	83	108	207
Property, plant and equipment	4.8	7,783	10,200	12,292
Investment properties	4.9	42,830	47,585	48,253
Intangible assets	4.10	896	1,078*	1,882*
Deferred tax assets	3.4(c)	908	-	-
Other assets	4.11	117	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>52,755</b>	<b>59,242</b>	<b>63,031</b>
<b>TOTAL ASSETS</b>		<b>55,843</b>	<b>62,722</b>	<b>66,484</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	4.12	1,918	2,044	1,875
Borrowings	4.13	23,211	23,686	600
Current tax liability		-	-	54
Provisions	4.14	289	285	262
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,418</b>	<b>26,015</b>	<b>2,791</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	4.15	17,872	17,347	36,016
Deferred tax liabilities	3.4(c)	-	1,452	3,990
Provisions	4.16	-	7	6
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,872</b>	<b>18,806</b>	<b>40,012</b>
<b>TOTAL LIABILITIES</b>		<b>43,290</b>	<b>44,821</b>	<b>42,803</b>
<b>NET ASSETS</b>		<b>12,553</b>	<b>17,901</b>	<b>23,681</b>
<b>EQUITY</b>				
Contributed equity	4.17	8,695	8,695	8,695
Reserves		2,180	4,046*	5,598*
Retained profits		1,578	5,059	9,242
Parent entity interest		12,453	17,800	23,535
Non-controlling interest		100	101	146
<b>TOTAL EQUITY</b>		<b>12,553</b>	<b>17,901</b>	<b>23,681</b>

\* The June 2008 and 2009 comparatives have been represented to exclude gaming machine licences previously included at fair value in intangibles (refer note 4.10)

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2010

	Notes	Issued Capital	Revaluati on Surplus	Retained Earnings	Attribut- able to the owners of the parent	Non- control- ling interest	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2008</b>		8,695	5,598*	9,242	23,535	146	23,681
Loss for the period		-	-	(4,183)	(4,183)	(45)	(4,228)
Changes in fair value of available-for-sale financial assets – gross	4.4,4.7	-	39	-	39	-	39
Loss on revaluation of land and buildings – gross	4.8	-	(2,256)	-	(2,256)	-	(2,256)
Income tax relating to other components of comprehensive income	3.4	-	665	-	665	-	665
Total comprehensive income for the period		-	(1,552)	(4,183)	(5,735)	(45)	(5,780)
<b>Balance at 30 June 2009</b>		8,695	4,046	5,059	17,800	101	17,901
Loss for the period		-	-	(3,481)	(3,481)	(1)	(3,482)
Changes in fair value of available-for-sale financial assets – gross	4.7	-	(31)	-	(31)	-	(31)
Reclassification adjustments – Transfer to profit or loss - gross	4.4	-	(83)	-	(83)	-	(83)
Loss on revaluation of land and buildings – gross	4.8	-	(2,552)	-	(2,552)	-	(2,552)
Income tax relating to other components of comprehensive income	3.4	-	800	-	800	-	800
Total comprehensive income for the period		-	(1,866)	(3,481)	(5,347)	(1)	(5,348)
<b>Balance at 30 June 2010</b>		8,695	2,180	1,578	12,453	100	12,553

\* The June 2008 and 2009 comparatives have been represented to exclude gaming machine licences previously included at fair value in intangibles (refer note 4.10)

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June 2010

	<b>Notes</b>	<b>Consolidated 2010 \$'000</b>	<b>2009 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		21,766	21,177
Payments to suppliers and employees		(18,559)	(17,734)
Interest received		27	53
Finance costs		(2,465)	(2,170)
Income tax paid		(30)	(145)
Receipts from other debtors		150	150
		<hr/>	<hr/>
<b>Net cash inflows/(outflows) from operating activities</b>	5	889	1,331
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investment properties	4.9	(1,087)	(5,239)
Payments for property, plant & equipment	4.8	(765)	(239)
Disposal of available-for-sale assets	4.4	355	-
		<hr/>	<hr/>
<b>Net cash inflows/(outflows) from investing activities</b>		(1,497)	(5,478)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		800	5,350
Repayment of borrowings		(700)	(1,200)
		<hr/>	<hr/>
<b>Net cash inflows/(outflows) from financing activities</b>		100	4,150
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(508)	3
Cash and cash equivalents at beginning of year		1,259	1,256
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	4.1	751	1,259
		<hr/>	<hr/>

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

**3. Notes to Consolidated Statement of Comprehensive Income****3.1 Revenues**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods	10,677	10,065
Gaming revenue	3,310	3,390
Rental income and recoveries from investment properties	4,542	4,285
Management services	840	945
	<u>19,369</u>	<u>18,685</u>
Interest	27	54
Imputed interest on long term receivable	17	24
Consulting Fees	-	-
Commissions	147	121
Other	258	210
	<u>449</u>	<u>409</u>
Total revenue	<u>19,818</u>	<u>19,094</u>

**3.2 Other income**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of property, plant and equipment (note 4.8)	89	-
Gain on disposal of available-for-sale financial assets (note 4.4)	81	-
	<u>170</u>	<u>-</u>

**3.3 Finance costs**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance costs		
- Amortisation of loan establishment costs	19	44
- Interest and finance charges paid/payable	2,396	2,394
	<u>2,415</u>	<u>2,438</u>

**3.4 Income tax**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Income tax expense/(benefit)</b>		
Current tax	64	41
Deferred tax	(1,572)	(1,867)
Adjustment for current tax of prior periods	-	4
	<u>(1,508)</u>	<u>(1,822)</u>
<b>(b) Numerical reconciliation of income tax to prima facie tax payable is as follows:</b>		
Loss before income tax	(4,990)	(6,050)
Income tax calculated at 30% (2009: 30%)	(1,497)	(1,815)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry Items	(11)	(7)
Income tax benefit	<u>(1,508)</u>	<u>(1,822)</u>



**3.4 Income tax (continued)****(c) Deferred Income Tax at 30 June relates to the following:**

	Balance Sheet		Income Statement	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Investment properties	931	(617)	(1,548)	(1,622)
Property, plant and equipment	(616)	(1,405)	(23)	(30)
Intangibles	(245)	(299)	(54)	(240)
Employee benefits	87	88	1	(8)
Accrued expenses	19	19	-	5
Sundry Items	37	56	41	39
Tax losses	695	706	11	(11)
Net deferred tax assets/ (liabilities)	<u>908</u>	<u>(1,452)</u>		
Net deferred tax			<u>(1,572)</u>	<u>(1,867)</u>

Tax losses of \$11,000 (2009: \$nil) were utilised to offset the current tax liability during the year.

	2010 \$'000	2009 \$'000
<b>(d) Tax expense (income) relating to items of other comprehensive income.</b>		
Loss on revaluation of land and buildings	(767)	(677)
Changes in fair value of available-for-sale financial assets	(33)	12
Net deferred tax (credited) directly to equity	<u>(800)</u>	<u>(665)</u>

**(e) Franking credits**

Franking credits available for subsequent financial years based on a tax rate of 30% (2009 – 30%)	<u>506</u>	<u>504</u>
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

**4. Notes to Consolidated Statement of Financial Position****4.1 Current assets - Cash and cash equivalents**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	751	1,259

**4.2 Current assets - Trade and other receivables**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivable	128	65
Other receivables*	284	376
	<u>412</u>	<u>441</u>

\* Refer to note 4.6 for the non-current portions of these receivables and related explanations.

**Impaired trade receivables**

The Group has no impaired receivables as at 30 June 2010 (2009:\$ nil).

**Past due but not impaired**

There are no significant receivables for the Group that are past due but not impaired (2009:\$ nil).

**4.3 Current assets - Inventories**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Finished goods – at cost	1,551	1,295

**4.4 Current assets- Available-for-sale financial assets**

	<b>2010</b> <b>\$'000</b>	<b>2009</b> <b>\$'000</b>
Shares in listed companies – at fair value	-	239
At beginning of year	239	101
Fair value adjustment – transfer to equity	(6)	138
Disposal of available-for-sale financial asset	(233)	-
At end of year	-	239

**4.5 Current assets - Other assets**

	<b>2010</b> <b>\$'000</b>	<b>2009</b> <b>\$'000</b>
Short term deposits	45	10
Prepayments	205	197
Deferred costs	108	-
	358	207

**4.6 Non-current assets - Other receivables**

	<b>2010</b> <b>\$'000</b>	<b>2009</b> <b>\$'000</b>
Other receivables	138	271

Other receivables includes amounts owing by Carlton and United Beverages Ltd of \$288,000 (2009: \$421,000), being the proceeds from termination of a brewing contract. The receivable will be settled by way of a further 2 annual instalments of \$150,000 per annum (2009: 3) ending on 1 November 2011. The Carlton and United Beverages Ltd receivable has been discounted to its present value using a discount rate of 5.9% pa. Imputed interest is brought to account as income over the term of the receivable.

**4.7 Non-current assets – Available-for-sale financial assets**

	<b>2010</b> <b>\$'000</b>	<b>2009</b> <b>\$'000</b>
Unlisted securities – at fair value	83	108
At beginning of year	108	207
Fair value adjustment – transfer to equity	(25)	(99)
At end of year	83	108

**4.8 Non-current assets - Property, plant and equipment**

	<b>Freehold land \$'000</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
<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	<u>7,500</u>	<u>4,000</u>	<u>792</u>	<u>12,292</u>
<b>Year ended 30 June 2008</b>				
Opening net book amount	7,500	4,000	792	12,292
Revaluation decrement	(1,000)	(1,256)	-	(2,256)
Additions	-	333	184	517
Depreciation charge	-	(102)	(251)	(353)
Closing net book amount	<u>6,500</u>	<u>2,975</u>	<u>725</u>	<u>10,200</u>
<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	<u>6,500</u>	<u>2,975</u>	<u>725</u>	<u>10,200</u>
<b>Year ended 30 June 2010</b>				
Opening net book amount	6,500	2,975	725	10,200
Revaluation decrement	(1,600)	(952)	-	(2,552)
Additions	-	155	359	514
Disposals	-	-	(33)	(33)
Depreciation charge	-	(78)	(268)	(346)
Closing net book amount	<u>4,900</u>	<u>2,100</u>	<u>783</u>	<u>7,783</u>
<b>At 30 June 2010</b>				
Cost or fair value	4,900	2,100	1,415	8,415
Accumulated depreciation	-	-	(632)	(632)
Net book amount	<u>4,900</u>	<u>2,100</u>	<u>783</u>	<u>7,783</u>

**(a) Valuation of land and buildings**

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 on current prices in an active market for similar properties in the same location and condition.

The 2010 revaluation was based on an independent assessment by a member of the Australian Property Institute as at 10 June 2010. Based on this valuation the fair value of the Ashmore Tavern was reassessed resulting in a revaluation decrement of \$1,600,000 being recognised for freehold land and \$952,000 for buildings.

The 2009 revaluation was based on an independent assessment by a member of the Australian Property Institute as at 24 June 2009 for bank security purposes. Based on this valuation the fair value of the Ashmore Tavern was reassessed resulting in a revaluation decrement of \$1,000,000 being recognised for freehold land and \$1,256,000 for buildings.

**(b) Non-current assets pledged as security**

Refer to note 4.15(a) for details of assets pledged as security.

**(c) Carrying amounts that would have been recognised if land and buildings were stated at cost**

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	<b>Consolidated</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Freehold land</b>		
Cost	3,026	3,026
Accumulated depreciation	-	-
Net book amount	3,026	3,026
<b>Buildings</b>		
Cost	1,857	1,696
Accumulated depreciation	(247)	(218)
Net book amount	1,610	1,478

**4.9 Non-current assets – Investment properties**

	<b>Consolidated</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At fair value</b>		
Opening balance at 1 July	47,585	48,253
Capitalised subsequent expenditure	1,026	5,380
Straight line rentals	204	180
Net gain /(loss) from fair value adjustment	(5,985)	(6,228)
Closing Balance as at 30 June	42,830	47,585

**(a) Valuation basis**

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.

The 30 June 2010 revaluations for Bribie Harbour Shopping Village, Aspley Shopping Centre and Aspley Arcade Shopping Centre were based on independent assessment made by a member of the Australian Property Institute for bank security purposes. The 30 June 2010 revaluation for Home Hill Shopping Centre was based on director's assessment of fair value.

The 30 June 2009 revaluation for Bribie Harbour Shopping Village was based on independent assessment made by a member of the Australian Property Institute for bank security purposes. The 30 June 2009 revaluations for Aspley Shopping Centre, Aspley Arcade Shopping Centre and Home Hill Shopping Centre properties were based on director's assessment of fair value.

Property	Acquisition Date	Purchase Price*	Valuation	
			2010	2009
		\$'000	\$'000	\$'000
Aspley Shopping Centre	March 2004	17,362	17,800	21,600
Banksia Beach Shopping Village	November 2005	7,925	11,700	11,800
Aspley Arcade Shopping Centre	June 2007	13,000	11,800	12,600
Home Hill Shopping Centre	January 2007	1,450	1,530	1,585
			42,830	47,585

\* excluding acquisition costs

**(b) Non-current assets pledged as security**

Refer to note 4.15(a) for details of assets pledged as security.

<b>(c) Amounts recognised in profit and loss for investment property</b>	<b>Consolidated</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income and recoveries from investment properties	4,542	4,285
Direct operating expenses from properties that generated rental income	(989)	(770)
	<u>3,553</u>	<u>3,515</u>

**(d) Contractual obligations**

A contract has been entered into for the replacement of the Home Hill roof in the amount of \$150,000. There are no other contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

**(e) Leasing arrangements**

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

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	4,420	3,870
Later than one year but not later than five years	13,580	11,808
Later than five years	9,888	7,889
Total	<u>27,888</u>	<u>23,567</u>

**4.10 Non-current assets - Intangible assets**

<b>Consolidated</b>	<b>Hotel Licences</b>	<b>Management Rights</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 30 June 2008</b>			
Cost	104	2,054	2,158
Accumulated amortisation	(21)	(255)	(276)
Net book amount	<u>83</u>	<u>1,799</u>	<u>1,882</u>
<b>Year ended 30 June 2009</b>			
Opening net book amount	83	1,799	1,882
Amortisation charge	(2)	(255)	(257)
Impairment charge*	-	(547)	(547)
Closing net book amount	<u>81</u>	<u>997</u>	<u>1,078</u>
<b>At 30 June 2009</b>			
Cost	104	2,054	2,158
Accumulated amortisation	(23)	(1,057)	(1,080)
Net book amount	<u>81</u>	<u>997</u>	<u>1,078</u>
<b>Year ended 30 June 2010</b>			
Opening net book amount	81	997	1,078
Amortisation charge	(2)	(180)	(182)
Closing net book amount	<u>79</u>	<u>817</u>	<u>896</u>
<b>At 30 June 2010</b>			
Cost	104	2,054	2,158
Accumulated amortisation	(25)	(1,237)	(1,262)
Net book amount	<u>79</u>	<u>817</u>	<u>896</u>

\* At 30 June 2009 the Group's management rights were assessed for impairment. This assessment resulted in a write off of \$547,000 due to the termination of certain management agreements.

**Change in accounting policy**

The Group changed its accounting policy relating to the measurement of Gaming Licences for the year ended 30 June 2010. 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 30 June 2010 taking the most recent sale price achieved at auction in March 2010 these gaming licenses have a value of \$2,640,000.

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.

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>30 June 2010 \$'000</b>	<b>30 June 2009 \$'000</b>	<b>30 June 2008 \$'000</b>
Decrease in Intangible Assets	(2,640)	(3,035)	(3,500)
Decrease in Deferred Tax Liabilities	792	910	1,050
Decrease in Net Assets	<u>(1,848)</u>	<u>(2,125)</u>	<u>(2,450)</u>
Decrease in Revaluation Reserve/Equity	(1,848)	(2,125)	(2,450)

**4.11 Non-current assets – Other assets**

	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Deferred costs	117	-

**4.12 Current liabilities – Trade and other payables**

	<b>2010 \$'000</b>	<b>2009 \$'000</b>
Trade payables	1,918	1,543
Other payables	-	501
	<u>1,918</u>	<u>2,044</u>

**4.13 Current liabilities – Borrowings**

	<b>2010 \$'000</b>	<b>2009 \$'000</b>
<b>Secured</b>		
Commercial bills	23,211	23,686

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling \$24,065,000, drawn at \$23,300,000 as at 30 June 2010, which are presently due to expire on 31 January 2011.

Refer to note 4.15(a) for details of the finance facilities and assets pledged as security.

**4.14 Current liabilities – Provisions**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee benefits	289	285

**4.15 Non-current liabilities - Borrowings**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Secured</b>		
Commercial bills	17,872	17,347

**(a) Assets pledged as security**

Bank overdraft and bills payable are wholly secured by way of:

- (i) Registered mortgage debenture over the assets and undertakings of the consolidated entity;
- (ii) Unlimited fully interlocking guarantee by Eumundi Group Limited, Eumundi Property Group Pty Ltd and Eumundi Group Hotels Pty Ltd; and
- (iii) First registered mortgage over the property, plant and equipment and investment properties of the consolidated entity.

As such all assets are pledged as security for borrowings.

**(b) Financing arrangements**

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

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Credit standby arrangements</b>		
Total facilities		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	42,565	43,315
	<u>43,065</u>	<u>43,815</u>
Used at balance date		
Bank overdraft	-	-
Finance lease liabilities	-	-
Commercial bill facility	41,250	41,150
	<u>41,250</u>	<u>41,150</u>
Unused at balance date		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	1,315	2,165
	<u>1,815</u>	<u>2,665</u>



**4.15 Non-current liabilities – Borrowings (continued)****Bank overdraft**

Standby funds provided by the consolidated entity's bankers are in the form of a bank overdraft which has a limit of \$100,000 (2009: \$100,000). The interest rate is variable and is based on prevailing market rates. This facility is subject to annual review, may be drawn down at any time and may be terminated by the bank without notice.

**Commercial bills**

The facilities are subject to annual review. Further details are outlined below.

Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date	Repayment Terms
2010 \$'000	2009 \$'000	2010 %	2009 %			
12,350	13,000	7.2	4.0	Variable	31/01/11	Interest only until expiry
14,500	14,200	7.2	4.0	Variable	31/07/12	Interest only until expiry
3,450	3,200	7.1	4.0	Variable	31/01/13	Interest only until expiry
7,000	6,750	7.2	4.1	Variable	31/01/11	Quarterly payments of \$250,000 until expiry
3,950	4,000	7.1	4.2	Variable	31/01/11	Interest only until expiry.
<u>41,250</u>	<u>41,150</u>					

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling \$24,065,000, drawn at \$23,300,000 as at 30 June 2010, which are presently due to expire on 31 January 2011.

**Finance lease liabilities**

The consolidated entity has a lease finance facility of \$400,000 (2009: \$400,000) which may only be used to finance plant and equipment. Where applicable the leases are repayable in fixed monthly instalments of principal and interest over the term of the respective leases.

**4.16 Non-current liabilities – Provisions**

	2010 \$'000	2009 \$'000
Employee benefits	-	7

**4.17 Contributed equity**

	2010 Number of Shares	2009 Number of Shares	2010 \$'000	2009 \$'000
<b>Share capital</b>				
Fully paid ordinary shares	<u>70,974,845</u>	<u>70,974,845</u>	<u>8,695</u>	<u>8,695</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**Movements in Share capital**

There have been no movements in share capital in the 2009 and 2010 financial years.

**Options**

As at 30 June 2010, there were no options to purchase ordinary shares in the parent entity (2009: nil).

**5. Notes to the Consolidated Statement of Cash Flows****(i) Reconciliation of profit for the year to cash flows from operating activities:**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss for the year	(3,482)	(4,228)
Depreciation and amortisation	528	610
Impairment charge – management rights	-	547
Straight line rental adjustment	(204)	(180)
Net loss on fair value adjustment of investment properties	5,985	6,228
Gain on disposal of available-for-sale financial asset	(81)	-
Gain on disposal of property, plant and equipment	(89)	-
Other	2	279
Changes in operating assets and liabilities (net of assets acquired):		
(Increase)/decrease in:		
Trade accounts receivable	29	(35)
Other debtors/receivables	150	150
Inventories	(256)	285
Income Tax refundable/(payable)	23	(93)
Other current assets	(268)	-
Increase/(decrease) in:		
Trade and other payables	110	(382)
Deferred tax liability/asset*	(1,555)	(1,874)
Employee benefits	(3)	24
Cash flows from operating activities	<u>889</u>	<u>1,331</u>

\* net of amounts recognised directly in equity

**(ii) Non-Cash Financing and Investing Activities**

There were no non-cash financing and investing activities during the current or prior year.

**6. Dividends**

The directors have indicated that it is not proposed to pay a dividend with respect to Ordinary Shares until such time as borrowings are reduced and existing tax losses are extinguished.

**7. Dividend Reinvestment Plans**

Not Applicable

**8. Net Tangible Asset Backing**

	<b>2010</b>	<b>2009</b>
	<b>Cents</b>	<b>Cents</b>
Net tangible asset backing per share attributable to owners of the company	16.4	23.7

**9. Earnings Per Share**

<b>(a) Earnings per share</b>	<b>2010 Cents</b>	<b>2009 Cents</b>
Basic and diluted loss per share attributable to the owners of the company	(4.90)	(5.89)
<b>(b) Reconciliation of earnings used in calculating earnings per share</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) attributable to the owners of the company used in calculation basic and diluted earnings per share	(3,481)	(4,183)
<b>(c) Weighted average number of shares used the denominator</b>	<b>Number of Shares</b>	
	<b>2010</b>	<b>2009</b>
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	70,974,845	70,974,845

**(d) Information concerning the classification of securities***(i) Partly paid ordinary shares*

There are no partly paid ordinary shares

*(ii) Options*

There are no options to purchase ordinary shares

**10. Contingencies**

As at 30 June 2010, the consolidated entity had a contingent asset in respect of unpaid rebates and trade incentives received by the former manager of the Ashmore Tavern and Imperial Hotel. Following the termination of the hotel management agreement in March 2008, the directors became aware of rebates, incentives and other amount received by the former manager in respect of the Group's liquor purchases, which the directors believe are due to the company. As a result, Supreme Court proceedings have been instituted. No amount has been recognised as a receivable as it is contingent upon the outcome of the dispute.

The former manager has disputed the claim and has filed a defence and counter claim. No amount has been recognised as a payable by Eumundi as it is contingent upon the outcome of the dispute. Eumundi considers the counterclaim to be based on spurious grounds.

The Group had no other material contingencies

**11. Changes in Control over Group Entities**

There were no changes (gained or lost) in the control exercised by the company over group entities during the year ended 30 June 2010, or the year ended 30 June 2009.

**12. Details of Associates and Joint Venture Entities**

Not Applicable

**13. Foreign Entities**

Not Applicable

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

*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>2010 Revenue</b>				
Sales to external customers	13,987	4,542	840	19,369
Intersegment sales	-	-	131	131
Total sales revenue	13,987	4,542	971	19,500
Other revenue/income	494	-	-	494
Total segment revenue/income	14,481	4,542	971	19,994
Intersegment elimination				(131)
Gain on disposal of available-for-sale financial asset				81
Interest revenue				44
Consolidated revenue/income				19,988
<b>Results</b>				
Segment results	772	3,422	(24)	4,170
Finance costs				(2,415)
Unallocated revenue less unallocated expenses				(760)
Fair value adjustment on investment properties				(5,985)
Loss before income tax				(4,990)
Income tax expense				1,508
Loss for the year				(3,482)
<b>Assets</b>				
Segment assets	10,742	42,921	934	54,597
Deferred tax assets				908
Unallocated assets				338
Total assets				55,843
Depreciation and amortisation	337	-	188	525
Unallocated				3
				528

	Hotel Operations \$'000	Investment Property \$'000	Property Management \$'000	Total \$'000
<b>2009</b>				
<b>Revenue</b>				
Sales to external customers	13,455	4,285	935	18,675
Intersegment sales	-	-	126	126
Total sales revenue	13,455	4,285	1,061	18,801
Other revenue/income	341	-	-	341
Total segment revenue/income	13,796	4,285	1,061	19,142
Intersegment elimination				(126)
Interest revenue				78
Consolidated revenue/income				19,094
<b>Results</b>				
Segment results	728	3,389	(653)*	3,464
Finance costs				(2,438)
Unallocated revenue less unallocated expenses				(848)
Fair value adjustment on investment properties				(6,228)
Profit before income tax				(6,050)
Income tax expense				1,822
Profit for the year				(4,228)
<b>Assets</b>				
Segment assets	13,164	47,747	1,160	62,071
Unallocated assets				651
Total assets				62,722
Depreciation and amortisation Unallocated	337	-	266	603
				7
				610
Other non-cash expenses (other than depreciation and amortisation)	-	-	547*	547

\* Includes write down on impairment of management rights \$547,000.

## 15. Subsequent Events

There are no subsequent events that will have a material impact of the future operations of the group.

**16. This report is based on accounts to which one of the following applies:**

- The accounts have been audited
- The accounts are in the process of being audited
- The accounts have been subject to review
- The accounts have *not* yet been audited or reviewed.

**17. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below.**

Not applicable

**18. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below.**

Not applicable



Joe Ganim  
Chairman  
30<sup>th</sup> August 2010