Rule 4.3A

Appendix 4E

Preliminary Final Report
Period ending on or after 30 June 2009

EUMUNDI GROUP LIMITED
ACN 010 947 476

1. REPORTING PERIOD

The financial information contained in this report is for the year ended 30 June 2009.

Comparative amounts, unless otherwise indicated, are for the year ended 30 June 2008.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			($'000)		($'000)
2.1	Revenues from ordinary activities	up	$305	to	$19,094
2.2	Profit (loss) from ordinary activities after tax attributable to members	down	$6,043	to	$(4,183)
2.3	Net Profit (loss) for the period attributable to members	down	$ 6,043	to	$(4,183)
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 2008/09, the group recorded a loss after tax and minority interest of $4,183,000 which is $6,043,000 below the 2007/08 reported profit of $1,860,000. The current year result includes a fair value decrease on revaluation of investment properties of $6,228,000. The prior years results included recovery of costs of $328,000 upon termination of the Airlie Beach Lagoon project, a fair value increase on revaluation of investment properties of $1,377,000 and the acquisition of Keendove Holdings Pty Ltd.

2.7 Net assets attributable to members of Eumundi Group Limited at 30 June 2009 were $20,025,000, a decrease of 23.3% from $25,985,000 at 30 June 2008 attributable to fair value decrements on investment properties $4,360,000 (2008: $964,000 increment) (net of tax), revaluation decrements on land and building assets $1,905,000 (2008: $1,470,000 increment) (net of tax) and the write down on impairment of management rights intangible $383,000 (2008: $nil) (net of tax). The net tangible asset backing per share has decreased to 26.7 cents per share from 34.2 cents per share at the end of the prior period.

Discussion and analysis of results

Eumundi Group Limited has recorded a loss after tax attributable to members of $4,183,000 for the year ended 30 June 2009. This reflects a decrease in profit of $6,043,000 from a profit of $1,860,000 for the prior year.

The current year profit includes a fair value decrease on revaluation of investment properties $6,228,000, and impairment of intangibles of $545,000 The prior year profit includes a fair value increase on revaluation of investment properties $1,377,000, $328,000 recovery of costs on the termination of the Airlie Beach Lagoon Hotel development, and contribution of Keendove Holdings Pty Ltd of $20,000 after intangible amortisation..

Revenue of $19,094,000 represents an increase of 1.62% compared to $18,789,000 for the prior year.

Ashmore Tavern sales have increased by 0.54% from $10,011,000 in 2008 to $10,065,000 in the current year while cost of sales increased 0.70% from $7,672,000 in 2008 to $7,726,000 in the current year. Gaming revenue has decreased from $3,416,000 to $3,390,000 as a result of legislation changes reducing hours of operation which was introduced in 2009.

A loss from investment properties of $2,839,000 in the current period was $7,289,000 below the gain of $4,450,000 for the prior period. This contribution includes fair value decreases on revaluation of investment properties, which reduced by $7,605,000 or 552.29% from $1,377,000 fair value increment as at 30 June 2008 to $6,228,000 fair value decrement as at 30 June 2009. Softening of property yields was partially offset by higher net rentals achieved.

A loss from property management of $653,000 for the year to 30 June 2009 was a decrease of $673,000 compared to the contribution of $20,000 for the year to 30 June 2008. Included in the current years result is the write down of management roll assets of $545,000. Revenues of $1,061,000 were slightly down on the prior year of $1,071,000. Operating costs of $914,000 were up $118,000 or 14.86% from $794,000 and amortisation of intangible assets including the impairment adjustment was $802,000 compared to $257,000 in the prior period (refer note 4.10)

Financing costs were $2,438,000 in 2009 compared to $2,566,000 in the previous year due to lower interest rates offsetting the higher value of facilities used.

Financial Position

Net assets at 30 June 2009 were $20,025,000, a decrease of 23.37% from $26,131,000 at 30 June 2008.

This represents a net tangible asset backing of 26.4 cents per share at 30 June 2009 compared to 34.2 cents per share at 30 June 2008.

The decrease is attributable to the fair value decrement on investment properties $4,360,000 (2008: $964,000 increment) (net of tax), decrement on revaluation of $1,905,000 (2008: $1,470,000 increment) (net of tax) for the Ashmore Tavern land and buildings based upon an independent valuation at June 2009, and the write down on impairment of management roll intangible $382,000 (2008:$ nil)(net of tax).

Borrowings increased from $37,000,000 at 30 June 2008 to $41,150,000 due to Bribie Harbour Shopping Village redevelopment expenditure incurred during the year of $5,473,000.

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling $24,815,000, drawn at $23,750,000 as at 30 June 2009 which are presently due to expire on 31 January 2010.

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.

3. PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $'000	2008 $'000
Revenues	3.1	19,094	18,789
Other income	3.2	-	1,705
Expenses	3.3	(22,706)	(15,282)
Finance costs	3.4	(2,438)	(2,566)
Profit /(loss) before income tax expense		(6,050)	2,646
Income tax (expense)/benefit	3.5	1,822	(783)
Profit/(loss) for the year		(4,228)	1,863
Minority interest		45	(3)
Profit/(loss) for the year attributable to members of Eumundi Group		(4,183)	1,860

The above Profit and Loss Statement should be read in conjunction with the attached notes.

Notes to Profit and Loss Statement

3.1 Revenues

	2009 $'000	2008 $'000
Sale of goods	10,065	10,011
Gaming revenue	3,390	3,416
Rental income and recoveries from investment properties	4,285	3,909
Management services	945	991
	18,685	18,327
Interest	54	85
Imputed interest on long term receivable	24	32
Consulting Fees	-	8
Commissions	121	138
Other	210	199
	409	462
Total revenue	19,094	18,789

3.2 Other income

	2009 $'000	2008 $'000
Net gain on fair value adjustment – investment properties (note 4.9)	-	1,377
Recovery of costs (a)	-	328
	-	1,705

(a) Recovery of costs
In March 2008 Eumundi Group Limited entered into a deed of settlement under which costs relating to the abandoned Airlie Beach Lagoon Hotel project totalling $328,000 were recovered.

3.3 Expenses

Classification of expenses by nature

	2009 $'000	2008 $'000
Purchase of inventories	8,011	7,190
Changes in inventories	(285)	482
Employee benefits expense	3,092	2,517
Depreciation and amortisation expense	612	586
Impairment of intangible* (note 4.10)	545	-
Insurance	81	66
Operating lease rentals	297	272
Rates and taxes	84	82
Outgoings – investment properties	770	845
Net loss on fair value adjustment – investment properties (note 4.9)	6,228	-
Management fee	-	91
Gaming machine tax	1,532	1,543
Other expenses	1,739	1,608
	22,706	15,282

* At 30 June 2009 the Group's management rights were assessed for impairment. This resulted in a write down of $545,000 at 30 June 2009 due to the cessation of certain management agreements (2008: $nil) (refer note 4.10).

3.4 Finance costs

	2009 $'000	2008 $'000
Finance costs		
- Amortisation of loan establishment costs	44	38
- Interest and finance charges paid/payable	2,394	2,528
	2,438	2,566

3.5 Income tax expense

	2009 $'000	2008 $'000
(a) Income tax expense		
Current tax	41	164
Deferred tax	(1,867)	619
Adjustment for current tax of prior periods	4	-
	(1,822)	783
(b) Numerical reconciliation of income tax to prima facie tax payable is as follows:		
Profit/(loss) before income tax	(6,050)	2,646
Income tax calculated at 30% (2008: 30%)	(1,815)	794
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry Items	(7)	(11)
Income tax expense/(benefit)	(1,822)	783

(c) Deferred Income Tax at 30 June relates to the following:	Balance Sheet		Income Statement	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Investment properties	(617)	(2,239)	(1,622)	730
Property, plant and equipment	(2,315)	(3,161)	(30)	(26)
Intangibles	(299)	(539)	(240)	(77)
Employee benefits	88	80	(8)	3
Accrued expenses	19	24	5	(5)
Sundry Items	56	100	39	(6)
Tax losses	706	695	(11)	-
Net deferred tax liabilities	(2,362)	(5,040)		
Net deferred tax expense/(benefit)			(1,867)	619

Tax losses of $ nil (2008: $54,000) were utilised to offset the current tax liability during the year.

	2009 $'000	2008 $'000
(d) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in the net profit or loss but directly debited or credited to equity:		
Net deferred tax (credited) directly to equity	805	482

3.5 Income tax expense (continued)

(e) Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30% (2008 – 30%)	515	552

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

4. BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4.1	1,259	1,256
Trade and other receivables	4.2	441	406
Inventories	4.3	1,295	1,580
Available-for-sale financial assets	4.4	239	101
Current tax asset		39	-
Other assets	4.5	207	110
TOTAL CURRENT ASSETS		3,480	3,453
NON-CURRENT ASSETS			
Other receivables	4.6	271	397
Available-for-sale financial assets	4.7	108	207
Property, plant and equipment	4.8	13,235	15,792
Investment properties	4.9	47,585	48,253
Intangible assets	4.10	1,078	1,882
TOTAL NON-CURRENT ASSETS		62,227	66,531
TOTAL ASSETS		65,757	69,984
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4.11	2,045	1,875
Borrowings	4.12	23,686	600
Current tax liabilities		-	54
Provisions	4.13	285	262
TOTAL CURRENT LIABILITIES		26,016	2,791
NON-CURRENT LIABILITIES			
Borrowings	4.14	17,347	36,016
Deferred tax liabilities	4.15	2,362	5,040
Provisions	4.16	7	6
TOTAL NON-CURRENT LIABILITIES		19,716	41,062
TOTAL LIABILITIES		45,732	43,853
NET ASSETS		20,025	26,131
EQUITY			
Contributed equity	4.17	8,695	8,695
Reserves	4.18(a)	6,171	8,048
Retained profits	4.18(b)	5,059	9,242
Parent entity interest		19,925	25,985
Minority interest		100	146
TOTAL EQUITY		20,025	26,131

The above balance sheet is to be read in conjunction with the attached notes

Notes to Balance Sheet

4.1 Current assets - Cash and cash equivalents

	2009 $'000	2008 $'000
Cash at bank and in hand	1,259	1,256

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statements as follows:

	2009 $'000	2008 $'000
Balances per cash flow statement	1,259	1,256

4.2 Current assets - Trade and other receivables

	2009 $'000	2008 $'000
Trade receivable	65	156
Provision for impairment of trade receivables	-	(3)
	65	153
Other receivables*	376	253
	441	406

* 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 2009. As at 30 June 2008 trade receivables of the Group with nominal value of $3,000 were impaired. The amount of the provision was $3,000. The individually impaired assets relate to hotel suppliers who had entered into liquidation.

Past due but not impaired
There are no significant receivables for the Group that are past due but not impaired (2008:$ nil)

4.3 Current assets - Inventories

	2009 $'000	2008 $'000
Finished goods – at cost	1,295	1,580

4.4 Current assets- Available–for-sale financial assets

	2009 $'000	2008 $'000
Shares in listed companies – at fair value	239	101
At beginning of year	101	538
Fair value adjustment – transfer to equity	138	(437)
At end of year	239	101

4.5 Current assets - Other assets

	2009 $'000	2008 $'000
Short term deposits	10	10
Prepayments	197	100
	207	110

4.6 Current assets - Other receivables

	2009 $'000	2008 $'000
Other receivables	271	397

Other receivables includes amounts owing by Carlton and United Beverages Ltd of $421,000 (2008: $547,000), being the proceeds from termination of a brewing contract. The receivable will be settled by way of a further 3 annual instalments of $150,000 per annum (2008: 4) 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

	2009 $'000	2008 $'000
Unlisted securities – at fair value	108	207
At beginning of year	207	207
Fair value adjustment – transfer to equity	(99)	-
At end of year	108	207

4.8 Non-current assets- Property, plant and equipment

	Freehold land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 30 June 2007				
Cost or fair value	9,000	4,000	1,338	14,338
Accumulated depreciation	-	-	(722)	(722)
Net book amount	9,000	4,000	616	13,616
Year ended 30 June 2007				
Opening net book amount	9,000	4,000	616	13,616
Revaluation increment	2,000	100	-	2,100
Additions*	-	-	405	405
Depreciation charge	-	(100)	(229)	(329)
Closing net book amount	11,000	4,000	792	15,792
At 30 June 2008				
Cost or fair value	11,000	4,000	1,455	16,455
Accumulated depreciation	-	-	(663)	(663)
Net book amount	11,000	4,000	792	15,792
Year ended 30 June 2009				
Opening net book amount	11,000	4,000	792	15,792
Revaluation decrement	(1,465)	(1,265)	-	(2,721)
Additions	-	333	184	517
Depreciation charge	-	(102)	(251)	(353)
Closing net book amount	9,535	2,975	725	13,235
At 30 June 2009				
Cost or fair value	9,535	2,975	1,463	13,973
Accumulated depreciation	-	-	(738)	(738)
Net book amount	9,535	2,975	725	13,235

* Includes plant and equipment of $26,000 from the acquisition of Keendove Holdings Pty Ltd. Refer note 15.

(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 2009 revaluation was based on an independent assessment by a member of the Australian Property Institute as at 24 June 2008 for bank security purposes. Based on this valuation the fair value of the Ashmore Tavern was reassessed resulting in a revaluation decrement of $1,465,000 being recognised for freehold land and $1,256,000 for buildings.

The 2008 revaluation was based on an independent assessment by a member of the Australian Property Institute as at 24 June 2008. Based on this valuation the fair value of the Ashmore Tavern was reassessed resulting in a revaluation increment of $2,000,000 being recognised for freehold land and $100,000 for buildings.

(b) Non-current assets pledged as security

Refer to note 4.14(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:

	Consolidated 2009 $'000	Consolidated 2008 $'000
Freehold land		
Cost	3,026	3,026
Accumulated depreciation	-	-
Net book amount	3,026	3,026
Buildings		
Cost	1,696	1,363
Accumulated depreciation	(218)	(183)
Net book amount	1,478	1,180

4.9 Non-current assets – Investment properties

	Consolidated 2009 $'000	Consolidated 2008 $'000
At fair value		
Opening balance at 1 July	48,253	44,912
Capitalised subsequent expenditure	5,380	1,889
Straight line rentals	180	75
Net gain /(loss) from fair value adjustment	(6,228)	1,377
Closing Balance as at 30 June	47,585	48,253

(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 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.

The 30 June 2008 revaluations for Aspley Shopping Centre, Banksia Beach Shopping Village and Aspley Arcade Shopping Centre properties were based on independent assessments made by a member of the Australian Property Institute. The Home Hill Shopping Centre investment property was revalued in November 2007 by a member of the Australian Property Institute.

Property	Acquisition Date	Purchase Price*	Valuation	
			2009	2008
		$'000	$'000	$'000
Aspley Shopping Centre	March 2004	17,362	21,600	22,500
Banksia Beach Shopping Village	November 2005	7,925	11,800	10,050
Aspley Arcade Shopping Centre	29 June 2007	13,000	12,600	14,150
Home Hill Shopping Centre	12 January 2007	1,450	1,585	1,553
			47,585	48,253

* excluding acquisition costs

(b) Non-current assets pledged as security

Refer to note 4.14(a) for details of assets pledged as security.

(c) Amounts recognised in profit and loss for investment property	Consolidated 2009 $'000	2008 $'000
Rental income and recoveries from investment properties	4,285	3,909
Direct operating expenses from properties that generated rental income	(770)	(845)
	3,515	3,064

(d) Contractual obligations

There are no 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:

	2009 $'000	2008 $'000
Within one year	3,870	3,288
Later than one year but not later than five years	11,808	10,342
Later than five years	7,889	3,829
Total	23,567	17,459

4.10 Non-current assets - Intangible assets

Consolidated	Hotel Licences	Management Rights	Total
	$'000	$'000	$'000
At 30 June 2007			
Cost	104	-	104
Accumulated amortisation	(19)	-	(19)
Net book amount	85	-	85
Year ended 30 June 2008			
Opening net book amount	85	-	85
Acquisition of subsidiary*	-	2,054	2,054
Amortisation charge	(2)	(255)	(257)
Closing net book amount	83	1,799	1,882
At 30 June 2008			
Cost	104	2,054	2,158
Accumulated amortisation	(21)	(255)	(276)
Net book amount	83	1,799	1,882
Year ended 30 June 2009			
Opening net book amount	83	1,797	1,881
Amortisation charge	(2)	(255)	(257)
Impairment charge**	-	(545)	(545)
Closing net book amount	81	997	1,081
At 30 June 2009			
Cost	104	2,054	2,158
Accumulated amortisation	(23)	(1,057)	(1,080)
Net book amount	81	997	1,078

* Management rights for the management of commercial, industrial and retail property were acquired on 3 July 2007 as part of the Keendove Holdings Pty Ltd acquisition (refer note 15)
** At 30 June 2009 the Group's management rights were assessed for impairment. This assessment resulted in a write off of $545,000 (2008: $ nil) due to the termination of certain management agreements.

4.11 Current liabilities – Trade and other payables

	2009 $'000	2008 $'000
Trade payables	1,543	1,875
Other payables	502	-
	2,045	1,875

4.12 Current liabilities – Borrowings

	2009 $'000	2008 $'000
Secured		
Commercial bills	23,686	600

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling $24,815,000, drawn at $23,750,000 as at 30 June 2009, which are presently due to expire on 31 January 2010.

Refer to note 4.14(a) for details of the finance facilities and assets pledged as security.

4.13 Current liabilities – Provisions

	2009 $'000	2008 $'000
Employee benefits	285	262

4.14 Non-current liabilities - Borrowings

	2009 $'000	2008 $'000
Secured		
Commercial bills	17,347	36,016

(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.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(b) Financing arrangements

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

	2009 $'000	2008 $'000
Credit standby arrangements		
Total facilities		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	43,315	43,715
	44,215	44,215
Used at balance date		
Bank overdraft	-	-
Finance lease liabilities	-	-
Commercial bill facility	41,150	37,000
	41,150	37,000
Unused at balance date		
Bank overdraft	100	100
Finance lease liabilities	400	400
Commercial bill facility	2,165	6,715
	2,665	7,215

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 (2008: $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.

4.14 Non-current liabilities – Borrowings (continued)

Commercial bills

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

Amount Drawn (Face Value) 2009 $'000	2008 $'000	Interest Rate 2009 %	2008 %	Interest Type	Expiry Date	Repayment Terms
13,000	13,400	4.0	6.8	Fixed until 30/03/09 then variable	31/01/10	Quarterly principal payments of $200,000 until 30/03/09 then interest only until expiry
14,200	14,900	4.0	8.5	Variable	31/07/12	Interest only until expiry
3,200	3,300	4.0	8.7	Variable	31/07/12	Interest only until expiry
6,750	1,400	4.1	8.6	Variable	31/01/10	Interest only until expiry
4,000	4,000	4.2	8.6	Variable	31/01/10	Interest only until expiry.
41,150	37,000					

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling $24,815,000, drawn at $23,750,000 as at 30 June 2009, which are presently due to expire on 31 January 2010.

Finance lease liabilities

The consolidated entity has a lease finance facility of $400,000 (2008: $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.

4.15 Non-current liabilities – Deferred tax liabilities

	2009 $'000	2008 $'000
Net deferred tax liabilities	2,362	5,040

4.16 Non-current liabilities – Provisions

	2009 $'000	2008 $'000
Employee benefits	7	6

4.17 Contributed equity

Share capital	2009 Number of Shares	2008 Number of Shares	2009 $'000	2008 $'000
Fully paid ordinary shares	70,974,845	70,974,845	8,695	8,695

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.

4.17 Contributed equity (continued)

Movements in share capital	No. of shares	$'000
Balance at 30 June 2007	84,331,609	13,013
Share issue on acquisition of subsidiary, net of costs (a)	912,225	287
Reduction of share capital from selective share buy-back (b)	(14,268,989)	(4,566)
Buy-back costs, net of tax	-	(39)
Balance at 30 June 2008	70,974,845	8,695
Balance at 30 June 2009	70,974,845	8,695

There was no movement in share capital in the 2009 financial year.

(a) On 3 July 2007 the parent entity issued 912,225 shares valued at approximately 32 cents each as part consideration for the purchase of Keendove Holdings Pty Ltd. Refer note 15 for further information.
(b) On 12 February 2008 the parent entity undertook a selective buy-back of shares for $4,566,000 cash (32 cents per share).

Options

As at 30 June 2009, there were no options to purchase ordinary shares in the parent entity (2008: nil).

4.18 Reserves and retained profits

(a) Reserves

	2009 $'000	2008 $'000
Available-for-sale asset revaluation reserve	171	143
Property, plant and equipment revaluation reserve	6,000	7,905
	6,171	8,048
Movements in reserves:		
Property, plant and equipment reserve		
Balance at the beginning of the year	7,905	6,435
Gain on revaluation of freehold land and buildings (net of tax)*	(1,905)	1,470
Balance at the end of the year	6,000	7,905

* Gross gain/(loss) before tax - $(2,721,000) (2008: $2,100,000)

	2009 $'000	2008 $'000
Available-for-sale asset revaluation reserve		
Balance at the beginning of the year	143	449
Change in fair value of unlisted securities (net of tax)*	(69)	-
Change in fair value of listed securities (net of tax)**	97	(306)
Balance at the end of the year	171	143

* Gross loss before tax - $99,000 (2008: $ nil)
** Gross gain/(loss) before tax - $138,000 (2008: $(437,000))

(b) Retained profits

	2009 $'000	2008 $'000
Retained profits at the beginning of the financial year	9,242	7,382
Profit/(loss) for the year attributable to members of Eumundi Group Limited	(4,183)	1,860
Retained profits at the end of the financial year	5,059	9,242

5. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		21,177	20,521
Payments to suppliers and employees		(17,734)	(16,931)
Interest received		53	85
Finance costs		(2,170)	(2,590)
Income tax paid		(145)	(145)
Receipts from other debtors		150	150
Other receipts		-	328
Net cash inflows from operating activities	5(a)	1,331	1,418
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment properties	4.9	(5,239)	(1,889)
Payments for property, plant & equipment	4.8	(239)	(379)
Payment for acquisition of subsidiary net of cash acquired	15	-	(936)
Proceeds from disposals of property, plant & equipment		-	-
Net cash outflows from investing activities		(5,478)	(3,204)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		5,350	7,440
Repayment of borrowings		(1,200)	(2,250)
Share buy-back		-	(4,566)
Share buy-back costs		-	(56)
Net cash inflows from financing activities		4,150	568
Net increase/(decrease) in cash and cash equivalents		3	(1,218)
Cash and cash equivalents at beginning of year		1,256	2,474
Cash and cash equivalents at end of year	4.1	1,259	1,256

The above cash flow statement is to be read in conjunction with the attached notes.

5.1 NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of profit for the year to cash flows from operating activities:

	2009 $'000	2008 $'000
Profit (loss) for the year	(4,228)	1,863
Depreciation and amortisation	612	586
Impairment charge	545	-
Straight line rental adjustment	(87)	(75)
Net (gain)/loss on revaluation of investment properties to fair value	6,228	(1,377)
Other	186	(56)
Changes in operating assets and liabilities (net of assets acquired):		
(Increase)/decrease in:		
Trade accounts receivable	(35)	14
Other debtors/receivables	150	150
Inventories	285	(482)
Other current assets	-	(16)
Increase/(decrease) in:		
Trade and other payables	(382)	168
Income tax payable	(93)	(24)
Deferred tax liability*	(1,874)	662
Employee benefits	24	5
Cash flows from operating activities	1,331	1,418

* 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 year.

During the prior year shares to the value of $287,000 were issued as part consideration for the acquisition of majority interest in Keendove Holdings Pty Ltd. Refer note 15.

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

	2009 Cents	2008 Cents
Net tangible asset backing per ordinary security	26.7	34.2

9. EARNINGS PER SHARE

(a) Basic earnings per share	**2009**	**2008**
Basic earnings/(loss) per share	(5.89)¢	2.33¢

(b) Diluted earnings per share	**2009**	**2008**
Diluted earnings/(loss) per share	**(5.89)¢**	2.33¢

9. EARNINGS PER SHARE (continued)

(c) Reconciliation of earnings used in calculating earnings per share

	2009	2008
	$'000	$'000
Basic earnings per share		
Profit/(loss) attributable to the ordinary equity hold holders of the company used in calculation basic earnings per share	(4,183)	1,860
Diluted earnings per share		
Profit/(loss) attributable to the ordinary equity hold holders of the company used in calculation basic earnings per share	(4,183)	1,860

(d) Weighted average number of shares used the denominator

	Number of Shares	
	2009	2008
Weighted average number of ordinary shares used in calculating basic earnings per share	70,974,845	79,819,758
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	70,974,845	79,819,758

(e) 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 2009, the consolidated entity had a contingent liability in respect of the construction contract for the Bribie Harbour Shopping Village. Based upon the payment certificate issued by the Superintendant an amount of $260,000 was payable by the builder to the company. Of this sum the company has received payment of $115,000 and has initiated court proceeding against the builder for the balance. This amount has not been recognised as a receivable as it is contingent upon the outcome of the dispute.

The builder has disputed the payment certificate issued by the Superintendant in favour of the company and has filed a defence and counter claim. The builder has subsequently revised its claim and is seeking payment in the sum of $1,600,000. This sum is disputed by the company and will be subject to dispute resolution. This amount has not been recognised as a payable as it is contingent upon the outcome of the dispute.

The consolidated entity had no other material contingent assets or liabilities.

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 2009.

During the year ended 30 June 2008 the Group acquired 90% shareholding in property management company Keendove Holdings Pty Ltd. Refer note 15.

12. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not Applicable

13. FOREIGN ENTITIES

Not Applicable

14. SEGMENT INFORMATION

Geographical Segments

The group operates predominantly in Australia.

Business Segments

This group operates predominantly in the following business segments:

Hotel Operations – operations comprise the operation of the Ashmore Tavern.
Investment – operations comprise investment in commercial properties.
Property Management – operations comprise the management of commercial, retail and industrial investment properties.

2009	**Hotel Operations $'000**	**Investment $'000**	**Property Management $'000**	**Total $'000**
Revenue				
Sales to external customers	13,455	4,285	945	18,685
Intersegment sales	-	-	116	116
Total sales revenue	13,455	4,285	1,061	18,801
Other revenue/income	341	-	-	341
Total segment revenue/income	13,796	5,295	1,061	19,142
Intersegment elimination				(116)
Unallocated revenue				68
Consolidated revenue/income				19,094
Results				
Segment results	728	(2,839)*	(653)**	(2,764)
Unallocated revenue less unallocated expenses				(3,286)
Profit before income tax				(6,050)
Income tax expense				(1,822)
Profit for the year				4,228
Assets				
Segment assets	16,199	47,747*	1,186**	65,132
Unallocated assets				651
Total assets				65,757
Liabilities				
Segment liabilities	1,437	294	207	1,938
Unallocated liabilities				43,820
Total liabilities				45,732
Other segment information				
Acquisitions of property, plant and equipment, investment properties, intangibles and other non-current assets	513	5,380	3	5,896
Unallocated acquisitions				1
Total acquisitions				5,897
Depreciation and amortisation	337	-	266	603
Unallocated				9
Total depreciation and amortisation				612
Other non-cash expenses (other than depreciation and amortisation)	-	-	-	-

* Includes fair value adjustment to investment properties $(6,228,000). Refer note 3.2.

** Includes write down on impairment of management rights $545,000. Refer note 4.10.

14. SEGMENT INFORMATION (continued)

2008	Hotel Operations $'000	Investment $'000	Property Management $'000	Total $'000
Revenue				
Sales to external customers	13,427	3,909	991	18,327
Intersegment sales	-	-	80	80
Total sales revenue	13,427	3,909	1,071	18,407
Other revenue/income	340	1,386*	-	1,726
Total segment revenue/income	13,767	5,295	1,071	20,133
Intersegment elimination				(80)
Unallocated revenue				441**
Consolidated revenue/income				20,494
Results				
Segment results	1,095	4,450*	20	5,565
Unallocated revenue less unallocated expenses				(2,919)**
Profit before income tax				2,646
Income tax expense				(783)
Profit for the year				1,863
Assets				
Segment assets	19,190	48,323	2,015	69,528
Unallocated assets				456
Total assets				69,984
Liabilities				
Segment liabilities	1,456	56	157	1,669
Unallocated liabilities				42,184
Total liabilities				43,853
Other segment information				
Acquisitions of property, plant and equipment, investment properties, intangibles and other non-current assets***	364	1,889	2,088***	4,341
Unallocated acquisitions				7
Total acquisitions				4,348
Depreciation and amortisation	312	-	265	577
Unallocated				9
Total depreciation and amortisation				586
Other non-cash expenses (other than depreciation and amortisation)	-	-	-	-

* Includes fair value adjustment to investment properties $1,377,000. Refer note 3.2.

** Includes recovery of prior period costs $328,000. Refer note 3.2.

*** Includes items purchased as part of Keendove Holdings Pty Ltd acquisition. Refer note 15.

15. Business Combination

(a) Summary of acquisition

On 3 July 2007 Eumundi Group Limited acquired 90% of the issued shares in Keendove Holdings Pty Ltd, a property management and advisory company, for consideration of $1,330,000 consisting of cash of $1,000,000, 912,225 ordinary shares in Eumundi Group Limited, and direct costs relating to the acquisition of $43,000. Eumundi Group shares issued are subject to an escrow period of three years.

Eumundi Group has an option (expiring 30 September 2010) to purchase the remaining 10% of shares in Keendove Holdings Pty Ltd at any time before expiry of the option with the purchase consideration being ordinary shares in Eumundi Group Limited. The consideration amount varies subject to KPI's being achieved by the General Manager of the entity. If Eumundi Group does not exercise their option, the vendor has an option to sell the remaining shares to Eumundi Group between 1 and 31 October 2010, the consideration being 453,651 ordinary shares in Eumundi Group Limited.

Details of net assets acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	1,000
Issue of shares	287
Direct costs relating to the acquisition	43
Total purchase consideration	1,330
Fair value of net identifiable assets acquired (refer below)	1,330
Goodwill	-

(b) Purchase consideration

	Consolidated 2009 $	2008 $
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	-	1,043
Less: Balances acquired		
Cash and cash equivalents	-	107
	-	936

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Fair Value $'000	Acquiree's carrying amount $'000
Cash and cash equivalents	107	107
Receivables	73	73
Other assets	9	9
Property, plant and equipment	26	26
Intangibles - management rights	2,054	-
Deferred tax assets	29	29
Payables	(88)	(88)
Current tax liabilities	(17)	(17)
Deferred tax liabilities	(616)	-
Employee benefit liabilities	(104)	(104)
Net assets	1,473	35
Minority interests	143	
Net identifiable assets acquired	1,330	

The operating results and assets and liabilities of the acquired company are consolidated from 3 July 2007.

There were no acquisitions in the year ending 30 June 2009.

16. SUBSEQUENT EVENTS

The company is involved in negotiations with its corporate banker to renew commercial bill facilities totalling $24,815,000, drawn at $23,750,000 as at 30 June 2009, which are presently due to expire on 31 January 2010.

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

17. 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.

18. 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

19. 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
27th August 2009