Current period	1 July 2020 - 31 December 2020
Previous corresponding period	1 July 2019 - 31 December 2019

Results for announcement to the market

Summary Financial Information	Period ended 31 Dec 2020 A$000	Period ended 31 Dec 2019 A$000	Change %
Revenue from ordinary activities	13,645	12,476[2]	+9.4%
Underlying EBITDA[1]	5,233	4,125	+26.9%
Profit from ordinary activities after tax attributable to members	3,070	5,223	-41.2%
Net profit for the period attributable to members	3,070	5,223	-41.2%

Dividends	Amount per security (cents)	Franked amount
Interim dividend (FY21) Final dividend (FY20)	0.59 0.55	Nil Nil
FY21 interim dividend dates Ex-dividend date Record date DRP Election Date Payment date	 24 March 2021 25 March 2021 30 March 2021 21 April 2021	
The dividend reinvestment plan (DRP) dated 26 February 2021 will be in operation for the interim dividend. The DRP rules can be downloaded at https://www.eurekagroupholdings.com.au/investors/corporate-governance/. To participate in the DRP, an online election or election form must be received by the share registry no later than the DRP Election Date noted above.		

An explanation of the above figures is contained within the 'Review of results and operations' section of the Directors' Report, which forms part of the attached Half Year Financial Report.

1 EBITDA (Earnings before interest, tax, depreciation and amortisation) is an unaudited non-IFRS measure. The Directors believe that it is a readily calculated measure that has broad acceptance and is referred to by regular users of published financial statements as proxy for overall operating performance. EBITDA presented has been calculated from amounts disclosed in the financial statements. Underlying EBITDA is an unaudited non-IFRS measure that represents the operating performance of the Group and excludes valuation adjustments and certain non-core or non-recurring transactions.

2 Comparative has been updated to be consistent with method of calculation in current period.

	Current Period Cents	Prior Period Cents
Net tangible assets per security		
Net tangible assets backing per ordinary security	36.4	35.5

Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of the controlled entity (or group of entities) to profit after tax from ordinary activities during the period, from the date of gaining control	N/A

Details of Associates or Joint Venture Entities

Names of Joint Venture Entities	Affordable Living Services Unit Trust Affordable Living Unit Trust
Percentage of holding in Joint Venture Entities	50%

	Current Period $A'000	Prior Period $A'000
Aggregate share of profits from Joint Venture Entities	917	867
Contribution to net profit from Joint Venture Entities	917	867

Foreign Entities Accounting

For Foreign Entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)	N/A

Audit qualification of review

The attached Half Year Financial Report for the period ended 31 December 2020 has been reviewed by the auditor and the Independent Auditor's Review Report is included in the Half Year Financial Report. No disputes or qualifications are noted.

Attachments forming part of Appendix 4D

1	Half Year Financial Report for the period ended 31 December 2020

Murray Boyte
Executive Chair
Dated in Brisbane this 26th day of February 2021

Half-Year Financial Report

31 December 2020

ABN: 15 097 241 159

CONTENTS

Directors' Report

The Directors present their report on Eureka Group Holdings Limited (the "Company") and its controlled entities (the "Group", "Eureka" or the "Consolidated Entity") for the half-year ended 31 December 2020 ("the period").

DIRECTORS

The following persons were Directors of the Company during the whole of the period and up to the date of this report, unless otherwise stated:

Murray Boyte
Sue Renkin
Russell Banham
Greg Paramor AO

PRINCIPAL ACTIVITIES

The principal activities of the Group include:

- Providing accommodation and services to independent senior residents; and
- Providing specialist property management and caretaking services for seniors' independent living communities.

REVIEW OF OPERATIONS AND RESULTS

The Group has reported a profit after tax for the period of $3.07 million (2019: $5.22 million). Underlying EBITDA[1] was $5.23 million (2019: $4.13 million) and Underlying Profit Before Tax[2] was $3.57 million (2019: $2.58 million).

The Group's portfolio of residential village assets performed well with increased revenue due to the acquisition of two rental villages, ownership of the 124-unit rental village in Bundaberg for the whole period and improved occupancy to 97% (30 June 2020: 95%). The Group's results include a profit from the sale of units in Terranora and an increased profit contribution from the joint venture which owns and operates the villages in Tasmania. The financial impact of COVID-19 has been minimal with increased operating costs mitigated by Government support. The fair value of investment properties has remained stable during the period.

Net operating cash flow for the period was $4.05 million (2019: $3.49 million).

The higher profit after tax in the prior period is due to certain non-operating items, including fair value increases and a prior period GST refund, as well the tax expense for that period being nil. A summary of the Group's performance and a reconciliation to the Group's underlying results are shown below:

Performance Summary	Consolidated	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Reported results		
Profit after income tax expense	3,070	5,223
Basic earnings per share (cents)	1.33	2.26
Diluted earnings per share (cents)	1.33	2.26
Underlying results		
Profit after income tax expense	3,070	5,223
Income tax expense	1,024	-
Depreciation and amortisation	303	270
Finance costs	1,358	1,278
EBITDA[1]	5,755	6,771
(Gain)/Loss on fair value adjustment of:		
- Investment property	171	(786)
- Other assets	59	-
- Tasmanian villages – included in Share of profit of a joint venture	(429)	(457)
Impairment of intangible assets	-	80
Gain on sale of Terranora units	(284)	(839)
Refund of prior period GST	-	(644)
Other	(39)	-
Underlying EBITDA [1]	5,233	4,125
Underlying Profit before Tax [2]	3,572	2,577

Directors' Report

[1] EBITDA (Earnings before interest, tax, depreciation and amortisation) is an unaudited non-IFRS measure. The Directors believe it is a readily calculated measure that has broad acceptance and is referred to by regular users of published financial statements as a proxy for overall operating performance. EBITDA presented has been calculated from amounts disclosed in the financial statements. Underlying EBITDA is an unaudited non-IFRS measure that represents the operating performance of the Group and excludes valuation adjustments and certain non-core or non-recurring transactions.

[2] Underlying Profit before Tax is an unaudited non-IFRS measure and equals Underlying EBITDA less finance costs, depreciation and amortisation.

Eureka owns 32 villages, 5 of which are owned in a joint venture, and has 8 villages under management, representing 2,215 units (30 June 2020: 2,147 units).

The Group has recorded an income tax expense for the period of $1.02 million (2019: $nil). No cash tax will be payable until the Group has utilised its revenue tax losses, all of which have now been recognised in the Statement of Financial Position. No tax expense was recognised in the prior period because the Group had net unrecognised carry forward tax losses.

Financial Position

Key financial information in relation to the Group's financial position is shown below:

		Consolidated	
		31 Dec 2020	30 June 2020
Total Assets	$'000	159,080	145,205
Net assets	$'000	87,699	85,868
Cash and cash equivalents	$'000	1,989	2,451
Debt	$'000	61,722	54,472
Shares on issue	'000	230,038	230,038
Net tangible assets per share	cents	36.4	35.5
Balance sheet gearing [1]	%	40.5	37.7

[1] Balance sheet gearing is calculated as net debt (being interest-bearing drawn debt net of cash) divided by net debt plus equity.

Significant balance sheet movements during the period are disclosed below.

Acquisitions

During the period, the Group acquired two rental villages for a total consideration of $13.00 million (excluding transactions costs) on 4 November 2020. The Group acquired a 70 unit village in Cairns and a 53 unit village in Hervey Bay.

The Group spent $1.25 million on enhancing its owned villages through capital improvements including expenditure on its solar energy program, security and safety upgrades and progression of the Wynnum village expansion. There were no other significant acquisitions made during the period.

Disposals - Terranora

During the period, 11 units were sold and settled for consideration of $2.46 million (2019: $4.22 million). Inventory at 31 December 2020 comprised 20 units. Since balance date, 10 units have settled for consideration of $1.99 million and contracts have been exchanged or issued for the remaining 10 units for consideration of $1.58 million. At the date of this report, there are no units for which contracts have not been exchanged or issued.

The Group continues to hold a vacant 4.8 hectare parcel of land with a carrying value of $2.30 million (30 June 2020: $2.30 million) and a manager's unit with a carrying value of $0.60 million (30 June 2020: $0.60 million) as investment property at fair value. Opportunities for the realisation of these assets are being considered.

Couran Cove

The carrying values of the West Cabin loan ($0.32 million) and land option ($1.05 million) have not changed during the period. Details are contained in Notes 8 and 9.

Directors' Report

Capital management – debt & equity

Debt
During the period, the Group's National Australia Bank (NAB) facility was increased from $60.00 million to $77.50 million to facilitate the acquisition of new villages in Hervey Bay, Qld and Cairns, Qld. The Group was in compliance with all banking covenants during the period. Under the terms of its NAB debt facility, Eureka is able to deposit and withdraw funds in accordance with its working capital needs, subject to satisfaction of the bank covenants. At balance date the drawn amount under the facility was $61.72 million. Subsequent to balance date, the facility has been extended to 31 March 2024 and the limit will increase to $80 million upon settlement of a deferred payment liability for the Hervey Bay acquisition. Details are contained in Note 15**.**

Equity
Equity movements and balances for the period are as follows:

- the on-market share buy-back remains open until 16 March 2021. No shares were bought back and cancelled during the period (30 June 2020: nil);
- there were 429,362 share rights outstanding at 31 December 2020 (30 June 2020: 429,362).
- A dividend of $1.27 million was paid during the period.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Eureka is committed to:

- Further expanding its core business of providing rental accommodation for independent seniors through the active management of existing assets, the acquisition of additional villages and units, and the realisation of development opportunities, including the expansion of the Group's village in Wynnum, Qld;
- Improving the performance of the existing portfolio with continued focus on maintaining and improving occupancy through the ongoing strengthening of our relationships within our communities;
- Implementing operational efficiencies, cost reduction and streamlined support services through process and systems improvements across our villages and support office; and
- Recycling of capital through the divestment of the Group's non-core assets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group, other than those addressed in the Directors' Report.

SUBSEQUENT EVENTS

Details of the events that occurred after the end of the period are contained in Note 20.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191'Class issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. The amounts contained in the financial and directors' report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 26.

Murray Boyte
Executive Chair

Dated this 26th day of February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31 Dec 2020 $'000	31 Dec 2019 $'000
Rental income		9,233	8,528
Catering income	4	2,195	2,104
Service and caretaking fees	4	2,217	1,844
Total revenue		13,645	12,476
Finance income		14	21
Other income	4	1,231	839
Total revenue and other income		14,890	13,336
Property expenses		(7,045)	(5,623)
Employee expenses		(1,565)	(1,501)
Finance costs		(1,358)	(1,278)
Marketing expenses		(62)	(82)
Depreciation & amortisation		(303)	(270)
Other expenses		(1,150)	(932)
Total operating expenses		(11,483)	(9,686)
Share of profit of a joint venture	11	917	867
Net gain/(loss) on change in fair value of:			
Investment property		(171)	786
Other assets		(59)	-
Impairment of intangible assets		-	(80)
Total other items		687	1,573
Profit before income tax expense		4,094	5,223
Income tax expense	5	(1,024)	-
Profit after income tax expense		3,070	5,223
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		3,070	5,223
Basic earnings per share (cents per share)		1.33	2.26
Diluted earnings per share (cents per share)		1.33	2.26

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 $'000	30 June 2020 $'000
Current Assets			
Cash and cash equivalents		1,989	2,451
Trade and other receivables	6	655	316
Inventory	7	2,888	3,778
Loans receivable	8	397	396
Other assets	9	1,666	750
Non-current assets held for sale	10	424	483
Total current assets		8,019	8,174
Non-Current Assets			
Inventory	7	-	1,102
Loans receivable	8	308	353
Joint Venture investment	11	6,622	5,955
Investment property	12	136,424	121,443
Property, plant and equipment		502	594
Right of use assets	13	625	722
Intangible assets		4,001	4,177
Other assets	9	2,579	2,685
Total non-current assets		151,061	137,031
Total Assets		159,080	145,205
Current Liabilities			
Trade and other payables	14	3,242	2,125
Provisions		565	523
Other financial liabilities	15	685	752
Total current liabilities		4,492	3,400
Non-current liabilities			
Trade and other payables	14	187	-
Provisions		80	73
Other financial liabilities	15	64,618	54,884
Deferred tax liability		2,004	980
Total non-current liabilities		66,889	55,937
Total Liabilities		71,381	59,337
Net Assets		87,699	85,868
Equity			
Share capital	16	94,352	94,352
Share based payment reserve		31	5
Accumulated losses		(6,684)	(8,489)
Total Equity		87,699	85,868

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 Dec 2020 $'000	31 Dec 2019 $'000
Cash Flows from Operating Activities		
Receipts from customers	14,589	12,753
Payments to suppliers & employees	(9,447)	(8,088)
Interest received	14	28
Interest paid	(1,105)	(1,200)
Net cash provided by Operating Activities	4,051	3,493
Cash Flows from Investing Activities		
Payments for additions to investment properties	(12,647)	(2,347)
Payments for additions to inventory	(45)	(323)
Payments for property, plant and equipment	(22)	(12)
Payments made to sell non-current assets held for sale	-	(27)
Payments made to sell inventory	(126)	(242)
Payments of residential obligation loans	-	(97)
Proceeds from sale of investment properties	-	1,525
Proceeds from sale of inventory	2,457	3,575
Proceeds from the sale of non-current assets held for sale	-	540
Proceeds from repayment of loans provided	37	155
Proceeds from sale of intangible assets	10	-
Net Cash provided by/(used in) Investing Activities	(10,336)	2,747
Cash Flows from Financing Activities		
Proceeds from borrowings	10,400	3,000
Repayment of borrowings	(3,150)	(7,263)
Payment of dividends	(1,265)	(2,300)
Principal portion of lease payments	(93)	(110)
Payments of transaction costs related to borrowings	(69)	(78)
Net Cash provided by/(used in) Financing Activities	5,823	(6,751)
Net increase/(decrease) in cash and cash equivalents	(462)	(511)
Cash and cash equivalents at the beginning of the period	2,451	3,060
Cash and cash equivalents at the end of the period	1,989	2,549

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

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Share Capital $'000	Accumulated Losses $'000	Share Based Payment Reserve $'000	Total $'000
For the half-year ended 31 December 2020					
Balance at 1 July 2020		94,352	(8,489)	5	85,868
Profit for the period, representing total comprehensive income for the period		-	3,070	-	3,070
Transactions with owners in their capacity as owners:					
Dividends paid	2	-	(1,265)	-	(1,265)
Share based payments		-	-	26	26
Balance at 31 December 2020		94,352	(6,684)	31	87,699
For the half-year ended 31 December 2019					
Balance at 1 July 2019		94,352	(12,870)	-	81,482
Opening adjustment on adoption of AASB 16 Leases		-	(149)	-	(149)
Balance at 1 July 2019 (Restated)		94,352	(13,019)	-	81,333
Profit for the period, representing total comprehensive income for the period		-	5,223	-	5,223
Transactions with owners in their capacity as owners:					
Dividends paid	2	-	(2,300)	-	(2,300)
Balance at 31 December 2019		94,352	(10,096)	-	84,256

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

Notes to the Financial Statements

1. BASIS OF PREPARATION OF THE FINANCIAL REPORTS

The condensed interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 'Interim financial reporting' and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the Group's annual financial report for the full year ended 30 June 2020.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual report with the exception of new amended standards and interpretations which have been applied as required.

(a) New, revised or amending Accounting Standards and Interpretations adopted

Several amendments and interpretations apply for the first time for the half-year financial statements but do not have an impact on the consolidated half-year financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued or which are not yet effective.

(b) Comparative Information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and or disclosures.

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Investment Property – Measurement
The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The best evidence of fair value is current selling prices in an active market for similar investment properties. Where such information is not available, the Group determines a property's value within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

- Valuations undertaken by accredited external independent valuers;
- Acquisition price paid for the property;
- Recent prices of similar properties with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- Capitalised income projections based upon a property's estimated maintainable earnings and capitalisation rate.

Investment Property – Classification
The Group classifies property as investment property when it meets the following key criteria:

- The property is held by the Group to generate long term investment growth and ongoing rental returns; and
- Ancillary services are insignificant to the arrangement as a whole.

The returns from the Group's investment property include rental income and income from provision of ancillary services, including food services to residents. Judgement is required as to whether the ancillary services are significant. Management has determined that the ancillary services are not significant by assessing qualitative factors, which include both operational and legislative considerations, and quantitative factors, which includes comparing:

- the fair value of the ancillary services to the total income generated from the property; and
- the profit generated from ancillary services to the total profit generated from the property

Properties that do not meet this criteria are classified as property, plant and equipment.

Inventory
Inventory consists of property being sold as part of a capital disposal program and is valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price of the inventory, less estimated costs of completion and the estimated costs necessary to make the sale.

Goodwill
Goodwill is allocated to the property management cash-generating unit (CGU). The Group tests the carrying value of goodwill on an annual basis to assess for any impairment, or more frequently, if events or changes in circumstances indicate impairment. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Amortisation of Management Rights
Management rights are amortised over their estimated useful life. If the contractual or other legal rights of the management rights can be renewed, the useful life of the intangible asset includes the renewal period if there is evidence to support renewal by the entity without significant cost. Otherwise the management rights are amortised over the life of the contract.

For strata-titled villages (where units are individually owned by third parties) where management rights are attached, the Group generally amortises its management rights over a period of 40 years (being the estimated useful life). The amortisation period used reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. In determining the useful life, the Group considers the expected usage of the assets, the legal rights over the asset and the renewal period of the management rights agreements. Where there is evidence to support renewal of the management rights, the amortisation period is 40 years, similar to the life of the property the management rights are attached to, otherwise the amortisation period is the term of the management rights agreement.

For single-owner villages (where all units in the village are owned by a single third party) where management rights are attached, the management rights are amortised over the life of the contract. This is because Eureka has materially less control over future contract renewals than it does with the strata-titled villages. Eureka considers that it has materially less control over future contract renewals in single-owner villages primarily because it does not own or have any sort of tenure in respect of the managers unit and a single vote of the owner can elect to not renew Eureka's management rights contract.

The amortisation period and the amortisation method for management rights are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate.

Recovery of Receivables
At each reporting date the Group assesses the recoverability of trade, loan and other receivables by reference to the expected future cash flows, the credit worthiness of the borrowers and the value of security provided. For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Non-Current Amounts Receivable and Associated Option over property

Options over property are initially measured at cost. Subsequent to acquisition, options continue to be recorded at cost, however are tested for impairment on an annual basis. Impairment is tested by reference to the assessed value of the underlying property assets or final cash settlement alternatives. Impairment losses are recorded as incurred. Should these options not be exercised and this asset revert back to a receivable it will be assessed for impairment as a loan receivable at that point in time.

Bartercard
Bartercard assets are initially recorded at cost. At each balance date an assessment is made of the cash equivalent value obtainable on the expenditure of Bartercard. If this value exceeds cost no adjustment is made, however if the cash price equivalent is less than cost, an impairment charge is made to this asset.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of Deferred Tax Assets
Deferred tax assets are recognised for deductible temporary differences and income tax losses. These assets are only recognised if the Group considers it probable that future taxable amounts will be available to utilise those temporary difference assets. Judgement is required in assessing the availability of income tax losses primarily involving the satisfaction by the relevant Group entities of legislative requirements at each reporting date by the Group including for certain years satisfaction of the “Same Business Test” as defined in S.165-210 of the Income Tax Assessment Act 1997.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

2. DIVIDENDS

A dividend of 0.55 cents per share (2019: 1.00 cent per share), totalling $1.27 million (2019: $2.30 million), was declared on 21 August 2020 and paid on 25 September 2020. No other dividends were paid or declared during the period.

Since 31 December 2020 the Board has declared an interim dividend of 0.59 cents per share, amounting to $1.36 million payable on 21 April 2021. The record date is 25 March 2021. The financial effect of this dividend has not been brought to account in this half-year financial report ended 31 December 2020.

3. OPERATING SEGMENTS

Identification of reportable operating segments and principal services

The Group is organised into two operating segments located in Australia:

- Rental Villages – ownership of seniors’ rental villages; and
- Property Management - management of seniors’ independent living communities.

The operating segments have been identified based upon reports reviewed by the Board of Directors, who are identified as the chief operating decision makers and are responsible for assessing performance and determining the allocation of resources. There is no aggregation of operating segments and the Board of Directors views each segments performance based on profit after tax. The accounting policies adopted for internal reporting to the chief operating decision makers are consistent with those adopted in the financial statements.

Segment information is prepared in conformity with the accounting policies of the Group as discussed in Note 1 and Accounting Standard AASB 8.

Balances have been allocated to segments as follows:

- Rental villages includes the investment in the joint venture;
- Property management includes management rights; and
- Unallocated includes Terranora inventory and the sale of units, Couran Cove assets and other loans receivable, Bartercard, cash, support office costs and corporate overheads. Segment liabilities include a deferred tax asset which is netted off against deferred tax liabilities in the Group balance sheet.

Cash flows are not measured or reported by segment.

Consolidated - 31 December 2020	**Rental Villages $'000**	**Property Management $'000**	**Unallocated $'000**	**Total $'000**
Revenue	11,862	1,783	-	13,645
Finance income	-	-	14	14
Other income	792	10	429	1,231
Total revenue and other income	12,654	1,793	443	14,890
Expenses	(6,221)	(1,122)	(2,782)	(10,125)
Finance costs	(1,336)	(21)	(1)	(1,358)
Total operating expenses	(7,557)	(1,143)	(2,783)	(11,483)
Net loss on change in fair value of:				
Investment property	(171)	-	-	(171)
Other assets	(59)			(59)
Share of profit of a joint venture	917	-	-	917
	687	-	-	687
Profit/(loss) before income tax expense	5,784	650	(2,340)	4,094
Income tax (expense)/benefit	(1,735)	(195)	906	(1,024)
Profit/(loss) after income tax expense	4,049	455	(1,434)	3,070
Segment Assets	144,648	4,745	9,687	159,080
Segment Liabilities	66,745	875	3,761	71,381

Consolidated - 31 December 2019	Rental Villages $'000	Property Management $'000	Unallocated $'000	Total $'000
Revenue	10,741	1,735	-	12,476
Finance income	-	-	21	21
Other income	-	-	839	839
Total revenue and other income	10,741	1,735	860	13,336
Expenses	(4,703)	(1,137)	(2,570)	(8,410)
Finance costs	(1,251)	(23)	(2)	(1,276)
Total operating expenses	(5,954)	(1,160)	(2,572)	(9,686)
Net gain on change in fair value of:				
Investment property	786	-	-	786
Other	-	-	-	-
Share of profit of a joint venture	867	-	-	867
Impairment of intangibles and other assets	-	(80)	-	(80)
	1,653	(80)	-	1,573
Profit/(loss) before income tax expense	6,440	495	(1,712)	5,223
Income tax (expense)/benefit	-	-	-	-
Profit/(loss) after income tax expense	6,440	495	(1,712)	5,223
Segment Assets	114,897	5,313	12,486	132,696
Segment Liabilities	47,677	39	724	48,440

4. OTHER INCOME

	Consolidated	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Gain on sale of inventory	284	839
Gain on sale of intangible assets	10	-
Insurance proceeds	462	-
Other	475	-
	1,231	839

The gain on sale of inventory relates to the disposal of units at Terranora, NSW as part of the Group's capital disposal program and comprises the following:

	Consolidated	
	31 Dec 2020 #	31 Dec 2019 #
Units sold	11	16
	$'000	$'000
Sale proceeds [1]	2,457	4,224
Cost of sales	(2,021)	(3,385)
Write down to net realisable value	(152)	-
	284	839

[1] Sales proceeds in the prior period comprised $0.65 million in Bartercard and the balance in cash.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods (catering income) and services (service and caretaking fees) over time and at a point in time in Australia:

	Consolidated	
	31 Dec 2020 $'000	31 Dec 2019 $'000
At a point in time	2,195	2,104
Over time	2,217	1,844
Total	4,412	3,948

5. Income tax

	Consolidated	
	31 Dec 2020 $'000	31 Dec 2019 $'000
The major components of income tax expense are as follows:		
Consolidated Statement of Profit or Loss		
Current income tax	32	-
Deferred income tax	992	-
Income tax expense reported in the Statement of Profit or Loss	1,024	-

A reconciliation of income tax expense and the profit before tax multiplied by the applicable tax rate of 30% is as follows:

	Consolidated	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Profit before tax	4,094	5,223
Income tax calculated at 30%	1,228	1,567
Tax effect of permanent differences	(116)	-
Recognition of net deferred tax assets not previously recognised	(88)	(1,567)
Income tax expense reported in the Statement of Profit or Loss	1,024	-

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Recognised in the Statement of Financial Position		
Deferred tax assets		
Tax losses - revenue	8,633	8,665
Net (assessable) and deductible differences on sundry items	68	167
Deferred tax liabilities		
Investment properties, property, plant and equipment	(10,705)	(9,812)
Net deferred tax liability	(2,004)	(980)

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Not recognised in the Statement of Financial Position		
Unrecognised deferred tax assets		
Tax losses - capital	880	968
Tax losses - revenue	-	-
Net (assessable) and deductible differences on sundry capital items	504	504
Net unrecognised deferred tax assets	1,384	1,472

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Reconciliation of unrecognised tax balances		
Opening unrecognised amounts	1,472	1,828
Recognition of temporary differences		
Recognition and use of tax losses	(88)	(1,828)
Adjustment to prior period balances	-	1,472
Total movement	(88)	(356)
Closing balance	1,384	1,472

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items until it is probable that future taxable profits will be available against which the Group can utilise these benefits.

The benefits of the Group's recognised and unrecognised tax losses will only be realised if:

- the Group continues to meet the requirements of applicable tax laws to allow the losses to be carried forward and utilised, including for certain years satisfaction of the "Same Business Test" as defined in section.165-210 of the Income Tax Assessment Act 1997;
- the Group earns taxable profits including capital gains, in future periods; and
- applicable tax laws are not changed, causing the losses to be unavailable.

6. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Trade receivables	201	192
Accrued income and other	454	124
	655	316

Trade receivables are non-interest bearing unless otherwise stated and are generally on 30 day terms. Expected credit loss was considered not material at 31 December 2020.

7. INVENTORY

	Consolidated	
	31 Dec 2020 $'000	**30 June 2020 $'000**
Balance at beginning of reporting period	4,880	9,215
Additions – Terranora units	52	463
Disposals – Terranora units	(1,892)	(4,798)
Write down to net realisable value	(152)	-
Balance at end of reporting period	2,888	4,880
Current	2,888	3,778
Non-current	-	1,102
	2,888	4,880

Inventory relates to the rental units at Terranora, NSW which are being sold as part of the Group's capital disposal program. The costs of development at Terranora are capitalised to the inventory as incurred. Inventory is expected to be realised within 12 months via sales to third parties. Further details are contained in Note 4.

8. LOANS RECEIVABLE

	Consolidated	
	31 Dec 2020 $'000	**30 June 2020 $'000**
Current		
Vendor finance [1]	82	81
West Cabin Loan [2]	315	315
	397	396
Non-current		
Vendor finance [1]	308	353
	308	353

1 The Group acquired a loan book as part of the purchase of Elizabeth Vale Scenic Village Pty Ltd in 2015. Security for the loans consists of a first ranking mortgage over the property to which the loan pertains. The loans have maturity dates of between 2.2 and 2.6 years and interest is payable on these loans at a rate of between 5.50% to 6.25% per annum.

2 The West Cabin Loan is a secured loan to CCH Developments No 1 Pty Ltd (CCH) in its personal capacity and as trustee of the CCH Developments No 1 Trust for $0.32 million. No interest accrues on this loan.

The loan is secured by a real property mortgage over two existing cabins owned by CCH and is guaranteed by Onterran Ltd (Onterran) and Mr Lachlan McIntosh in his personal capacity. Mr McIntosh was a director of Eureka until 31 December 2019 and is a director of Onterran and CCH. Recourse against CCH in respect of the loan is limited to the two existing cabins.

The loan is expected to be repaid upon settlement of the sale contracts for the two cabins held as security against the loan. Eureka has reserved its rights under the loan agreement and the security.

The Directors consider that the amount owed is recoverable, due to the validity and enforceability of the real property mortgages held by Eureka and the personal guarantee provided by Mr McIntosh.

9. OTHER ASSETS

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Current		
Prepayments and other assets [1]	1,134	450
Bartercard [2]	300	300
Capital replacement funds	232	-
	1,666	750
Non-current		
Bartercard [2]	1,529	1,635
Other [3]	1,050	1,050
	2,579	2,685

1 Amounts included relate to prepaid expenses and deposits for assets.

2 Bartercard is an alternative currency and operates as a trade exchange. At 31 December 2020, the Bartercard balance is $1.83 million (30 June 2020: $1.94 million), which is recorded at cost, less any impairment. The amount classified in current assets is based on expected utilisation of Bartercard in the next 12 months.

3 The Group has a first right of refusal to purchase 60 proposed cabin sites for $50,000 per site at Couran Cove, Qld. This option is held at its assessed fair value of $1.05 million (30 June 2020: $1.05 million). The amount owing is secured by a real property mortgage over the associated land.

10. NON-CURRENT ASSETS HELD FOR SALE

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Current		
Non-current assets held for sale	424	483
	424	483

The balance comprises two managers' units in Village Life Caboolture. A fair value decrement of $0.06 million (2019: nil) was recorded during the period.

11. JOINT VENTURE INVESTMENT

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Movements in aggregate carrying amount:		
Opening balance	5,955	4,661
Share of profit from joint venture [1]	917	1,980
Cash distribution received	(250)	(686)
Closing balance	6,622	5,955

1 Share of profit from joint venture includes an increase in the fair value of the Tasmanian village property assets. The Group's 50% share was $0.43 million (2019: $0.46 million).

12. INVESTMENT PROPERTY

	Consolidated	
	31 Dec 2020 $'000	**30 June 2020 $'000**
Balance at beginning of reporting period	121,443	105,406
Acquisitions [1]	13,823	14,667
Disposals [2]	-	(1,516)
Capital expenditure	1,246	1,941
Transfer Bartercard deposit to other assets	-	(714)
Transfer to non-current assets held for sale	-	(534)
Transfer from intangibles – management rights [3]	-	810
Transfer from property, plant and equipment	83	-
Net increment/(decrement) due to fair value adjustment	(171)	1,383
Balance at end of reporting period	136,424	121,443

1 Includes the acquisition of a village in Cairns and Hervey Bay on 4 November 2020. The prior period includes the acquisition of a 124-unit rental village in Bundaberg, Qld, acquired on 28 February 2020.

2 In the prior period, the Group divested its investment in a property located in Bowen, Qld.

3 Management rights held in relation to villages that are wholly owned by the Group, for which no external revenue stream exists and that were previously classified as intangibles, were reclassified to investment property and included in the fair value of the respective properties.

The Group's investment property portfolio consists of 27 rental village assets (30 June 2020: 25) along with associated managers' units and other rental units. The Group considers its investment properties reside in one class of asset, being seniors' rental villages.

At 31 December 2020, the Group undertook a review of the fair value of all investment properties held and recorded a net revaluation loss of $0.17 million (2019: $0.79 million gain). This adjustment related to all assets in the asset class and was based on inputs and assumptions disclosed in Note 17. A net change in fair value is recognised in profit or loss in the period in which the assessment is made.

The Group's external valuation program resumed during the period, with eight properties being independently valued. These included the four properties which were due for an independent external valuation by 30 June 2020 but which were deferred due to the outbreak of COVID-19 and consequent visitor restrictions at the villages. The external valuations undertaken during the period note that due to COVID-19, there is a market uncertainty resulting in significant valuation uncertainty. As a result, the reports note that the assessed values could change significantly and unexpectedly over a short period of time. The directors note that the financial impact of COVID-19 on the Group's business has been minimal to date; there continues to be strong demand for affordable retirement living options as evidenced by the Group's increased occupancy levels during the current period; and the results of independent and internal appraisals performed in the period which support key estimates of maintainable earnings and capitalisation rates used in valuation assessments.

In determining the fair value of investment properties, significant unobservable inputs and sensitivity are as follows:

Description	Valuation technique	Significant unobservable inputs	Range (weighted average) 31 Dec 2020	Range (weighted average) 30 June 2020	Relationship of unobservable input to fair value
Investment properties – Retirement Villages	Capitalisation method [1]	Capitalisation rate	9.00%-11.38% (10.12%) [2]	8.25%-11.38% (10.10%) [2]	Capitalisation rate has an inverse relationship to valuation.
		Stabilised occupancy	87.5%-99% (96.05%)	87%-100% (95.81%)	Occupancy has a direct correlation to valuation (i.e. the higher the occupancy, the greater the value).

1 Significant changes in any of the significant unobservable valuation inputs under the capitalisation method would result in a significantly lower or higher fair value measurement.

2 Excludes three apartment-style complexes with a capitalisation rate range of 6.5% to 8% and a village in which National Disability Insurance Scheme services revenue is earned with a capitalisation rate of 14%.

Amounts recognised in profit or loss for investment properties:

	Consolidated 31 Dec 2020 $'000	Consolidated 31 Dec 2019 $'000
Rental income	9,233	8,528
Catering income	2,195	2,104
Direct operating expenses generating rental and catering income	(6,221)	(4,703)
Net gain/(loss) from revaluation of investment property to fair value	(171)	786

The Group has no restrictions on the realisability of its investment property and has a contractual obligation to complete a solar energy enhancement program and expand the Wynnum village. There are no further contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Note 15 contains details of assets pledged as security for borrowings.

13. RIGHT OF USE ASSETS

	Consolidated	
	31 Dec 2020 $'000	**30 June 2020 $'000**
Leased property		
Opening balance	714	-
Adjustment on adoption of *AASB 16 Leases* on 1 July 2019	-	869
Modification on leases	-	58
Depreciation expense	(95)	(213)
Closing balance	619	714
Leased equipment		
Opening balance	8	-
Adjustment on adoption of *AASB 16 Leases* on 1 July 2019	-	11
Depreciation expense	(2)	(3)
Closing balance	6	8
Total Right of use assets	625	722

Income received from sub-leasing right of use assets was $0.02 million for the period.

14. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2020 $'000	**30 June 2020 $'000**
Current		
Trade and other payables	3,195	2,125
Capital replacement fund liability	47	-
	3,242	2,125
Non-current		
Capital replacement fund liability	187	-
	187	-

15. OTHER FINANCIAL LIABILITIES

	Consolidated	
	31 Dec 2020 $'000	30 June 2020 $'000
Current		
Accrued interest	521	467
Lease liability	164	221
Insurance funding	-	64
	685	752
Non-current		
Commercial bills – secured [1]	61,722	54,472
Deferred consideration liability [2]	2,405	-
Lease liability	604	646
Borrowing costs	(113)	(234)
	64,618	54,884

1 Commercial bills – secured

As at 31 December 2020, the Group has access to National Australia Bank ("NAB") facilities with the following terms:

- Maximum limit of $77.50 million (30 June 2020: $60.00 million). Total drawings on this facility were $61.72 million. The facility expires on 31 January 2022. Interest is payable at a fixed rate of 4.87% on $35.00 million until 31 December 2021 and at variable rates (currently 2.06%) on the remaining drawn amount. A facility fee applies to any undrawn amount. Quarterly interest only repayments are required.
- $2.50 million bank guarantee facility to secure the deferred consideration payable for the acquisition of the new village at Hervey Bay. Refer to footnote 2 below.

The NAB facilities are secured by a first priority general security over all present and future acquired property. As at 31 December 2020, the Group's property assets, with a carrying value of $139.74 million (30 June 2020: $126.81 million) have been pledged by the Group.

During the period, the facility limit was increased from $60.00 million to $77.50 million to facilitate the acquisition of two new villages, expansion of the Wynnum village and to provide headroom for future acquisitions. Subsequent to balance date, the facility has been extended to 31 March 2024 and the limit will increase to $80 million upon settlement of the deferred consideration payable for Hervey Bay and return of the associated bank guarantee. Refer to Note 20.

The commercial bill facilities are subject to covenants which are commensurate with normal secured lending terms.

The Group complied with its bank covenants throughout the current and prior periods.

2 Vendor finance arrangement relating to the acquisition of the Hervey Bay village on 4 November 2020. $2.50 million is payable 2 years after settlement date with no interest. The balance at 31 December 2020 represents the present value of the amount payable to the vendor. The Group has provided a $2.50 million bank guarantee to the vendor as security, the costs of which are borne by the vendor.

16. SHARE CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and 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 on a poll, each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	Consolidated			
	31 Dec 2020 Number	**31 Dec 2020 $'000**	**30 June 2020 Number**	**30 June 2020 $'000**
Balance at beginning and end of period	230,037,638	94,352	230,037,638	94,352

17. FAIR VALUES

Investment property, other assets (land option) and retirement village resident loans payable are measured at fair value using the fair value measurement hierarchy method described in Note 1. All fair value measurements are categorised as Level 3 in the fair value hierarchy. There were no transfers between levels during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The Group has a number of financial assets and financial liabilities which are required to be measured at fair value in the statement of financial position. The fair values are not materially different to their carrying amounts since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

The Directors believe at 31 December 2020 the carrying value of all assets and liabilities approximates their fair values.

Investment properties may be valued using two methods, the capitalisation method and direct comparison approach. Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. The capitalisation method involves estimating the expected income projections of the property into perpetuity and applying a capitalisation rate. The capitalisation rate is based upon current market evidence. Future income projections take into account occupancy, rental income and operating expenses. Under the direct comparison approach, key inputs are the recent sales of comparable units in comparable villages. All resulting fair value estimates for properties are included in Level 3 in the fair value hierarchy.

Retirement village resident loans are measured as the ingoing contribution less deductions over time for the period of tenancy as a percentage of the length of expected residence term. Although the expected average residency term is between one to ten years, these obligations are classified as current liabilities, as required by the Accounting Standards, because the Group does not have an unconditional right to defer settlement to more than twelve months after reporting date. The liability is stated net of accrued deferred management fees at reporting date, because the Group's contract with residents require net settlement of those obligations. These are included in trade payables.

18. RELATED PARTY TRANSACTIONS

	Sales to related parties		Amounts owed by related parties	
	31 Dec 2020 $'000	31 Dec 2019 $'000	31 Dec 2020 $'000	31 Dec 2019 $'000
Joint venture				
Management fees	145	139	55	30

Amounts owed by related parties are classified as trade receivables.

All transactions were made on commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

There were no transactions with parties related to a director during the period. Details of prior period transactions with former director-related entities are contained in the Group's financial report for the year ended 30 June 2020.

19. CONTINGENCIES

From time to time, the Group may be subject to various claims and litigation from third parties during the ordinary course of its business. The directors have given consideration to such matters and, unless specific provision has been made, are of the opinion that no material contingent liability for such claims exists.

20. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent to balance date, the following significant transactions have occurred:

- NAB Finance Facility - the facility has been extended to 31 March 2024 and the limit will increase from $77.5 million to $80 million upon settlement of the deferred consideration payable for Hervey Bay and return of the associated bank guarantee. Refer to Note 15.
- Terranora sales – 10 units have settled for consideration of $1.99 million and contracts have been exchanged or issued for the remaining 10 units for consideration of $1.58 million. At the date of this report, there are no units for which contracts have not been exchanged or issued.
- Dividend - The Board has declared an interim dividend in respect of the current period of 0.59 cents per share, payable on 21 April 2021 amounting to $1.36 million. The Group has established a dividend reinvestment plan which will be effective for this dividend.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Directors' Declaration

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In accordance with a resolution of the Directors of Eureka Group Holdings Limited, I state that:

In the opinion of the Directors of Eureka Group Holdings Limited (the "Company"):

a. The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
   ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Board

Murray Boyte
Executive Chair

Dated this 26th day of February 2021

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Auditor's Independence Declaration to the Directors of Eureka Group Holdings Limited

As lead auditor for the review of Eureka Group Holdings Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Wade Hansen

Wade Hansen
Partner
Brisbane
26 February 2021

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent auditor's review report to the members of Eureka Group Holdings Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Eureka Group Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – Investment property fair value

We draw attention to Note 12 of the financial report which describes the impact of the COVID-19 pandemic on the determination of fair value of the investment properties and how this has been considered by the Directors in the preparation of the financial report. Due to the degree of valuation uncertainty referred to in the external valuation reports during the period, the property values may change significantly and unexpectedly over a relatively short period of time. Our opinion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2020 and its consolidated financial 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.

Independence

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

Ernst & Young

Wade Hansen
Partner
Brisbane
26 February 2021

Corporate Directory

Registered Address & Contact Details

Registered Address	Suite 2D, 7 Short St, Southport QLD 4215
Postal Address	PO Box PO Box 10819, Southport BC QLD 4215
Phone number	07 5568 0205
Website	www.eurekagroupholdings.com.au
Email	info@eurekagroupholdings.com.au

Board of Directors

Murray Boyte	Executive Chair
Russell Banham	
Sue Renkin	
Greg Paramor AO	

Senior Management

Cameron Taylor	Chief Operating Officer
Laura Fanning	Chief Financial Officer & Company Secretary

Solicitors
Jones Day
Riverside Centre
Level 31/123 Eagle Street
Brisbane QLD 4000
Tel: 07 3085 7000
Fax: 07 3085 7099

Mills Oakley
Level 7
151 Clarence Street
Sydney NSW 2000
Tel: 02 8289 5800
Fax: 02 9247 1315

Auditors
Ernst & Young
111 Eagle St
Brisbane Qld 4000
Tel: 07 3011 3333
Fax: 07 3011 3344

Share Registry
Link Market Services – Brisbane
Level 21, 10 Eagle Street
Brisbane Qld 4000
Call Centre: 02 8280 7454
Fax: 07 3228 4999

Securities Exchange Listing
ASX Limited
ASX Code: EGH (ordinary shares)

Australian Business Number
15 097 241 159