EUREKA GROUP HOLDINGS LIMITED AND CONTROLLED ENTITIES

APPENDIX 4E
PRELIMINARY REPORT
30 JUNE 2013

Results for Announcement to the Market – to be read in conjunction with the attached Chairman's Review and Financial Accounts.

Summary Financial Information	**Year ended 30 June 2013 A$000**	**Year ended 30 June 2012 A$000**	**Change**
Revenue from ordinary activities	10,878	15,593	(30.2)%
Profit before tax attributable to members	75	686	(89.1)%
Profit after tax attributable to members	75	686	(89.1)%
Total Assets	9,381	10,434	(10.1)%
Net Assets	4,018	3,697	+8.7%

Dividends per ordinary shares		**Amount of dividend**	**Franked Amount**
Interim dividend	Current Year	Nil	Nil
	Previous Year	Nil	Nil
Final dividend	Current Year	Nil	Nil
	Previous Year	Nil	Nil

NTA Backing	**Current Period**	**Previous Period**
Net tangible assets backing per ordinary (net of DTA)	(2.7) cents	(3.6) cents
Net asset backing including intangible assets (net of DTA)	5.3 cents	7.4 cents

Earnings per share	**Current Period**	**Previous Period**
Earnings per ordinary security (EPS)	0.10 cents	1.37 cents
Diluted earnings per share	0.12 cents	1.35 cents

Compliance Statement

1. This Appendix 4E has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and Corporations Regulations 2001; and other standards acceptable to the ASX.
2. This Appendix 4E, and the accounts upon which the Appendix 4E is based (if separate), use the same accounting policies.
3. This Appendix 4E does give a true and fair view of the matters disclosed.
4. This Appendix 4E is based on financial statements which are currently being audited.

Eureka Group Holdings Limited

Lachlan McIntosh
Chairman

Dated: 30 August 2013
Brisbane

Chairman's Review

Chairman's Review

On behalf of Directors, I present the Preliminary Annual Report of Eureka Group Holdings Limited (the "Group", "Company" or "EGH") for the year ended 30 June 2013.

The Group reported EBITDA for FY 2013 of $865,296 (FY 2012: $1,632,463) and net profit after tax of $74,932 (FY 2012: $686,488). This reduction is specifically due to one-off costs associated with applying to become an aged care provider, impact of termination of a management contract noted below and delay in settlement of property sale affecting commission income.

Key Business Drivers

With the business model now simplified, earnings growth and value of management rights for the existing portfolio is driven by unit occupancy, services uptake and length of management rights contract. During the year, overall occupancy increased from 81% to 89%, which is a pleasing result. We believe that with limited rental accommodation available for seniors in Australia, occupancy should continue to increase in our villages. Services income including catering fees also increased by 51% during the year in villages we continue to manage. Continuing this trend of increased occupancy and services uptake is vital to profit growth in 2014.

Eureka manages 30 Seniors Rental Villages with a total number of 1,724 units. The weighted average term of these management agreements is 9.5 years. We strive each year to maintain or increase this average, so as to maintain or increase the value of Management Rights.

Notable Events

FY 2013 was a period of stability from a management perspective for the Group. For the large part, Management were able to focus on the long term management contracts in place. In September 2012, a large management contract called Young Village Estates was terminated. As previously announced, this contract provided over 50% of FY 2012 revenue, but relatively modest EBITDA. Termination of this contract has led to lower revenue in FY 2013 and costs relating to termination lowered group EBITDA.

In respect of the longer term growth of the business during 2013, the Group has two major projects: one which is on hold and the other which is proceeding well for the long term benefit of the Company. The project on hold is the application made by the Company to become an Approved Service Provider under the Aged Care Act. The Company has expensed $374,804 during the year on this project. The money spent has significantly tightened the Company's policies and procedures and assisted with the other major project; however, at this time, the Company is not an approved service provider and is unlikely to be one in the short term. As a Board, we decided that until we can grow the company further, we are unable to justify the ongoing cost of this project.

The other major project is in relation to becoming accredited to provide Level 3 Supported Living Services under the Residential Services Accreditation Act. This project is virtually complete and whilst we await confirmation from the Queensland Government, from 1 July 2013, we are providing Level 3 Services to village residents. Providing such services will give the Group certain cost exemptions which will improve profitability of individual villages and provide some further revenue streams. As the project completes for each village, there is an immediate profit increase due to government subsidies for Level 3 accredited providers.

During the year, the Group continued to improve its balance sheet. Bank debt decreased from $3,599,000 to $3,309,000 and there was a significant reduction of overall liabilities. To further improve the balance sheet, the Company has determined that it will sell three small management rights, where the company owns real estate on site. These villages, whilst profitable do not cover the cost of capital for the Company. Sale of these rights is expected to generate cash over $1,700,000 and significantly lower bank debt without lowering net profit after tax. One of these three rights is under a conditional contract for $515,000. If this contract goes unconditional, it will settle in late September 2013. The others are currently on the market, with sales expected in early 2014.

Value of Management Rights

The Board continues to engage leading management rights agent Resort Brokers Pty. Ltd. to review the valuation methodology of the carrying values of the various management rights owned by the Group. The review undertaken by Resort Brokers indicates that on an overall basis the management rights owned by the Group are valued at significantly higher than they are recorded in the Consolidated Statement of Financial Position. Under AASB 138 the group is unable to revalue these rights.

Outlook

With continuing stable management and provision of Level 3 Supported Living Services, the Company expects profit improvement in the business in 2014. As part of its growth strategy, the Company is currently undertaking Due Diligence on the Epic Group of Companies and it will announce the results of this exercise in due course.

Lachlan McIntosh
Chairman

Consolidated Statement of profit or loss and other comprehensive income

	Note	Consolidated 30 June 2013 $	30 June 2012 $
Total Revenue	1	**10,878,440**	**15,593,470**
Expenses			
Food, beverage and consumables		7,962,878	9,000,168
Impairment – management rights		34,266	-
Impairment – assets held for sale		37,080	-
Employee benefits expenses		954,659	1,032,886
Finance costs	2	490,683	668,369
Community operating expenses		20,904	328,789
Marketing expenses		4,154	27,906
Consultancy expenses		468,018	627,021
Depreciation and Amortisation expenses	2	299,681	277,606
Lease expenses	2	24,000	36,000
Other expenses		507,185	2,908,237
Total expenses		**10,803,508**	**14,906,982**
Profit before income tax expense from continuing operations		**74,932**	**686,488**
Income tax expense / (benefit)	3	-	-
Profit from continuing operations		**74,932**	**686,488**
Profit for the period		**74,932**	**686,488**
Other comprehensive income		-	-
Total Comprehensive Income for the period		**74,932**	**686,488**
Basic earnings per share (cents per share)	16	**0.10**	**1.37**
Diluted earnings per share (cents per share)	16	**0.12**	**1.35**

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 30 JUNE 2013

		Consolidated	
	Note	30 June 2013 $	30 June 2012 $
Current Assets			
Cash and cash equivalents		465,676	895,059
Trade and other receivables	4	530,587	738,233
Inventories	5	41,543	61,098
Assets held for resale	6	1,492,725	2,003,631
Other	7	92,100	209,453
Total Current Assets		**2,622,631**	**3,907,474**
Non-Current Assets			
Property, plant and equipment	9	1,290,686	1,050,485
Intangible assets	10	5,467,707	5,475,710
Total Non-Current Assets		6,758,393	6,526,195
Total Assets		**9,381,024**	**10,433,669**
Current Liabilities			
Trade and other payables	11	610,420	1,937,135
Other financial liabilities	14	1,761,643	1,427,047
Provisions	12	42,444	73,459
Total Current Liabilities		**2,414,507**	**3,437,641**
Non-Current Liabilities			
Financial liabilities	14	2,949,000	3,299,000
Total Non-Current Liabilities		**2,949,000**	**3,299,000**
Total Liabilities		**5,363,507**	**6,736,641**
Net Assets		**4,017,517**	**3,697,028**
Equity			
Share Capital	15	44,176,337	43,930,780
Accumulated losses		(40,158,820)	(40,233,752)
Total Equity		**4,017,517**	**3,697,028**

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated	
	Note	30 June 2013 $	30 June 2012 $
Cash flows from operating activities			
Receipts from customers		12,089,006	15,873,487
Payments to suppliers & employees		(12,054,979)	(15,285,814)
Interest received		4,771	37,318
Finance costs		(490,683)	(522,925)
Net cash provided (used) in operating activities		**(451,885)**	**102,066**
Cash flows from investing activities			
Payments for property, plant and equipment		(75,384)	(77,231)
Proceeds from sale of management rights and managers unit		-	543,670
Payments for intangible assets		(71,297)	(240,909)
Net cash provided (used) in investing activities		**(146,681)**	**225,530**
Cash Flows from financing activities			
Proceeds from other financial liabilities		278,231	366,096
Repayments of other financial liabilities		(290,000)	(400,000)
Proceeds from share issues		189,395	350,000
Payments for share issue costs		(8,443)	(117,380)
Net cash provided from financing activities		**169,183**	**198,716**
Net increase (decrease) in cash and cash equivalents		(429,383)	526,312
Cash and cash equivalents at beginning of financial year		895,059	368,747
Cash and cash equivalents at end of financial year		**465,676**	**895,059**

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		
	Share Capital $	Accumulated Losses $	Total $
2013			
Balance at 1 July 2012	**43,930,780**	**(40,233,752)**	**3,697,028**
Total comprehensive income for the year	**-**	**74,932**	**74,932**
Debt converted into equity	64,605	-	64,605
Shares issued during the year	189,395	-	189,395
Capital raising cost	(8,443)	-	(8,443)
Balance at 30 June 2013	**44,176,337**	**(40,158,820)**	**4,017,517**
2012			
Balance at 1 July 2011	42,300,014	(40,920,240)	1,379,774
Total comprehensive income for the year	**-**	**686,488**	**686,488**
Debt converted into equity	1,398,146	-	1,398,146
Shares issued during the year	350,000	-	350,000
Capital raising cost	(117,380)	-	(117,380)
Balance at 30 June 2012	**43,930,780**	**(40,233,752)**	**3,697,028**

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

Notes to the Financial Statements

Basis of preparation

This preliminary financial report has been prepared in accordance with ASX listing rule 4.3A and has been derived from the unaudited financial report. The financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary financial report does not include all notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012, the half-year report for the period ended 31 December 2012 and any public announcements made by the Group during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These policies have been consistently applied to all the years presented except as noted below.

This report is based on the Financial Report which is in the process of being audited.

The current reporting period in the preliminary financial report is the year ended 30 June 2013 while the previous corresponding period is the year ended 30 June 2012.

Going Concern

The preliminary financial report has been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

The going concern assumption is based on the following steps taken by the Group:

- The Group expects to realise its remaining assets held for sale of $1,492,725 prior to 30 June 2014. Subsequent to year end, the Group entered into a conditional contract to sell one of these assets for $515,000 and if the contract goes unconditional, it will settle in late September 2013. The remaining assets held for sale are currently on the market. The Group has engaged Resort Brokers to market these remaining assets and discussions are being held with prospective buyers;
- Included in current liabilities are amounts owing to shareholders amounting to $1,036,643. The Group continues to retain the support of shareholder loan providers to the extent that the Group will work within its cash flow capabilities for repayment of its outstanding debts;
- The Directors believe the Group continues to have the support of NAB and has a number of strategies to maintain compliance with the facility covenants; and
- The Group’s 12 month cash flow forecast shows positive operating cash flows.

The Directors are confident of ongoing support from the existing shareholders, shareholder loan providers and the NAB and as such believe the Group will be able to generate sufficient cash flows from operating activities to fund ongoing working capital needs for at least a period of twelve months from the date of the Directors’ report.

As a result the Directors believe that the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis.

The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Notes to the Financial Statements

	Consolidated	
Note 1: Revenue	**30 June 2013 $**	**30 June 2012 $**
Catering	4,616,285	4,430,038
Service Fees	2,874,231	5,070,427
Management	748,980	3,224,661
Property maintenance	1,551,901	1,296,320
Other revenue	1,082,272	1,518,388
Total operating revenue	**10,873,669**	**15,539,834**
Other revenue		
Interest revenue	4,771	37,318
Gain on sale of assets held for sale	-	16,318
Other revenue	**4,771**	**53,636**
Total revenue	**10,878,440**	**15,593,470**

	Consolidated	
Note 2: Items included in profit/(loss)	**30 June 2013 $**	**30 June 2012 $**
Profit from ordinary activities before income tax		
expense includes the following specific items:		
Payments under operating leases	24,000	36,000
Finance cost		
- Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	490,683	668,369
Total finance cost	**490,683**	**668,369**
Amortisation		
- Management rights	201,639	168,637
- Other intangibles	9,349	9,342
Total amortisation	**210,988**	**177,979**
Depreciation		
- Plant & equipment	48,513	75,484
- Manager units	40,180	24,143
Total depreciation	**88,693**	**99,627**
Gain on sale of managers units	-	16,318

Notes to the Financial Statements

	Consolidated	
Note 3: Income tax	**30 June 2013 $**	**30 June 2012 $**
The components of tax expense comprise:		
Current tax	56,933	53,897
Deferred tax expense not previously brought to account	-	-
Deferred tax expense on temporary differences current year	50,406	196,812
Derecognition of deferred tax balances	(50,406)	-
Unrecognised deferred tax assets recouped	(56,933)	(250,709)
Profit before income tax expense	74,932	686,488
Income Tax calculated at 30%	22,479	205,946
Tax effect on permanent differences		
- Entertainment	130	531
- Fines/Penalties	30	-
- Capital profits	-	(9,162)
- Amortisation of intangibles	84,700	53,394
- Gain on re-measurement of equity investment due to business combination	-	-
Unrecognised deferred tax assets recouped	(56,933)	(250,709)
Deferred tax asset not previously brought to account	-	-
Tax losses not recouped	-	-
Tax losses not recognised	-	-
De-recognition of deferred tax balances	(50,406)	-
Income tax expense	**-**	**-**
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	35,256,164	34,780,364
Potential tax benefit at 30%	**10,576,849**	**10,434,109**
Unrecognised temporary differences		
Temporary difference relating for which deferred tax liabilities have not been recognised:		
Employee benefits	9,305	118,084
Other	40,594	306,450
Potential tax benefit at 30%	**49,899**	**127,360**

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 highly probably that future taxable profits will be available against which the Consolidated Entity can utilise these benefits.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated	
Note 4: Receivables	**30 June 2013 $**	**30 June 2012 $**
Trade & other debtors	534,336	788,233
Provision for doubtful debts	(3,749)	(50,000)
Total Receivables	**530,587**	**738,233**

	Consolidated	
Note 5: Inventories	**30 June 2013 $**	**30 June 2012 $**
Catering inventory – at cost	41,543	61,098
Total inventory	**41,543**	**61,098**

	Consolidated	
Note 6: Assets held for sale	**30 June 2013 $**	**30 June 2012 $**
Managers units	939,965	1,251,219
Management rights	552,760	728,157
Property, plant & equipment	-	24,255
Total assets held for sale	**1,492,725**	**2,003,631**

Assets held for resale consist of:

1. One managers unit at Chermside and the management rights
2. One managers unit at Stafford and the management rights
3. One managers unit at Cleveland and the management rights; and
4. The management rights at Albury and Wodonga.

The Group has engaged Resort Brokers to market these assets and expects to sell these assets by the second half of FY 2014.

The Directors have considered the capital adequacy requirements of EGH, including cash flows pertaining to operations and capital transactions. The Directors will continue in an orderly manner to divest the non-core assets which includes real estate and low contribution management rights. This is anticipated to reduce existing debt levels over the next 6 - 12 months.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated	
Note 7: Other current assets	**30 June 2013 $**	**30 June 2012 $**
Prepayments	92,100	209,453
Total other current assets	**92,100**	**209,453**

Name of Entity	Country of Formation or Incorporation	Equity Holding	
		30-Jun-13	30-Jun-12
		%	%
Note 8: Investment in subsidiaries			
SCV No. 1 Pty Ltd	Australia	100%	100%
SCV No. 2 Pty Ltd	Australia	100%	100%
SCV Leasing Pty Ltd (formerly SCV No. 3 Pty Ltd)	Australia	100%	100%
Eureka Property Pty Ltd (formerly SCV Services Pty Ltd	Australia	100%	100%
SCV Manager Pty Ltd	Australia	100%	100%
Compton's Villages Australia Unit Trust (acquired 16 February 2006)	Australia	100%	100%
Compton's Caboolture Pty Ltd (acquired 16 February 2006)	Australia	100%	100%
Eureka Care Communities Pty Ltd (acquired 1 July 2010)	Australia	100%	100%

Notes to the Financial Statements

	Consolidated	
Note 9: Property, Plant & Equipment	**30 June 2013 $**	**30 June 2012 $**
Managers units at cost	1,237,693	859,535
Accumulated depreciation	(132,588)	(127,647)
	1,105,105	**731,888**
Plant & equipment at cost	848,380	1,070,486
Accumulated depreciation	(662,789)	(751,889)
	185,581	**318,597**
Total Property, Plant & Equipment	**1,290,686**	**1,050,485**

Movements during the year ending 30 June 2013

	Manager's Units	Plant & Equipment	Total
Consolidated			
Opening written down value	731,888	318,597	1,050,485
Additions at cost	63,776	11,608	75,384
Disposals	-	(130,866)	(130,866)
Transfer from assets held for sale	349,621	34,755	384,376
Depreciation expense	(40,180)	(48,513)	(88,693)
Closing written down value	**1,105,105**	**185,581**	**1,290,686**

Movements during the year ending 30 June 2012

	Manager's Units	Plant & Equipment	Total
Consolidated			
Opening written down value	737,076	421,347	1,158,423
Additions at cost	18,955	58,276	77,231
Disposals	-	(85,542)	(85,542)
Depreciation expense	(24,143)	(75,484)	(99,627)
Closing written down value	**731,888**	**318,597**	**1,050,485**

Notes to the Financial Statements

	Consolidated	
Note 10: Intangible assets	**30 June 2013 $**	**30 June 2012 $**
Intellectual property - at cost	1	1
Management rights - at cost	4,098,488	3,861,237
Impairment of management rights	(34,266)	-
Accumulated amortisation	(673,249)	(471,610)
	3,390,973	**3,389,627**
Plans & trademarks - at cost	27,749	27,749
Accumulated amortisation	(26,623)	(26,517)
	1,126	**1,232**
Sale rolls	138,571	138,571
Accumulated amortisation	(18,478)	(9,236)
	120,092	**129,335**
Goodwill	1,955,515	1,955,515
Total intangible assets	**5,467,707**	**5,475,710**

The Group's primary business activity is the management (through management rights agreements) of senior's accommodation throughout Australia. The Group's primary intangible assets are management rights and goodwill. These intangible assets, although separately classified per accounting standard requirements, all relate to the management of senior's accommodation. Their separate categorisation has arisen from acquisitions. Although the Group now predominantly has a singular business activity and segment, the management rights intangible assets are amortised over 40 years, reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Group, while the goodwill is tested periodically for impairment.

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

1. cash flows were projected over a five year period by applying a 2% growth rate (2012: 2%) to the most recent years' cash flows;
2. the terminal value was calculated using a growth rate of 2% (2012: 2%);
3. cash flows have been discounted using a pre-tax discount rate of 25% (2012: 25%);
4. cash flows do not take into account the management of any new villages; and
5. cash flows are based on historical results.

The 2% growth rate for the project cash flow is considered conservative when compared with the business activities over the previous 12 months. The Group expects a steady growth in revenue under the new management team and business structure.

The calculations at balance date indicate no impairment of the goodwill CGU. If the pre-tax discount rate applied to the cash projections of the goodwill CGU was increased by 500 basis points, the recoverable amount of the CGU is still greater than the carrying amount.

Movements during the year ending 30 June 2013

Consolidated	Intellectual Property $	Management Rights $	Plans & Trademarks $	Sale Rolls $	Goodwill $	Total $
Opening written down value	1	3,389,627	1,232	129,335	1,955,515	5,475,710
Additions at cost	-	71,297	-	-	-	71,297
Impairment of management rights	-	(34,266)	-	-	-	(34,266)
Transfer from assets held for sale	-	165,954	-	-	-	165,954
Amortisation expense	-	(201,639)	(106)	(9,243)	-	(210,988)
Closing written down value	**1**	**3,390,973**	**1,126**	**120,092**	**1,955,515**	**5,467,707**

Movements during the year ending 30 June 2012

Consolidated	Intellectual Property $	Management Rights $	Plans & Trademarks $	Sale Rolls $	Goodwill $	Total $
Opening written down value	**1**	**3,317,355**	**1,338**	**138,571**	**1,955,515**	**5,412,780**
Additions at cost	-	240,909	-	-	-	240,909
Amortisation expense	-	(168,637)	(106)	(9,236)	-	(177,979)
Closing written down value	**1**	**3,389,627**	**1,232**	**129,335**	**1,955,515**	**5,475,710**

	Consolidated	
Note 11: Trade & other payables	**30 June 2013 $**	**30 June 2012 $**
Trade creditors and accruals	610,420	1,937,135
Total trade & other payables	**610,420**	**1,937,135**

	Consolidated	
Note 12: Provisions	**30 June 2013 $**	**30 June 2012 $**
Current		
Annual Leave Entitlements	42,444	73,459
Non-Current		
Long Service Leave Entitlements	-	-
Total Provisions	**42,444**	**73,459**

Note 13: Dividends

Notes to the Financial Statements

No dividends were paid or proposed during financial year 2013 (2012 - nil).
The balance of the franking account at 30 June 2013 was $nil (2012 - $nil).

	Consolidated	
Note 14: Financial Liabilities	**30 June 2013 $**	**30 June 2012 $**
Current Liabilities		
Shareholder loans	1,036,643	987,047
Convertible notes	365,000	140,000
Commercial bills – secured	360,000	300,000
Total Current Financial Liabilities	**1,761,643**	**1,427,047**
Commercial bills - secured	**2,949,000**	3,299,000
Total Non-Current Financial Liabilities	**2,949,000**	**3,299,000**
Total Financial Liabilities	**4,710,643**	**4,726,047**

Note 15: Share capital	**30 June 2013 Number**	**30 June 2012 Number**	**30 June 2013 $**	**30 June 2012 $**
Fully paid ordinary shares (number of shares)	**75,632,932**	**73,092,932**	**44,176,337**	**43,930,780**
Opening balance	73,092,932	37,857,460	43,930,780	42,300,014
Shares issued during the year:				
Shares issued at $0.0363 (Note conversion)	-	8,473,207	-	308,000
Shares issued at $0.0400 (Note conversion)	-	5,878,643	-	235,146
Shares issued at $0.0431 (Note conversion)	-	6,530,742	-	281,720
Shares issued at $0.0495 (Note conversion)	-	403,883	-	20,000
Shares issued at $0.0502 (Note conversion)	-	2,490,520	-	125,000
Shares issued at $0.0504 (Note conversion)	-	6,117,225	-	308,280
Shares issued at $0.0505 (Note conversion)	-	494,733	-	25,000
Shares issued at $0.0530 (Note conversion)	-	471,519	-	25,000
Shares issued at $0.0800 (Note conversion)	-	875,000	-	70,000
Share issued at $0.0100 (Debt conversion)	646,050	-	64,605	-
Shares issued at $0.0100	1,893,950	3,500,000	189,395	350,000
Less: share issue costs	-	-	(8,443)	(117,380)
Shares on issue at end of year	**75,632,932**	**73,092,932**	**44,176,337**	**43,930,780**

Notes to the Financial Statements

	30 June 2013	30 June 2012
	Number of Options	
Options on issue at beginning of year	8,941,010	315,000
Options expired	-	(65,000)
Options cancelled upon resignation; this relates to the $0.25 vesting after 36 months	-	-
Options issued as part of convertible note issuance	-	8,691,010
Options exercised	-	-
Total options on issue	**8,941,010**	**8,941,010**

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.

Options

In August 2010, the Company issued 250,000 options expiring on 2 July 2013 and exercisable into ordinary shares in the Company at 25 cents (or 2.5 cents pre-consolidation) to Michael Hayes. These options were cancelled during FY 2012 upon the resignation of Michael Hayes.

On 30 November 2011 (at the Annual General Meeting) shareholders approved the issuance of 530,000 secured and 773,000 unsecured redeemable convertibles notes of $1.00 each (Notes) with 6 2/3 attaching Options (Options) for each note – or a total of 8,691,010 options. The 8,691,010 options expiring on 6 December 2013, are exercisable into ordinary shares in the Company at 15 cents.

Below is a valuation of the 5 December options issued.

Issue Date	Expiry Date	Term	Risk-free Rate	Share Price on Issue Date	Strike Price	Volatility	Price Per Option
5-December-2011	6-December-2013	2.0	3.5	0.04	0.15	83.5	0.006

The assessed fair value at the date of grant of options issued is determined using a Black-Scholes option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of the option, the underlying share's expected volatility, expected dividends and the risk free interest rate for the expected life of the instrument.

Notes to the Financial Statements

	Consolidated	
Note 16: Earnings per share	**30 June 2013 $**	**30 June 2012 $**
Net profit/(loss) used in calculating basic and diluted earnings per share	74,932	686,488
Net gain / loss used in calculating diluted earnings per share	74,932	686,488
Weighted average number of ordinary shares used in calculating basic earnings per share adjusted for consolidation	75,521,590	49,967,419
Adjustments made to ordinary shares & potential ordinary shares as a result of convertible notes issued	4,827,586	1,013,661
Weighted average number of ordinary shares & potential ordinary shares used in calculating diluted earnings per share	80,349,176	50,981,080
Basic earnings per share (dollars per share)	0.10 Cents	1.37 Cents
Diluted earnings per share (dollars per share)	0.12 Cents	1.35 Cents

Note 17: Parent Entity Disclosures

Information relating to Eureka Group Holdings (parent entity),

	Consolidated	
	30 June 2013 $	**30 June 2012 $**
Results of the parent entity		
Loss for the period	(720,215)	(442,794)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(720,215)**	**(442,794)**
Financial position of parent entity at year end		
Current assets	678,535	1,833,476
Total assets	7,168,718	5,633,680
Current liabilities	1,978,864	782,774
Total liabilities	4,927,864	5,399,447
Total equity of parent entity comprising of:		
Share capital	44,176,337	43,930,780
Retained earnings	(41,935,483)	(43,696,547)
Total equity	**2,240,854**	**234,233**

Guarantees

The parent entity has provided guarantees to third parties in relation to the performance and obligations of controlled entities in respect of banking facilities. The guarantees are for the terms of the facilities. The period covered by the guarantees is 1 to 2 years.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2013 and 30 June 2012.

Corporate Directory

FOR THE YEAR ENDED 30 JUNE 2013

Postal Address
PO Box 4231, Robina Town Centre, Qld, 4230

Board of Directors
Lachlan McIntosh (Non - Executive Chairman)
Paul Fulloon
Nirmal Hansra
Greg Rekers
Kerry Potter

Company Secretary
Troy Nunan

Solicitors
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Fax: 1300 368 717

Auditors
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Level 10, 12 Creek Street
Brisbane Qld 4000
Tel: 07 3237-5999
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Share Registry
Link Market Services – Brisbane
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Brisbane Qld 4000
Call Centre 02 8280-7454
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Listing Details
ASX Limited Brisbane
Code: Shares - EGH