

NEW HAVEN HOTELS LIMITED

(FORMERLY NEWHAVEN PARK STUD LIMITED)

INCORPORATED IN NEW SOUTH WALES

ABN 72 002 993 017

"Red Hill" Bowning, NSW 2582

Telephone: (02) 6227 6140 Fax: (02) 6227 6068

TFH:TW

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27 February, 2014.

The Manager - Companies,
Australian Stock Exchange Limited,
SYDNEY.

Dear Sir,

ANNOUNCEMENT

Enclosed is the Company's Appendix 4D for the half-year ended 31 December, 2013, as required by ASX Listing Rules.

To satisfy the requirements of the Corporations Law, a signed copy of the Company's Interim Report for the half-year is also enclosed.

Yours faithfully,



T. F. HORTON,
(Secretary).

Newhaven Hotels Limited

Appendix 4D - Half Year Report

Results for announcement to the market Half Year Ended 31 December 2013

	% change	2013 \$	2012 \$
Sales Revenue	3.81%	13,066,075	12,586,505
Interest Revenue		28,026	36,588
Other Revenue		12,116	1,064
Revenue from ordinary activities	3.82%	13,106,217	12,624,157
Earning before interest, tax & depreciation	4.73%	3,083,240	2,943,978
Depreciation		535,302	411,373
Earning before interest & tax		2,547,938	2,532,605
Finance costs		1,238,983	1,292,563
Profit before income tax expense		1,308,955	1,240,042
Income tax expense		389,497	381,464
Net profit attributable to members	7.09%	919,458	858,578
Basic earnings per share		\$0.041	\$0.039

Dividends per security

Interim Dividend - fully franked Paid 08 February 2013 Record date 29 January 2013 Total paid	2 cents \$443,491
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Interim Dividend - fully franked Paid 07 February 2014 Record date 29 January 2014 Total paid	2 cents \$473,607
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The company does not operate a dividend reinvestment plan.
There were no foreign sourced dividends or distributions.

Net tangible asset backing

Net tangible assets	\$25,511,079	\$23,664,420
Shares issued	23,680,335	22,174,556
Net tangible assets per share	\$1.0773	\$1.0672

This information should be read in conjunction with the company's annual financial report for the year ended
30 June 2013

Newhaven Hotels Limited

Appendix 4D - Half Year Report

Results for announcement to the market **Half Year Ended 31 December 2013**

Comments on results

The company's total sales revenue increased by approximately 3.81%

The company has continued to increase revenue and control costs during the current period.

Trading conditions in the hotel industry have been good and show signs of further improvement.

The refurbishment of the recently acquired Duke of Gloucester Hotel has been completed
This has improved profits

The company's net assets remain in a strong position

Other Appendix 4D information

The company does not have any associate or joint venture entities.
The company is not a foreign entity.

Samuel F Kelly
CEO/Director

27th February 2014

**NEWHAVEN HOTELS LIMITED
AND CONTROLLED ENTITY**
ACN 002993017

INTERIM REPORT 31 DECEMBER 2013

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

ACN 002 993 017

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NEWHAVEN HOTELS LIMITED

Quoted on the official list of the Australian Stock Exchange Limited

CORPORATE DIRECTORY

Directors

Frederick John KELLY (Chairman)
Norman Eric NAPPER, LL.B
Thomas William John KELLY
Frederick John KELLY JNR
Samuel Frederick KELLY (CEO and Managing Director)
William Frederick KELLY
Katherine Jane KELLY

Secretary

Thomas Francis HORTON, ACA

Principal office

Newhaven Hotels Limited, "Red Hill", Bowning, NSW, 2582
Telephone: (02) 6227 6140, Fax: (02) 6227 6068

Registered office and share register

C/- SMR, Chartered Accountants,
54 Goulburn Street, Crookwell, NSW, 2583
Telephone: (02) 4832 1100, Fax: (02) 4832 2100
P.O. Box 4, Crookwell, NSW, 2583

Share register maintained by

Computershare Investor Services Pty. Limited,
Level 5, 115 Grenfell Street, Adelaide, SA, 5000
Telephone: (08) 8236 2300, Fax: (08) 8236 2305
G.P.O. Box 1903, Adelaide, SA, 5001

Auditors

Stirling International, Chartered Accountants,
Level 4
283-285 Clarence Street,
Sydney, NSW, 2000

Solicitors

Esplins, Solicitors,
Level 6,
261 George Street,
Sydney, NSW, 2000

Bankers

Australia and New Zealand Banking Group Limited, Sydney, NSW

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2013.

Directors

The names of the directors of the Company in office during or since the end of the half-year are:-

Frederick John KELLY (Chairman)
Norman Eric NAPPER, LL.B
Thomas William John KELLY
Frederick John KELLY JNR
Samuel Frederick KELLY (CEO and Managing Director)
William Frederick KELLY
Katherine Jane KELLY

Review of operations

The operating profit before income tax for the half-year ended 31 December 2013 was \$1,308,955 (2012 half-year \$1,240,042).

Income tax expense amounted to \$389,497 (2012 half-year \$381,464) leaving an operating profit after income tax of \$919,458 (2012 half-year \$858,578).

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2013.

Signed in accordance with a resolution of the board of directors.



S F KELLY
Director



N E NAPPER
Director

26th February 2014.



STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

ABN 65 085 182 822

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

STIRLING INTERNATIONAL
Chartered Accountants
K Arya – Partner

Level 4
283-285 Clarence Street
Sydney NSW 2000

26 February, 2014.

PO Box Q182 Sydney NSW 1230
Telephone (02) 8268 8188 Facsimile (02) 8268 8199
Email: office@stirlinginternational.com.au

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	31 December 2013 \$	31 December 2012 \$
Revenue	2	<u>13,106,217</u>	<u>12,624,157</u>
Cost of goods sold		(4,530,394)	(4,244,870)
Employee expenses		(3,032,726)	(2,914,678)
Depreciation expenses		(535,302)	(411,373)
Finance costs		(1,238,983)	(1,292,563)
Hotel gaming device duties		(673,211)	(616,182)
Other hotel expenses		(1,648,231)	(1,789,877)
Other expense	2	(6,938)	0
Other group expenses		<u>(131,477)</u>	<u>(114,572)</u>
		<u>(11,797,262)</u>	<u>(11,384,115)</u>
Profit before income tax		1,308,955	1,240,042
Income tax expense		<u>(389,497)</u>	<u>(381,464)</u>
Profit from continuing operations		<u>919,458</u>	<u>858,578</u>
Profit for the period		<u>919,458</u>	<u>858,578</u>

Other Comprehensive Income:

Items that will not be reclassified subsequently to profit or loss

Net gain on revaluation of property, plant and equipment	5,000,000	42,625
Loss on revaluation of intangibles	(5,000,000)	-
	<u>-</u>	<u>-</u>
Other comprehensive income for the period, net of tax	-	42,625
	<u>-</u>	<u>-</u>
Total Comprehensive Income for the period	<u>919,458</u>	<u>901,203</u>
Net Profit attributable to:		
- members of the parent entity	<u>919,458</u>	<u>858,578</u>
Total comprehensive income attributable to:		
- members of the parent entity	<u>919,458</u>	<u>901,203</u>
Earnings per share:		
Basic earnings per share from continuing operations (cents per share)	4.13	3.87

The accompanying notes form part of these accounts.

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	31 December 2013 \$	30 June 2013 \$
ASSETS		
Current Assets		
Cash and cash equivalents	6,366,995	4,225,546
Inventories	400,102	349,145
Other financial assets	<u>135,911</u>	<u>262,223</u>
Total current assets	<u>6,903,008</u>	<u>4,836,914</u>
Non-Current Assets		
Property, plant and equipment	59,725,874	54,734,247
Investment property	-	1,428,000
Intangibles	8,151,796	13,621,128
Deferred tax assets	<u>82,373</u>	<u>100,833</u>
Total non-current assets	<u>67,960,043</u>	<u>69,884,208</u>
TOTAL ASSETS	<u>74,863,051</u>	<u>74,721,122</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	1,097,044	1,222,823
Borrowings	281,968	2,232,624
Current tax liabilities	366,671	203,769
Provisions	<u>181,295</u>	<u>171,910</u>
Total current liabilities	<u>1,926,978</u>	<u>3,831,126</u>
Non-Current Liabilities		
Borrowings	37,502,359	38,211,770
Deferred tax liabilities	<u>9,922,365</u>	<u>9,968,829</u>
Total non-current liabilities	<u>47,424,994</u>	<u>48,180,599</u>
TOTAL LIABILITIES	<u>49,351,972</u>	<u>52,011,725</u>
NET ASSETS	<u>25,511,079</u>	<u>22,709,397</u>
EQUITY		
Issued capital	5,936,449	4,054,225
Reserves	14,231,019	14,231,019
Retained earnings	<u>5,343,611</u>	<u>4,424,153</u>
TOTAL EQUITY	<u>25,511,079</u>	<u>22,709,397</u>

The accompanying notes form part of these accounts.

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital Ordinary	Retained Earnings	Asset Revaluation Reserve	Asset Realisation Reserve	Total
Balance at 1 July 2012	4,054,225	4,613,113	13,335,950	759,929	22,763,217
Comprehensive Income					
Profit for the period	-	858,578	-	-	858,578
Other comprehensive income for the period	-	-	42,625	-	42,625
Total comprehensive income	-	858,578	42,625	-	901,203
Balance at 31 December 2012	4,054,225	5,471,691	13,378,575	759,929	23,664,420
Balance at 1 July 2013	4,054,225	4,424,153	13,471,090	759,929	22,709,397
Comprehensive Income					
Profit for the period	-	919,458	-	-	919,458
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	919,458	-	-	919,458
Transactions with owners in their capacity as owners					
Shares issued during the period	1,882,224	-	-	-	1,882,224
Total transactions with owners	1,882,224	-	-	-	1,882,224
Other					
Transfer of prior year revaluation increment to asset realisation reserve on sale of investment property	-	-	(491,532)	491,532	-
Transfer of prior year revaluation increment to asset realisation reserve on sale of Gaming Entitlements	-	-	(328,533)	328,533	-
Total other transfers, net of tax	-	-	(820,065)	820,065	-
Balance at 31 December 2013	5,936,449	5,343,611	12,651,025	1,579,994	25,511,079

The accompanying notes form part of these accounts.

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 \$	31 December 2012 \$
Cash Flows from Operating Activities		
Receipts from customers	14,386,721	13,841,478
Interest received	<u>28,026</u>	<u>36,588</u>
	14,414,747	13,878,066
Payment to suppliers and employees	<u>(10,724,953)</u>	<u>(10,186,988)</u>
Cash generated from operations	<u>3,689,794</u>	<u>3,691,078</u>
Interest and other costs of finance paid	(1,225,021)	(1,260,069)
Income tax paid- attributable to this year	(203,769)	(51,544)
Income tax paid- attributable to last year	(50,560)	(180,297)
Goods and services tax paid	<u>(662,964)</u>	<u>(652,457)</u>
	<u>(2,142,314)</u>	<u>(2,144,367)</u>
Net cash provided by operating activities	<u>1,547,480</u>	<u>1,546,711</u>
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(516,086)	(1,225,037)
Proceeds from disposal of poker machine entitlements	225,000	-
Proceeds from disposal of investment property	<u>1,662,898</u>	<u>-</u>
Net cash provided by/(used in) investing activities	<u>1,371,812</u>	<u>(1,225,037)</u>
Cash Flows from Financing Activities		
Repayment of HP loan	(177,843)	(101,852)
Repayment of Bank loan	(600,000)	-
Proceeds from borrowings	<u>-</u>	<u>27,500</u>
Net cash used in financing activities	<u>(777,843)</u>	<u>(74,352)</u>
Net increase in cash held	2,141,449	247,322
Cash and cash equivalents at 1 July 2013	<u>4,225,546</u>	<u>3,304,998</u>
Cash and cash equivalents at 31 December 2013	<u>6,366,995</u>	<u>3,552,320</u>

The accompanying notes form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1. Summary of Significant Accounting Policies

a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Newhaven Hotels Limited and its controlled entity. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2013, together with any public announcements made during the following half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(c) below.

c) New and Revised Accounting Requirements Applicable to the Current half year Reporting Period

(i) Fair value measurements and disclosures.

The company has adopted AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* from 1 January 2013 together with consequential amendments to other Standards. These Standards are mandatorily applicable from 1 January 2013 and thus, became applicable to the Group for the first time in the current half-year reporting period. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. Although these Standards do not change the accounting policies on fair value measurement, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as set out in Note 1(e), should be incorporated in these financial statements.

d) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the entity controlled by Newhaven Hotels Limited at the end of the reporting period. A controlled entity is any entity over which Newhaven Hotels Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. The controlled entity is contained in Note 6 to the financial statements.

In preparing the consolidated financial statements, all intra-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

e) Fair Value of Assets and Liabilities

The company measures some of the assets and liabilities it holds at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard (for the respective accounting policies of such assets and liabilities, refer to the latest annual financial statements). "Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing buyers and sellers operating in a market. "Market" is taken to mean either a market with the greatest volume and level of activity for such asset or liability, or a market that maximises the receipts from the sale of an asset or minimises the payment made to transfer a liability after taking into account transaction costs.

Valuation techniques

The company selects and uses one or more valuation techniques to measure the fair values of a particular asset or liability. The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered "observable", whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered "unobservable".

Fair value hierarchy

The company adopts a "fair value hierarchy" to categorise the fair value measurements derived from the valuation techniques into three levels (as described below). The purpose of this classification is to indicate the relative subjectivity of the fair values derived. This classification is made by prioritising the inputs used in each valuation technique on the basis of the extent to which such inputs are observable.

Level 1	Level 2	Level 3
Level 1 fair values are considered to be the best indication (and therefore the most reliable evidence) of fair value. Inputs used to measure Level 1 fair values are unadjusted quoted prices for identical assets/liabilities in active markets (eg Australian Securities Exchange) where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.	Inputs used to measure Level 2 fair values are inputs (other than quoted prices included in Level 1) that are observable either directly or indirectly. Level 2 inputs include: – quoted prices for similar assets/liabilities in active markets; – quoted prices for similar or identical assets/liabilities in non-active markets; – foreign exchange rates; – market interest rates; – yield curves observable at commonly quoted intervals; – implied volatilities; and – credit spreads.	Level 3 fair values use unobservable inputs specific to the particular asset or liability because observable inputs are not available for such asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

The company would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the company recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

f) Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the June 2013 annual report.

2. Profit for the Period

	Half-year Ended 31 December 2013 \$	Half-year Ended 31 December 2012
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Hotel revenue	13,066,075	12,586,505
Interest received	28,026	36,588
Rental revenue	12,116	1,064
	<hr/>	<hr/>
	13,106,217	12,624,157
	<hr/>	<hr/>
Other Expense		
Profit on disposal of investment property	237,395	0
Loss on disposal of poker machine entitlements	(244,332)	0
	<hr/>	<hr/>
	(6,938)	0
	<hr/>	<hr/>

3. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting period.

4. Operating Segments

From 1 July 2013, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliation of such management information to the statutory information contained in the interim financial report has been included.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Reportable segments disclosed are based on aggregated operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type of class of customer for the products or service;
- the distribution method; and
- external regulatory requirements

Types of Products and Services by Segment

Hotel Trading

The Hotel trading segment operates licensed Hotels providing liquor, food and accommodation. All products are aggregated as one reportable segment as the products are similar in nature, they are provided to similar types of customers and they are subject to a similar regulatory environment.

Gaming TAB and Amusements

The gaming TAB and amusement segment provides gaming services to customers of the licensed Hotels.

	Hotel Trading	Gaming TAB & Amusements	Total
Half year ended 31 December 2013			
Revenue			
External Sales	10,795,456	2,310,761	13,106,217
	<hr/>	<hr/>	<hr/>
Total segment revenue	10,795,456	2,310,761	13,106,217
	<hr/>	<hr/>	<hr/>
Amounts not included in segment result but reviewed by the Board:-			
Depreciation and Amortisation			(535,302)
Finance costs			(1,238,983)
Hotel gaming device duties			(673,211)
Other			(9,349,766)
			<hr/>
Net profit before tax from continuing operations			1,308,955
			<hr/>
Half year ended 31 December 2012			
Revenue			
External Sales	10,456,346	2,167,811	12,624,157
	<hr/>	<hr/>	<hr/>
Total Segment Revenue	10,456,346	2,167,811	12,624,157
	<hr/>	<hr/>	<hr/>
Amounts not included in segment result but reviewed by the Board:-			

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Unallocated items:

Depreciation and Amortisation	(411,374)
Finance costs	(1,292,276)
Hotel gaming device duties	(616,182)
Other	(9,064,283)

Net profit before tax from continuing operations	1,240,042
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5. Events after the end of the Interim Period

Since the end of the interim period, the directors have resolved to pay an interim fully franked dividend of 2 cents per share franked at the rate of 30%, payable on 7 February 2014.

On 13th February 2014, the company exchanged contracts for the sale of it's Buena Vista Hotel at Mosman for \$13m to be settled in July 2014. The sale price exceeds the book value of \$11.949m by \$1.051m.

6. Controlled entity

Controlled Entity Consolidated

	Country of Incorporation	Percentage Owned (%)	
		2013	2012
Duke of Gloucester Hotel Unit Trust	Australia	100	100

7. Issued Capital

During the half year the company issued 1,505,779 ordinary shares for \$1,882,224 in consideration for the release of a debt owed by the company. There were no other movements in the ordinary share capital of the company in the current or prior half year.

8. Borrowings

The issue of shares in consideration for the release of a debt of \$1,882,224 and repayment of an amount of \$600,000 has reduced the company's long term borrowings by \$2,482,224.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 12 are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December, 2013 and its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the Company.



S F KELLY
Director



N E NAPPER
Director

26th February, 2014.



STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

ABN 65 085 182 822

NEWHAVEN HOTELS LIMITED AND CONTROLLED ENTITY

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF NEWHAVEN HOTELS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Newhaven Hotels Limited, as set out on pages 4 to 13, which comprises the consolidated condensed statement of financial position as at 31 December 2013, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Newhaven Hotels Limited are responsible for the preparation and of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such 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, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Newhaven Hotels Limited and its controlled entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Newhaven Hotels Limited and its controlled entity, 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.

Matters Relating to Electronic Publication of the Half-Yearly Review Report

This review report relates to the financial report of Newhaven Hotels Limited for the year ended 31 December 2013 included on the website of Newhaven Hotels Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of financial report.

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Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Newhaven Hotels Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

STIRLING INTERNATIONAL
Chartered Accountants
K ARYA
Partner

Level 4
283-285 Clarence Street
Sydney, 26 February, 2014.