

Chapmans Limited

A.C.N. 000 012 386

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PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246 SYDNEY NSW 2001

31 August 2010

e-Lodgement

FOR PUBLIC RELEASE

Manager - Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

Re Appendix 4D and Half-Year Financial Report

Attached are the company's Appendix 4D - Half Year Report, together with the Half-Year Financial Report and Directors' Report for the period ended 30 June 2010.

For and on behalf of

Chapmans Limited

P Hetherton
Secretary

CHAPMANS LIMITED

A.C.N. 000 012 386

APPENDIX 4D

HALF-YEAR REPORT

(given to the Australian Securities Exchange under Listing Rule 4.2A)

Reporting period	Half-year ended	30 June 2010
Previous corresponding reporting period	Half-year ended	30 June 2009

Results for announcement to the Market

		\$ 30 June 2010	\$ 30 June 2009
Revenue from ordinary activities	down 3% to	49,645	51,280
Loss from ordinary activities before significant items attributable to members	up 99% to	(101,198)	(50,645)
Loss from significant items		-	(110,982)
Loss for the period after tax attributable to members	down 37% to	(101,198)	(161,627)

<u>N. T. A.</u>	30 June 2010	30 June 2009
Net tangible asset backing per ordinary security	2.2 cents	2.07 cents

30 August 2010

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CHAPMANS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2010

Your Directors present the financial statements of the consolidated entity for the half-year ended 30 June 2010.

1. REVIEW AND RESULTS OF OPERATIONS

The company continued managing its investment operations and supervising its investment portfolios, as well as examining various seed capital and venture capital investment proposals..

As previously reported, the Company's partly-owned subsidiary, Hallmark Minerals N L, acquired an interest in the share capital of an overseas company which controls an operating coal mining project in Kalimantan, Indonesia. A direct interest in the project was also acquired which will entitle the company to a fixed return per tonne of coal sold.

The investment in this coal mining project was satisfied by payments totalling \$400,000, including contributions by other participants, and the issue of 5,000,000 shares at 2.5 cents each in Hallmark Minerals N L.

Chapmans also acquired a fifteen percent (15%) interest in a private company which owns land for development in Gladstone, Queensland. Consideration for the acquisition was the issue of 2,000,000 shares in Chapmans, issued at five (5) cents per share.

The results of the half-year show a net loss of \$101,198.

2. DIRECTORS

The names of the Directors who have been Directors at any time during or since the end of the half-year are:

B Ganke - 1974; E Goh - 1985; P Hetherton - 1983; K Skelton - 1986

3. 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 2.

Signed in accordance with a resolution of Directors.

DATED at Sydney this 30th day of August 2010

P Hetherton
Director

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Chapmans Limited

As auditor for the review of Chapmans Limited for the half-year ended 30 June 2010, I declare that, 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.

COLQUHOUNS
Chartered Accountants

Neil Colquhoun
Principal

26 August 2010
Sydney

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CHAPMANS LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2010

	<i>Note</i>	30 June 2010 \$	30 June 2009 \$
Revenues		49,645	51,280
Administration expenses		(123,491)	(85,032)
Finance costs		(27,352)	(16,893)
Loss before significant items and income tax		(101,198)	(50,645)
Significant Items	10	-	(110,982)
Loss before Income tax		(101,198)	(161,627)
Income Tax Expense		-	-
Loss		(101,198)	(161,627)
Other comprehensive income/(loss):			
Net decrease in Fair Value Reserve		(87,327)	355,147
Total comprehensive income/(loss)		<u>(188,525)</u>	<u>(193,520)</u>
Loss Attributable to:			
Owners of the parent entity		(97,697)	(161,922)
Minority interest		(3,501)	295
		<u>(101,198)</u>	<u>(161,627)</u>
Comprehensive income/(loss) attributable to:			
Owners of the parent entity		(184,633)	193,563
Minority interests		(3,892)	(43)
		<u>(188,525)</u>	<u>193,520</u>
Earnings per share			
Basic earnings (loss) per share	8	(\$0.00085)	(\$0.0015)
Diluted earnings/(loss) per share	8	(\$0.00085)	(\$0.0015)

The Consolidated Income Statement should be read in conjunction with the accompanying Notes

CHAPMANS LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2010

	<i>Note</i>	30 June 2010 \$	30 December 2009 \$
Current Assets			
Cash and cash equivalents		7,005	11,391
Available for sale financial assets	2	87,195	122,814
Investment in Joint Venture	3	200,000	200,000
Trade and other receivables	4	329,039	381,558
		-----	-----
Total Current Assets		623,239	715,763
		=====	=====
Non Current Assets			
Available for sale financial assets	5	1,215,021	917,303
Property plant and equipment		4,886	3,649
Deferred tax assets		311,600	311,600
Other receivables	6	1,198,205	1,166,806
		-----	-----
Total Non Current Assets		2,729,712	2,399,358
		-----	-----
Total Assets		3,352,951	3,115,121
		=====	=====
Current Liabilities			
Trade and other payables		127,816	97,362
Borrowings		617,773	496,872
		-----	-----
Total Current Liabilities		745,589	594,234
		-----	-----
Total Liabilities		745,589	594,234
		-----	-----
Net Assets		2,607,362	2,520,887
		=====	=====
Equity			
Capital and Reserves attributable to company's equity holders			
Share Capital	7	9,898,393	9,798,393
Other Reserves		(559,395)	(472,459)
Accumulated Losses		(7,255,906)	(7,158,209)
		-----	-----
Total Equity attributable to company's equity holders		2,083,092	2,167,725
Minority Interests		524,270	353,162
		-----	-----
Total Equity		2,607,362	2,520,887
		=====	=====

The Consolidated Balance Sheet should be read in conjunction with the accompanying Notes

CHAPMANS LIMITED
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CONSOLIDATED STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	Share Capital \$	Reserves \$	Accumulated Losses \$	Minority Interests \$	Total Equity \$
Balance at 1 January 2009	9,498,393	(153,174)	(7,606,894)	328,816	2,067,141
Total comprehensive income/(loss)	-	355,485	(161,922)	(43)	193,520
Transfers capital losses to Reserves	-	(590,982)	590,982	-	-
Balance at 30 June 2009	<u>9,498,393</u>	<u>(388,671)</u>	<u>(7,177,834)</u>	<u>328,773</u>	<u>2,260,661</u>
Balance at 1 January 2010	9,798,393	(472,459)	(7,158,209)	353,162	2,520,887
Total comprehensive income/(loss)	-	(86,936)	(97,697)	(3,892)	(188,525)
Share Issues	100,000	-	-	175,000	275,000
Balance at 30 June 2010	<u>9,898,393</u>	<u>(559,395)</u>	<u>(7,255,906)</u>	<u>524,270</u>	<u>2,607,362</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes

CHAPMANS LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2010

	30 June 2010 \$	30 June 2009 \$
Cash flows from operating activities		
Interest paid	(52,288)	(1,821)
Operating expenses	(98,375)	(77,246)
	-----	-----
Net cash from/(used in) operating activities	(150,663)	(79,067)
	-----	-----
 Cash flows from investing activities:		
Dividends received	88	300
Payments for deposits	(72,351)	(28,288)
Payments for investments	(222,248)	(18,268)
Payments for plant & equipment	(1,886)	(1,900)
Proceeds from sale of investments	108,995	94,086
Repayments from deposits	190,000	6,000
	-----	-----
Net cash from/(used in) investing activities	2,598	51,930
	-----	-----
 Cash flows from financing activities:		
Proceeds from borrowings	219,600	53,500
Repayment of borrowings	(75,921)	(31,769)
	-----	-----
Net cash from/(used in) financing activities	143,679	21,731
	-----	-----
 Net increase in cash held	(4,386)	(5,406)
 Cash at the beginning of the financial period	11,391	6,865
	-----	-----
Cash at the end of the financial period	7,005	1,459
	=====	=====

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CHAPMANS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Report of the consolidated entity consisting of Chapmans Ltd and its subsidiaries are the same as those used in the 31 December 2009 Financial Report.

1.1 Basis of preparation

This financial report is a general purpose financial report which has been prepared in accordance with AASB 134, Interim Financial Reporting, Australian Equivalents to International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Accounting Interpretations) and the Corporations Act 2001.

The interim report does not include full disclosures of the type normally included in an annual financial report. It should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and any public announcements made during the half-year under the continuous disclosure obligations.

These consolidated interim financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets that have been measured at fair value.

1.2 Statement of compliance

The financial report complies with Australian Accounting Standards, which include the Australian equivalent to International Financial reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and associated notes, complies with International Financial Reporting Standards (IFRS).

		30 June 2010	31 December 2009
NOTE	AVAILABLE FOR SALE FINANCIAL ASSETS	\$	\$
2.	Current Shares in Corporations listed on Stock Exchanges at quoted market value	87,195 <u> </u>	122,814 <u> </u>
NOTE	INVESTMENT IN JOINT VENTURE		
3.	Coal Project - Indonesia	200,000 <u> </u>	200,000 <u> </u>

This investment is in a Coal Mining Joint Venture Project in Kalimantan, Indonesia, entered into by the subsidiary, Hallmark Minerals N L, from which the group will be entitled to receive a fixed return per tonne of coal sold.

During the reporting period, an additional investment was made in the Indonesian Coal Project by acquisition of a 4% interest in a private company controlling the project.

**CHAPMANS LIMITED
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		30 June 2010 \$	31 December 2009 \$
NOTE	TRADE & OTHER RECEIVABLES		
4.			
	Current		
	Loans - unsecured	184,422	293,902
	Debtors & prepayments	144,617	87,656
		-----	-----
		329,039	381,558
		=====	=====
NOTE	AVAILABLE FOR SALE FINANCIAL ASSETS		
5.			
	Non Current		
	Shares in Corporations listed on Stock Exchanges at quoted market value	183,435	110,717
	Shares in unlisted Corporations - at cost	1,031,586	806,586
		-----	-----
		1,215,021	917,303
		=====	=====
NOTE	OTHER RECEIVABLES		
6.			
	Loans - unsecured	1,198,205	1,166,806
		=====	=====
	Loans-unsecured with Nadi Bay Beach Corporation Ltd. Interest of \$31,399 was accrued during the period. Interest of \$417,708 which was earned in previous years has not been brought in as revenue at this stage.		
NOTE	SHARE CAPITAL		
7.			
	120,000,000 (2009 118,000,000) ordinary fully paid shares	9,898,393	9,798,393
		=====	=====
	During the period 2,000,000 shares were issued at 2.5 cents each for investment in a company which holds property for development in Gladstone, Queensland.		
NOTE	EARNINGS PER SHARE		
8.			
	Basic earnings/(loss) per share	(\$0.00085)	(\$0.0015)
	Diluted earnings/(loss) per share	(\$0.00085)	(\$0.0015)
	Net loss used to calculate earnings/(loss) per share	(\$101,198)	(\$161,627)
		=====	=====
	Number of weighted ordinary shares used in calculation of basic earnings (loss) per share	118,110,497	109,000,000
		=====	=====

**CHAPMANS LIMITED
AND CONTROLLED ENTITIES**

		30 June 2010 \$	30 June 2009 \$
NOTE	SEGMENT INFORMATION		
9.			
	Revenue	49,645 <u>=====</u>	51,280 <u>=====</u>
	Results (Loss)	(101,198) <u>=====</u>	(161,627) <u>=====</u>
	The group's revenue and results are predominantly from operations in the investment sector in Australia		
NOTE	SIGNIFICANT ITEMS		
10.			
	Loss on Sale of Investments	-	(590,982)
	Provision for loss on Investments, written back	- -----	480,000 -----
		- <u>=====</u>	(110,982) <u>=====</u>
NOTE	SIGNIFICANT SUBSEQUENT EVENTS		
11.	There were no significant events since the end of the reporting period.		

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**CHAPMANS LIMITED
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DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2010

1. In the Directors' opinion:
- (a) The financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
 - (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.
2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

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

P Hetherton
Director

Sydney
26 August 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of **Chapmans Limited**

Report on the Half-Year Financial Report

I have reviewed the accompanying half-year financial report of Chapmans Limited. The half-year financial report includes the financial statements of the consolidated entity, comprising Chapmans Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The financial statements include a consolidated balance sheet as at 30 June 2010, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, other selected explanatory notes and the Directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my review in accordance with Auditing Statement on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 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 Chapmans Limited, ASRE 2410 requires that I 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the Corporations Act 2001. The Directors' Report attached to the financial statements includes a copy of the Independence Declaration dated 26 August 2010 given to the Directors by the auditor for the review.

Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the half-year financial report of Chapmans Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting, and Corporations Regulations 2001.

COLQUHOUNS
Chartered Accountants

Neil Colquhoun
Principal

Sydney
26 August 2010