

HALF YEAR REPORT & FINANCIAL STATEMENTS

JUNE 2022



REEF
CASINO TRUST

ARSN 093 156 293

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Unit distribution six months to 30 June 2022

13.18 cents per unit.

Payment date 14 September 2022.

Pool Deck



Casino Electronic Gaming



CHAIRMAN'S REVIEW

Dear Unitholders,

On behalf of the Board of Directors of Reef Corporate Services Limited, Responsible Entity of the Reef Casino Trust (the Trust), I present my review of the Reef Casino Trust for the half year ended 30 June 2022.

A strong first half result

Profits

	2022 \$mil	2021 \$mil	
Net profit	3.281	3.059	A strong Trust result
Add back "finance costs"	3.281	3.059	Distributions classified as "finance costs"
Distributable profit*	6.562	6.118	Total profit available for distribution

Unit distribution

	2022 cents	2021 cents
Period 1 January to 30 June	13.18	12.29

Earnings before interest, tax, depreciation and amortisation (EBITDA)

	2022 \$mil	2021 \$mil
Period 1 January to 30 June	8.878	8.571

Trust balance sheet

The Trust's balance sheet remains healthy as is the Trust's cash position. The Trust has adequate working capital.

Novel Coronavirus Pandemic (COVID-19)

COVID-19 impacts in 1st half 2022

The complex stayed open throughout. The COVID Omicron variant had a slight dampening impact on operations at the Reef Hotel Casino. The Queensland Government had mandated indoor wearing of masks and fully vaccinated requirements for entry into the complex in mid December 2021. These requirements had ceased by April 2022.

Local and domestic patronage was strong especially from mid-March 2022 onwards. Even though international borders had opened, there were few international patrons.

A strong first half result (continued)

Novel Coronavirus Pandemic (COVID-19) (continued)

COVID-19 impacts in 1st half 2021

The Reef Hotel Casino, located in Cairns stayed open throughout this period. It operated under varying restrictions as imposed by the Queensland Government. The Reef Hotel Casino traded strongly during this period.

Local and domestic markets have held up well. Since just before Easter, Cairns saw a return of interstate visitors in good numbers with some impact from the Melbourne, Sydney and Greater Brisbane lockdowns at various times during the half year. International borders remained closed. The result partly reflects a degree of short-term trading variability in table gaming.

Financial summary

Period 1 January to 30 June

	2022	2021	
	\$'000	\$'000	
REVENUE AND OTHER INCOME			
Rental revenue	12,537	12,206	↑ 2.71%
Other revenue and interest income	50	69	
Total revenue and other income	12,587	12,275	↑ 2.54%
EXPENSES			
Operating	3,751	3,756	
Depreciation and amortisation	2,274	2,401	
Total expenses	6,025	6,157	→ 2.14%
Distributable profit* ¹ /Profit before finance ¹ costs attributable to unitholders	6,562	6,118	↑ 7.26%
Finance costs ¹ attributable to unitholders	3,281	3,059	
PROFIT FOR THE PERIOD	3,281	3,059	↑ 7.26%
	Cents	Cents	
	per unit	per unit	
Earnings per unit	13.17	12.28	
Distribution per unit	13.18	12.29	

¹ Under Australian Accounting Standards the first 50% of distributable profit is treated as "finance costs attributable to unitholders", with the remaining 50% treated as profit.

* Basis of preparation: Distributable profit is a non-IFRS measure that is determined in accordance with the Trust Constitution and used as the basis for determining distributions to unitholders. Distributable profit is determined as net profit for each half year, adding back distributions to unitholders which have been treated as finance costs in accordance with IFRS. The distributable profit has been audited by Grant Thornton Audit Pty Ltd. Refer to the auditor's report on page 20 of the Half Year Report for the half year ended 30 June 2022.

Revenue and other income

The Trust reported strong rental income for the 1st half year as the Reef Hotel Casino traded strongly. Total Trust revenue and other income for the period (comprising mainly of rental income from the Reef Hotel Casino) was \$12.587 million (2021: \$12.275 million).

Expenses

Operating expenses in 2022 remained under good control and remained about the same as in 2021. Depreciation and amortisation charges were slightly lower in 2022 compared to 2021.

Distributable profit*

Trust distributable profit* was \$6.562 million for the six months ended 30 June 2022 (2021 \$6.118 million).

Unit distribution

A unit distribution for the 6 months from January to June 2022 of 13.18 cents per unit (2021: 12.29 cents) was declared. The record date was 30 June 2022 and payment will be made on 14 September 2022.

This represents 100% of the distributable profit for the period.

This is consistent with the Trust's usual distribution policy to distribute 100% of the distributable profit.

The undistributed income account balance is 20.30 cents per unit, or \$10.107 million in total.

Trust balance sheet

The Trust's interest only business term loan facility with the Bank of Queensland remains unchanged at \$13.500 million and expires on 31 January 2025. The amount undrawn at 30 June 2022 was \$13.300 million. Importantly, the Trust continues to be solvent and a going concern. At present, the Trust has determined there is no need for additional cash facilities or liquidity given the Trust's current balance sheet position and outlook.

Capital investment

Despite strong cash flows in the period, capital expenditure in the first six months of 2022 was very carefully managed keeping in mind that the COVID-19 pandemic is not yet over. Capital items approved included new gaming machines, hotel operating asset requirements, and the proper maintenance and overall upkeep of the Reef Hotel Casino complex building.

REVIEW OF PERFORMANCE AND STRATEGY AT REEF HOTEL CASINO PROVIDED BY THE EXECUTIVE DIRECTOR OF THE OPERATOR, CASINOS AUSTRIA INTERNATIONAL (CAIRNS) PTY LTD (CAIC)

Allan Tan, the Executive Director of the operator of the Reef Hotel Casino (CAIC) which is jointly controlled by Casinos Austria International Limited and Accor Casino Investments Pty Ltd, has provided his review as follows :-

Reef Hotel Casino Executive Director's Report

Trading and operating conditions

COVID-19 impact

- The Reef Hotel Casino Complex was opened for operations throughout 1H 2022.
- The Queensland Government had mandated indoor wearing of masks and fully vaccinated requirements for entry into the complex in mid December 2021. These requirements had ceased by April 2022.

Our markets

- Our local, regional, Queensland and Australian domestic markets held up well for our complex.
- There were few international tourists even though Australia's international borders had opened.
- Our casino performed well. Our hotel operations also performed well.

Guest Services



Reef Hotel Casino Executive Director's Report (continued)

Complex performance - a brief review

The Reef Hotel Casino can report an excellent first half result

Rental to the Trust

	2022 \$mil	2021 \$mil
1 st Half 1 January to 30 June	12.537	12.206

2022 - Another strong overall performance by the complex resulted in another good and higher rental paid to the Trust.

2021 - A strong overall performance by the Complex which resulted in a good rental paid to the Trust.

	Change compared to 2021 %	
Casino		
<u>Overall casino revenues</u>		
1 st Half 2022	-0.3	
<u>Electronic games</u>		
1 st Half Turnover 2022	+9.6	Electronic gaming is the Complex's biggest revenue segment and the biggest contributor to the rentals paid to the Trust. In 1H 2022 it performed strongly with good patron support from local, regional and domestic markets.
<u>Table games (TG)</u>		
1 st Half TG Drop 2022	-23.5	Main floor table gaming held steady throughout the first half. However, premium play was lower than last year. Table gaming was supported primarily by local and interstate visitors. Very few international table gaming players visited during this period as direct flights into the region have just recently started to return.
Hotel		
<u>Overall hotel revenues</u>		
1 st Half 2022	+2.2	With open state borders, overall hotel revenues were higher with increased domestic travel.
<u>Rooms</u>		
1 st Half Revenues 2022	+12.8	A slow start to the year with January and February negatively impacted with the Omicron surge and the mandated wearing of masks. The second quarter saw a surge in hotel bookings with the removal of mandated mask wearing (relaxed in March) and removal of mandated vaccination (relaxed in April). Very strong hotel bookings from intra-state and interstate were experienced resulting in a significant increase in room rate.
<u>Food and beverage (F&B)</u>		
1 st Half Revenues 2022	-4.5	Similar to the above, the removal of mask wearing and mandated vaccinations, coupled with a targeted increase in promotions and entertainment, resulted in more visitation and activity, and a pleasing increase in sales throughout our food and beverage outlets in the 2 nd quarter of the year.

Reef Hotel Casino Executive Director's Report (continued)

Key strategies

The following key strategies underpinned and drove our overall performance of the Complex for the 1st half of 2022. In the 2nd half of 2022, these will be consolidated and built upon in the face of on-going COVID-19 uncertainties, coupled with the proven success of our management strategy and philosophy under our "One Complex, One Team, One Success" mantra.

COVID Safe Plan

Our detailed site specific COVID Safe Plan was no longer required by Queensland Health, effective 17 December 2021. We continued to operate with check-lists across the complex up until 14 April 2022. We continue to closely monitor the ongoing COVID situation.

Casino operations

Electronic Gaming

Electronic gaming will remain our most important source of revenues. An appropriate and balanced package of promotion, marketing and entertainment programs will be aimed at our markets in Cairns, selected regional and domestic regions.

Table Games

Similarly, we will aim our marketing efforts at local, regional and domestic markets (both main floor and premium) that have a higher chance of visiting Cairns.

Hotel operations

Rooms

Including tapping into the key Accor sales and marketing network in Australia which our hotel is part of, our Pullman hotel will market to local, regional and domestic markets.

Food and beverage

Our food and beverage offerings will also be targeted at local, regional and domestic patrons and visitors. We will be nimble as to the range of products and services that we will offer from time to time depending on the market conditions.

Casino Sports Arena



Reef Hotel Casino Executive Director's Report (continued)

Key strategies (continued)

Complex cost control

The Executive Leadership Team is committed to achieve the best possible outcome given the current COVID impacted trading conditions including initiatives to tightly manage operating costs. With regards to the matter of labour shortage, it is challenging but manageable for us.

Complex regulatory compliance, risk management

The Executive Leadership Team is also committed to the proper delivery of successful outcomes in overall compliance and risk management including the following areas :

- Casino regulatory compliance.
- Responsible serving of gaming and alcohol.
- Anti-money laundering and counter-terrorism funding.

A brief look at 2nd half 2022

The 2nd half commenced with a very strong July rental paid to the Trust. On the positive side, we see a strong and continuing resurgence in domestic travel. International visitors are starting to return. On the other hand, new COVID-19 variants pose a threat. Electronic gaming can be expected to perform well and similarly with hotel rooms.

COVID uncertainties therefore remain. The Complex's operating strategies are designed to manage these as best as possible.



CHAIRMAN'S SUMMARY AND OUTLOOK

Relationship between Trust and Operator

The operator of the Reef Hotel Casino is Casinos Austria International (Cairns) Pty Limited (CAIC), jointly owned by Casinos Austria International Limited (CAIL) and Accor. This longstanding relationship between the Trust as the owner of the Reef Hotel Casino complex and CAIC as the operator continues to work well.

Risk Management Reef Hotel Casino - Trust's principal asset

The Trust's sole investment is the Reef Hotel Casino and so it is exposed to the risks inherent in the ownership of a single asset located in Cairns.

The Trust remains positive regarding its longer-term trading. The Reef Hotel Casino's management strategy is to drive future growth based on three key strategic areas - electronic gaming, table games including premium play, and hotel operations. The future performance of the Trust will rely on the local economy and on tourism to Cairns, the Great Barrier Reef and Far North Queensland.

A brief operational outlook for the Trust in 2nd half 2022

The Trust can report a strong start to the 2nd half of 2022. The operator of the Reef Hotel Casino in Cairns has reported a very strong profitable trading month in July 2022. This has resulted in an excellent rental income for the Trust in July.

Trust expenditure and costs will remain under tight control and capital investment will be carefully managed.

Cairns and the region are enjoying higher domestic visitations. The cruise line market into Cairns is showing strong signs of recovery and many more visits by cruise ships are expected for the rest of the year. Business events and conferences are showing strong forward bookings.

On the other hand, the on-going COVID-19 situation remains uncertain. Inflation and higher interest rates could impact consumer spending. The return of the international market into Australia is recovering albeit slowly.

Overall, we can reasonably expect the trading environment to remain at least fairly strong and steady throughout the second half of the year.

In closing, I would like thank my fellow board directors and the management and staff of the Trust and the operator of the Reef Hotel Casino for their efforts and contributions during the 1st half of 2022.



Philip Basha
Chairman
Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust
22 August 2022

DIRECTORS' REPORT

The directors of Reef Corporate Services Limited, ABN 66 057 599 621, the Responsible Entity of Reef Casino Trust, present their half year report together with the half year financial report of the Trust for the half year ended 30 June 2022 and the auditor's report thereon.

Responsible Entity

The directors of Reef Corporate Services Limited at any time during or since the end of the half year are:

Mr Philip Basha (Chairman since 18 March 2022)
Mr Benjamin W Macdonald
Mr Fritz Pühringer (appointed 11 May 2022)
Ms Wendy Morris (appointed 10 February 2022)
Mr Allan Tan (director and alternate for Mr Macdonald)
Mr Simon McGrath (retired 18 January 2022)
Mr Michael Issenberg (Chairman until retired 18 March 2022)
Mr Christoph Zurucker-Burda (retired 11 May 2022)

Review of operations

The review of operations is contained in the Chairman's Review on pages 1 to 8.

Distribution

The distribution of \$8.611 million (17.29 cents per unit) in respect of the six month period ended 31 December 2021 as reported in the 2021 annual report was paid on 9 March 2022.

The directors have declared a distribution of \$6.564 million (13.18 cents per unit) in respect of the six month period ended 30 June 2022 to be paid on 14 September 2022. The distribution in respect of the six month period ended 30 June 2021 was 12.29 cents per unit.

Auditor's independence declaration under section 307C of the Corporations Act 2001

The auditor's independence declaration is set out on page 23 and forms part of the directors' report for the half year ended 30 June 2022.

Rounding off

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Corporations Instrument, amounts in the half year financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report has been signed in accordance with a resolution of the directors of Reef Corporate Services Limited.



Philip Basha
Director



Wendy Morris
Director

Brisbane
22 August 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
REVENUE AND OTHER INCOME			
Revenue and other income	4	12,587	12,275
TOTAL REVENUE AND OTHER INCOME		12,587	12,275
EXPENSES			
Depreciation and amortisation	6	2,274	2,401
Property outgoings		528	504
Rates and taxes		385	357
Responsible Entity fees		576	570
Repairs and maintenance		692	871
Insurance		915	782
Responsible Entity director fees		105	157
Other expenses		508	463
TOTAL EXPENSES		5,983	6,105
PROFIT FROM OPERATING ACTIVITIES		6,604	6,170
Finance costs attributable to unitholders		3,281	3,059
Interest expense on financial liabilities measured at amortised cost		42	52
TOTAL FINANCE COSTS		3,323	3,111
PROFIT FOR THE PERIOD		3,281	3,059
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,281	3,059
Basic and diluted earnings per unit (cents)	11	13.17	12.28

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	30 June 2022 \$'000	31 Dec 2021 \$'000
ASSETS			
Cash and cash equivalents		7,056	9,615
Receivables	7	3,675	2,284
TOTAL CURRENT ASSETS		10,731	11,899
Receivables	7	775	775
Property, plant and equipment	8	90,333	91,693
Intangible assets		52	74
TOTAL NON-CURRENT ASSETS		91,160	92,542
TOTAL ASSETS		101,891	104,441
LIABILITIES			
Payables		4,580	6,052
Lease liabilities		95	93
TOTAL CURRENT LIABILITIES		4,675	6,145
Loans and borrowings	9	200	200
Deferred income		10	10
Lease liabilities		153	206
Issued units - liability portion	12	85,051	85,051
TOTAL NON-CURRENT LIABILITIES		85,414	85,467
TOTAL LIABILITIES		90,089	91,612
EQUITY			
Issued units - equity portion		85,051	85,051
Distribution account	10	3,283	4,307
Undistributed income		10,107	10,110
Accumulated losses		(86,639)	(86,639)
TOTAL EQUITY		11,802	12,829
TOTAL EQUITY AND LIABILITIES		101,891	104,441
MEMORANDUM NOTE - ISSUED UNITS			
Issued units - liability portion		85,051	85,051
Issued units - equity portion		85,051	85,051
		170,102	170,102

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

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Issued units \$'000	Distribution account \$'000	Undistributed income \$'000	Accumulated losses \$'000	Total \$'000
1 JANUARY 2021	85,051	274	10,118	(86,639)	8,804
Profit for the period	-	-	-	3,059	3,059
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,059	3,059
Transfer to distribution account	-	3,059	-	(3,059)	-
Transfer from undistributed income	-	3	(3)	-	-
Distributions paid	-	(274)	-	-	(274)
30 JUNE 2021	85,051	3,062	10,115	(86,639)	11,589
1 JANUARY 2022	85,051	4,307	10,110	(86,639)	12,829
Profit for the period	-	-	-	3,281	3,281
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,281	3,281
Transfer to distribution account	-	3,281	-	(3,281)	-
Transfer from undistributed income	-	3	(3)	-	-
Distributions paid	-	(4,308)	-	-	(4,308)
30 JUNE 2022	85,051	3,283	10,107	(86,639)	11,802

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

STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2022

	30 June 2022 \$'000	30 June 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	13,357	14,490
Cash payments in the course of operations	(5,891)	(5,960)
Interest received	27	27
Interest and other finance costs paid	(9)	(52)
NET CASH FROM OPERATING ACTIVITIES	7,484	8,505
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,386)	(1,089)
NET CASH FROM INVESTING ACTIVITIES	(1,386)	(1,089)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan	-	(2,500)
Drawdown of loan	-	2,500
Principal elements of lease payments	(46)	(44)
Distributions paid (equity and liability portion)	(8,611)	(4,861)
NET CASH FROM FINANCING ACTIVITIES	(8,657)	(4,905)
Net increase/(decrease) in cash held	(2,559)	2,511
Cash and cash equivalents at 1 January	9,615	4,079
CASH AND CASH EQUIVALENTS AT 30 JUNE	7,056	6,590

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

1. The Trust

Reef Casino Trust (the Trust) was established by a Trust Constitution dated 2 July 1993 as amended by supplemental deeds dated 30 November 1993, 19 September 1999, 31 May 2000, 8 August 2001, 14 April 2004 and 29 June 2005 and as made by special resolution of unitholders on 27 May 2022. The Trust is a registered managed investment scheme under the *Corporations Act 2001*. Reef Corporate Services Limited, a company domiciled in Australia, is the Responsible Entity of the Trust. The Trust is the owner and lessor of the Reef Hotel Casino complex in Cairns, North Queensland, Australia. The Trust is a for profit entity.

2. Basis of preparation

(a) Statement of compliance

These general purpose condensed interim financial statements of the Trust are for the six months ended 30 June 2022. They have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2021 and any public announcements made by the Trust during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements were approved by the directors of the Responsible Entity on 22 August 2022.

(b) Use of estimates and judgements

The significant judgements made in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those described in the financial statements as at and for the year ended 31 December 2021.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Trust's last annual financial statements for the year ended 31 December 2021.

4. Revenue

	30 June 2022 \$'000	30 June 2021 \$'000
RENTAL		
Base rent	621	596
Contingent rent	11,916	11,610
	12,537	12,206
INTEREST RECEIVED AND RECEIVABLE FROM		
Related parties	28	26
	28	26
OTHER REVENUE		
Sundry	22	43
	12,587	12,275

5. Segment information

	30 June 2022 \$'000	30 June 2021 \$'000
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The Trust has a single operating segment. Revenue from external customers is derived from the rental of the Reef Hotel Casino complex, which is made up of the following components:

RENTAL INCOME		
Casino operations	11,120	10,696
Hotel and other non-casino operations	1,417	1,510
	12,537	12,206

6. Expenses

Net profit for the period includes the following specific expenses:

DEPRECIATION		
Building	743	724
Plant and equipment	1,109	1,251
	1,852	1,975
AMORTISATION		
Computer software	22	26
Site lease	353	353
Carpark lease	47	47
	422	426
	2,274	2,401

7. Receivables

	30 June 2022 \$'000	31 Dec 2021 \$'000
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CURRENT		
Rent and interest receivable from lessee	2,670	2,207
Prepayments and other debtors	1,005	77
	3,675	2,284
NON-CURRENT		
Financial assets - Loan to lessee	750	750
Security deposit	25	25
	775	775

8. Property, plant and equipment

	30 June 2022 \$'000	31 Dec 2021 \$'000
Site lease - at cost	53,000	53,000
Less: Accumulated amortisation	(20,169)	(19,816)
	32,831	33,184
Building and integral plant - at cost or deemed cost	74,927	74,927
Less: Accumulated depreciation	(26,929)	(26,186)
	47,998	48,741
Plant and equipment - at cost	65,317	64,308
Less: Accumulated depreciation	(56,113)	(55,003)
	9,204	9,305
Carpark lease - right of use	382	387
Less: Accumulated amortisation	(135)	(89)
	247	298
Work in progress	53	165
Total property, plant and equipment - net carrying amount	90,333	91,693

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

Site lease	32,831	33,184
Carpark lease	247	298
Total right-of-use assets	33,078	33,482

	30 June 2022 \$'000	30 June 2021 \$'000
Capital expenditure commitments		
Contracted but not provided for and payable:	1,382	1,719

ACQUISITIONS

During the six months ended 30 June 2022, the Trust acquired property, plant and equipment with a cost of \$896,801 (six months ended 30 June 2021: \$751,415).

9. Loans and borrowings

	Facility Available		Facility Used		Facility Unused	
	30 June 2022 \$'000	31 Dec 2021 \$'000	30 June 2022 \$'000	31 Dec 2021 \$'000	30 June 2022 \$'000	31 Dec 2021 \$'000
NON-CURRENT LIABILITIES						
Bank loan - BOQ Limited (expires 31 January 2025)	13,500	13,500	200	200	13,300	13,300
	13,500	13,500	200	200	13,300	13,300

10. Distributions

	30 June 2022 \$'000	31 Dec 2021 \$'000
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Distributable income

The proposed distribution for the six months ended 30 June 2022 was declared on 22 August 2022, and accounted for as follows:

DISTRIBUTION ACCOUNT (refer to statement of changes in equity)		
Balance relating to issued units - equity portion	3,283	4,308
ACCRUED DISTRIBUTION		
Balance relating to issued units - liability portion	3,281	4,303
TOTAL OF DISTRIBUTION ACCOUNTS	6,564	8,611

	2022		2021	
	Total \$'000	Cents per unit	Total \$'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December paid March	8,611	17.29	4,861	9.76
Half year ended 30 June paid/payable September	6,564	13.18	6,121	12.29
	15,175	30.47	10,982	22.05

11. Earnings per unit

	30 June 2022	30 June 2021
Basic and diluted (loss)/earnings per unit (cents)	13.17	12.28
Weighted average number of units at the end of the half year	24,900,518	24,900,518

12. Financial Instruments

The fair value of the Trust's financial assets and financial liabilities approximate their carrying values as at the reporting date with the exception of:

	30 June 2022		31 December 2021	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
LIABILITIES CARRIED AT AMORTISED COST				
Issued units - liability portion*	85,051	74,702	85,051	77,689

* Fair value of issued units - liability portion is based on the quoted market price per unit at the reporting date.

DIRECTORS' DECLARATION

In the opinion of the directors of Reef Corporate Services Limited, the Responsible Entity of Reef Casino Trust (the Trust):

- (a) the financial statements and notes set out on pages 10 to 18, are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited pursuant to Section 303(5)(a) of the *Corporations Act 2001*:



Philip Basha
Director



Wendy Morris
Director

Brisbane
22 August 2022

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF REEF CASINO TRUST

Report on the audit of the half-year financial report

Opinion

We have audited the half-year financial report of Reef Casino Trust (the Trust), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year then ended, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

In our opinion, the accompanying half-year financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Trust's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and
- b Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the half-year financial report section of our report*. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the half-year financial report of the current period. These matters were addressed in the context of our audit of the half-year financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Determination and recognition of revenue - Note 4	
<p>The Trust leases its facilities to a related party, Casinos Austria International (Cairns) Pty Ltd (the Lessee). Accordingly, the Trust's rental revenue is determined in accordance with the lease agreements between the Trust and the Lessee.</p> <p>Rental revenue comprises two components: a base rent and a contingent rent. The base rent component is indexed yearly and recognised on a straight-line basis over the lease term.</p> <p>The contingent rent component is based on the financial performance and results of the Lessee and is recognised when contractually due. The contingent rent component comprises the majority of total rental revenue.</p> <p>This is a key audit matter given that it is material to the Trust's results and is recognised based on the financial performance and results of the Lessee.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing the design and implementation of management's controls over the determination and recognition of rental revenue; • Analysing management's calculation of rental revenue in accordance with the lease agreements and with the audited financial statements of the Lessee; • Agreeing whether the inputs to management's calculation of contingent rental revenue are in accordance with the lease agreements and with the audited financial statements of the Lessee; • Assessing the appropriateness and sufficiency of the work performed on the Lessee's financial statements for the relevant period by the Lessee's auditor; and • Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards.

Information other than the half-year financial report and auditor's report thereon

The Directors of Reef Corporate Services Limited, the Responsible Entity of the Trust, are responsible for the other information. The other information comprises the information included in the Trust's half-year financial report for the half-year ended 30 June 2022, but does not include the half-year financial report and our auditor's report thereon.

Our opinion on the half-year financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the half-year financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the half-year financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the Directors for the half-year financial report

The Directors of the Responsible Entity of the Trust 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error

In preparing the half-year financial report, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the half-year financial report

Our objectives are to obtain reasonable assurance about whether the half-year financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this half-year financial report.

A further description of our responsibilities for the audit of the half-year financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the audit of non-IFRS information

Opinion on non-IFRS information

In our opinion, the non-IFRS information disclosed as distributable profit included in the chairman's review on pages 1 to 3 for the half year ended 30 June 2022 is prepared, in all material respects, in accordance with the basis of preparation set out on page 2.

Responsibilities

The Directors of the Responsible Entity of the Trust are responsible for the preparation and presentation of the non-IFRS financial information in accordance with the basis of preparation set out on page 2 and for having regard to the guidelines set out in the ASIC Regulatory Guide 230: *Disclosing Non-IFRS Financial Information*. Our responsibility is to express an opinion on the non-IFRS financial information, based on our audit conducted in accordance with Australian Auditing Standards



Grant Thornton Audit Pty Ltd
Chartered Accountants



S L Cram
Partner - Audit & Assurance

Cairns, 22 August 2022

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF THE RESPONSIBLE ENTITY OF REEF CASINO TRUST

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Reef Casino Trust for the half-year ended 30 June 2022, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S L Cram
Partner - Audit & Assurance

Cairns, 22 August 2022

Registered office of the Responsible Entity Reef Corporate Services Limited
Level 3, Sofitel Hotel
249 Turbot Street
BRISBANE QLD 4000
Telephone: (07) 3211 3000
www.reefcasino.com.au/trust
Owned 50% Casinos Austria Group & 50% Accor Group

Casinos Austria is a leading player in the global casino gaming industry. With a unique portfolio of casino development and management services, Casinos Austria have successfully realised more casino and gaming projects in more jurisdictions than any other operator worldwide.

Accor, the world's leading hotel operator and market leader in Europe, is present in 110 countries with over 5,300 hotels and 778,000 rooms. With 230,000 employees in Accor brand hotels worldwide, the Group offers to its clients and partners over 50 years of know-how and expertise.

Directors of the Responsible Entity Mr Philip Basha (Chairman)
Mr Benjamin W Macdonald
Mr Fritz Pühringer
Ms Wendy Morris
Mr Allan Tan

Alternate directors Mr Allan Tan (alternate for Mr Macdonald)

Secretary of the Responsible Entity Ms Alison Galligan

Compliance, Audit & Risk Committee of the Responsible Entity Ms Wendy Morris (Chairperson)
Mr Benjamin W Macdonald
Mr Philip Basha

Solicitors to the Responsible Entity Herbert Smith Freehills
Level 31
480 Queen Street
BRISBANE QLD 4000

Unit Registry Computershare Investor Services Pty Ltd
Level 1
200 Mary Street
BRISBANE QLD 4000
GPO Box 2975
MELBOURNE VIC 3001
Telephone: 1300 552 270
www.investorcentre.com/contact

Bankers Bank of Queensland Limited
100 Skyring Terrace
NEWSTEAD QLD 4006

Auditors of the Trust

Grant Thornton Audit Pty Ltd
Level 13
Cairns Corporate Tower
15 Lake Street
CAIRNS QLD 4870

Securities exchange listing

Official list of the Australian Securities Exchange Limited

Sub-lessee of The Reef Hotel Casino Complex

Casinos Austria International (Cairns) Pty Ltd
Level 3 Sofitel Hotel
249 Turbot Street
BRISBANE QLD 4000
Telephone: (07) 3211 3000
Owned 50% Casinos Austria Group & 50% Accor Group

The Reef Hotel Casino

35-41 Wharf Street
CAIRNS QLD 4870
Telephone: (07) 4030 8888
Facsimile: (07) 4030 8777
www.reefcasino.com.au

Unitholder enquiries

Please contact the unit registry if you have any questions about your unitholding or distributions.

Casino Porte Cochère



MUST SEE MUST VISIT

QUEENSLAND'S BIGGEST AND PREMIER LEISURE & ENTERTAINMENT COMPLEX NORTH OF BRISBANE

CASINOS AUSTRIA INTERNATIONAL



The Reef Hotel Casino

Try your luck at the tables and experience the thrills and excitement of international gaming or adjourn to one of our many bars for a well earned refreshment.

Offers 451 gaming machines, 38 gambling tables, plus Club Privé, TAB and Keno.
Open 7 Days

Pullman Reef Hotel Casino

The Pullman Reef Hotel Casino features 128 luxury guest rooms and suites each offering charm, elegance and tranquility. Their decor accentuates the feel and lifestyle of Tropical North Queensland. Pullman facilities include swimming pool and spa, health club, and tour desk.

Hotel Room



Reef Room



Wedding



MUST SEE MUST VISIT

QUEENSLAND'S BIGGEST AND PREMIER LEISURE & ENTERTAINMENT COMPLEX NORTH OF BRISBANE



TAMARIND

Multi award winning. Tamarind, the signature restaurant of the complex, continues to delight diners with an amazing array of delicious contemporary dining using the freshest of local ingredients. A flawless experience.



Located on Level 2 of the complex, the Casino Sport Arena has a HUGE LED screen showing major sporting events and movies, complemented by multiple high definition screens and luxury cinema style seating. The latest TAB and Keno facilities, gaming machines and table gaming makes this a unique entertainment venue.



Delicious flavours inspired by the best in Asian Street Food, with local ingredients specially sourced by our team of chefs. Enjoy a selection of small share plates, larger plates and amazingly crafted sweet treats, in the historic surrounds of Customs House.



Choose from a great range of main fare, steaks from the grill, lighter meals, snacks, beverages and supper dishes.

MUST SEE MUST VISIT

QUEENSLAND'S BIGGEST AND PREMIER LEISURE & ENTERTAINMENT COMPLEX NORTH OF BRISBANE



The entertainment hub of the complex, BAR36 offers a great venue to meet with friends. Transitioning from cool lounge music to a showroom equipped with the latest in AV production, enjoy the best in live music with a synchronised sound and light experience.



Café chic at its best! Serving the finest boutique coffee and teas, you can treat yourself to the famous Pullman a la carte breakfast whilst people watching on the deck, or enjoy the cool comfort of the interior as it integrates through to the hotel lobby.



Enjoy the exciting attraction, Cairns ZOOM. With crossings and ziplines, internal and external rooftop walkways, experience the thrill of a birds-eye view of the Dome and animals, and spectacular views of the city and seascapes. You can glide over a 4 metre crocodile or freefall from the 13 metre high tower. Height and weight restriction apply.



A total of ten unique venues ranging from ballroom to boardroom to poolside are available to cater for every type of function.

MUST SEE MUST VISIT

QUEENSLAND'S BIGGEST AND PREMIER LEISURE & ENTERTAINMENT COMPLEX NORTH OF BRISBANE



More than 330 undercover car parking spaces are provided for those attending events and for our Casino and Hotel patrons.



Casino Table Gaming



BAR36 Live Entertainment



CASINOS AUSTRIA INTERNATIONAL



pullman
HOTELS AND RESORTS

REEF HOTEL CASINO