



REEF
CASINO TRUST

2013

HALF YEAR REPORT
& FINANCIAL STATEMENTS
ARSN 093 156 293



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Unit distribution Six months to 30 June 2013
10.5 cents per unit. Payment date 19 September 2013



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 six months ended 30 June 2013.

Key points

- The Trust performed strongly in the first half year of 2013 reporting a 29.0% increase in Trust distributable profit* compared to the same period last year due to good rental growth of 10.4% from the Reef Hotel Casino.
- Trust distributable profit* was \$5.0 million, compared to \$3.9 million in the same period last year. Unitholders' distributions classified as "finance costs" were \$2.5 million resulting in a net profit of \$2.5 million, compared to \$1.9 million in the same period last year.
- Unit distribution of 10.5 cents per unit for the six months from January to June (last year 9 cents). Earnings per unit were 10 cents (last year 7.7 cents).
- Operating costs at the Reef Casino Trust and the Reef Hotel Casino were held under tight control.

Trust distributable profit

Trust distributable profit* was \$5.0 million for the six months ended 30 June 2013. This compares with \$3.9 million in 2012.

Total Trust revenue (comprising mainly of rental income from the Reef Hotel Casino) was \$10.0 million (last year \$9.1 million). This is due to good rental growth from the Reef Hotel Casino.

All key casino revenue generating segments of the Reef Hotel Casino posted growth compared to 2012.

Trust operating expenses were well controlled.

** 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 the 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 KPMG. Refer to the auditor's report on page 17 of the Half Year Report for the half year ended 30 June 2013.*

	2013	2012	
	\$'000	\$'000	
REVENUE AND OTHER INCOME			
Rental revenue	9,883	8,948	10.4%
Other revenue and income	100	115	
TOTAL REVENUE AND OTHER INCOME	9,983	9,063	10.2%
EXPENSES			
Operating	2,771	3,019	
Depreciation and amortisation	2,234	2,186	
TOTAL EXPENSES	5,005	5,205	-3.8%
PROFIT BEFORE FINANCE COSTS¹ ATTRIBUTABLE TO UNITHOLDERS (DISTRIBUTABLE PROFIT*)	4,978	3,858	29.0%
Finance costs ¹ attributable to unitholders	2,489	1,929	
PROFIT FOR THE PERIOD	2,489	1,929	29.0%
	cents per unit	cents per unit	
Earnings per unit	10.0	7.7	29.0%
Distribution per unit	10.5	9.0	

¹ "Finance costs" relate to 50% of distributable profit payable to unitholders.

Unit distribution

The Trust has declared a distribution of 10.5 cents per unit or a total of \$5.2 million for the six months from 1 January to 30 June 2013. The record date was 28 June 2013 and payment will be made on 19 September 2013. This distribution will comprise taxable and tax deferred components.

This distribution comprises 100% of distributable profit of the Trust for the period 1 January 2013 to 30 June 2013 (10 cents per unit, a total of \$5.0 million) plus a "top up" from the undistributed income account (0.5 cents per unit) (a total of \$251K). Following this distribution, the undistributed income account balance is 13.4 cents per unit or a total of \$6.7 million.

Trust balance sheet

The Trust balance sheet remains strong and healthy. The Trust's cash position remains positive and the Trust continues to have adequate working capital. The Trust's interest only loan facility remains unchanged at \$16.5 million. This term loan extends to December 2015. As at 30 June 2013, the Trust has drawn down \$7.1 million. The Trust also has an overdraft facility of \$2 million which has not been used to date.

Capital investment

The Trust continues to invest in its main asset, the Reef Hotel Casino complex in Cairns to improve its facilities. In 2013, all hotel guest rooms were refurbished at a cost of \$1.6 million. This followed a \$2.6 million investment in a brand new Casino Sports Arena which opened in July 2012 and a \$0.6 million investment in refurbishing the main ballroom and adjoining conference area in the complex in late 2011.

Review of performance and strategy at Reef Hotel Casino

The CEO of the Reef Hotel Casino, Allan Tan has provided his report as follows.

CEO's report

Trading conditions

- The casino's brand new level 2 gaming floor attracted increased casino visitations.
- The China tourist market continued to grow.
- Even though the first half year is traditionally the low tourist season in Cairns.
- The local economy including tourism, its mainstay remained flat in general.

Key strategies

- **"Locals strategy" – The Only Place to Play**

The brand new Casino Sports Arena successfully opened in July 2012. Occupying level 2 of the casino, it offers a range of gaming and entertainment options. Combined with food and beverage products and service, our "locals strategy" which is aimed at the local and regional markets successfully attracted increased casino visitations.

- **"China strategy" – Reef by Day, Reef by Night**

Key elements of this strategy include being a Cairns' pioneer in being 'China-ready', having the right gaming products and service and the best and largest Chinese restaurant in Cairns. Our "China strategy" which is aimed at the growing number of Chinese tourists who visit Cairns has also successfully contributed to casino visitations.

- **The best hotel in Cairns**

Work commenced in January 2013 to refurbish all guest rooms in our Pullman Reef Hotel Casino. This exciting project was successfully completed in July 2013 on budget, on time and on specification. This project which is aimed at strengthening our hotel's position as the best 5 star hotel in Cairns has already received good feedback from the industry and our guests.

- **Cost control throughout complex**

Tight cost control in each of our hotel, casino and administration departments has and will continue as will initiatives directed towards better management and staff outcomes.

Complex performance

Casino - Overall casino revenues up on last year

- **Casino visitations**

The casino recorded a 12.0% increase in visitations compared to the same period last year. Both our "locals strategy" and "China strategy" contributed successfully to this growth.

- **Table games**

Total revenues were up 15.1% compared to the same period last year with good patron support from local, domestic and especially international tourist (mainly China) markets. Premium play recorded a win rate close to "theoretical".

- **Electronic gaming**

Electronic gaming machine turnover was up 4.3% with revenues up 1.7% compared to the same period last year. Patron support from local and domestic markets remained solid. The "hold" or "win" rate was however slightly lower than last year reflecting short term variability particularly in the timing of jackpots.

Hotel - Overall hotel revenues similar to last year

- **Rooms**

Rooms revenues were 8.4% lower compared to the same period last year, an expected outcome because of the room refurbishment project throughout the first half year which reduced the number of rooms available for sale.

- **Food and beverage**

Overall revenues were up 4.9% compared to the same period last year. Increased casino visitations contributed successfully to this growth.

Complex cost control, Trust rental

- Due to revenue growth and continuing excellent cost control outcomes throughout the complex, operating margins have improved such that the overall rental paid to the Trust was up 10.4% compared to the same period last year.

Chairman's review continues

Trust outlook for the rest of the year

The Trust outlook is largely similar to what I had reported earlier this year in the 2012 Trust annual report. Let me provide a brief update.

Global and local economies

- While the Australian dollar has come off its "highs" in recent years, the global and Australian economies are still expected to remain uncertain for the rest of the year. However, the Cairns economy, which is largely dependent on tourism, should benefit from the drop in the Australian dollar and any improvement in the economy.

A number of positives still for the Trust and Reef Hotel Casino

- **New Casino Sports Arena**

The new Casino Sports Arena located on casino level 2 successfully reopened on 3 July 2012 and is designed to increase our share of the local and regional gaming market. In its first year of operation, its contribution to the complex's overall performance has been encouraging. Management will continue to build on the momentum generated so far.

- **Chinese tourist market**

We can expect Chinese tourists to Australia to continue to grow and Cairns remains a popular destination for Chinese tourists. Direct flights from Shanghai, China to Cairns commenced in October last year. The Chinese New Year holiday season in February 2013 brought in the largest ever number of Chinese tourists into Cairns. These exciting developments will allow the Reef Hotel Casino to consolidate and expand its existing Chinese casino tourist market and to develop its Chinese premium player market further.

- **Best 5 star hotel in Cairns**

The successful completion of the refurbishment of all the guest rooms in our Pullman Reef Hotel Casino in the first half of 2013 will enable us to strengthen our hotel's leading position as the best 5 star hotel in Cairns.

- **Strong balance sheet and cash flows**

The Trust's balance sheet is expected to remain strong and the Reef Hotel Casino business is expected to continue to generate strong cash flows. The Trust still expects to distribute 100% of its distributable profits of each half yearly financial period.

The Trust has maintained its profitability and distributions throughout the global financial crisis. It is still well placed to continue to do so.



Ben Macdonald
Chairman

Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust

19 August 2013

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 2013 and the audit report thereon.

Responsible Entity

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

NAME	PERIOD OF DIRECTORSHIP
Mr Benjamin W Macdonald (Chairman)	Director since 20 September 1995
Mr Keith DeLacy	Director since 1 December 1999
Dr Karl Stoss	Director since 8 February 2012
Mr Michael Issenberg	Director since 21 January 2002
Mr Kim Mooney	Director since 21 January 2002
Mr Allan Tan	Director since 28 March 2006
	Alternate director since 10 July 1997 (alternate for Mr Macdonald)
Mr Simon McGrath	Director since 23 August 2011
Mr Alexander Tucek	Alternate director since 8 February 2012 (alternate for Dr Stoss)
Mr Philip Basha	Alternate director since 23 August 2011 (alternate for Mr Issenberg & Mr Mooney)

Mr Julian Hercus was a director until his resignation on 24 April 2013.

Review of operations

The review of operations is contained in the Chairman's Review on pages 1 to 5.

Distribution

The distribution of \$5.98 million (12.0 cents per unit) in respect of the six month period ended 31 December 2012 as reported in the 2012 annual report was paid on 21 March 2013.

The Directors have declared a distribution of \$5.23 million (10.5 cents per unit) in respect of the six month period ended 30 June 2013 to be paid on 19 September 2013 (refer note 9). The distribution in respect of the six month period ended 30 June 2012 was 9.0 cents per unit.

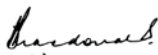
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 19 and forms part of the directors' report for the half year ended 30 June 2013.

Rounding off

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the half year financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited.



Ben Macdonald
Director

Brisbane
19 August 2013



Keith DeLacy
Director

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	30 June 2013 \$'000	31 Dec 2012 \$'000
ASSETS			
Cash and cash equivalents		1,997	3,650
Receivables		1,774	2,336
TOTAL CURRENT ASSETS		3,771	5,986
Receivables		750	750
Property, plant and equipment	6	103,751	104,148
Intangible assets	7	170	123
TOTAL NON-CURRENT ASSETS		104,671	105,021
TOTAL ASSETS		108,442	111,007
LIABILITIES			
Payables	8	3,634	4,488
TOTAL CURRENT LIABILITIES		3,634	4,488
Loans and borrowings		7,050	8,750
Deferred income		62	66
Issued units – liability portion		85,051	85,051
TOTAL NON-CURRENT LIABILITIES		92,163	93,867
TOTAL LIABILITIES		95,797	98,355
EQUITY			
Issued units – equity portion		85,051	85,051
Distribution account	9	2,740	2,496
Undistributed income		6,697	6,948
Accumulated losses		(81,843)	(81,843)
TOTAL EQUITY		12,645	12,652
TOTAL EQUITY AND LIABILITIES		108,442	111,007
MEMORANDUM NOTE – ISSUED UNITS			
Issued units – liability portion		85,051	85,051
Issued units – equity portion		85,051	85,051
TOTAL ISSUED UNITS		170,102	170,102

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

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

for the half year ended 30 June 2013

	Note	30 June 2013 \$'000	30 June 2012 \$'000
REVENUE AND OTHER INCOME			
Revenue	4	9,979	9,059
Other income	4	4	4
TOTAL REVENUE AND OTHER INCOME		9,983	9,063
EXPENSES			
Depreciation and amortisation	5	2,234	2,186
Property outgoings		569	528
Rates and taxes		366	339
Responsible Entity fees		493	484
Repairs and maintenance		395	399
Insurance		264	274
Project development costs		-	188
Other expenses		387	411
TOTAL EXPENSES		4,708	4,809
RESULTS FROM OPERATING ACTIVITIES		5,275	4,254
Finance costs attributable to unitholders			
Finance costs attributable to unitholders		2,489	1,929
Interest expense on financial liabilities measured at amortised cost		297	396
TOTAL FINANCE COSTS		2,786	2,325
PROFIT FOR THE PERIOD		2,489	1,929
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,489	1,929
Basic and diluted earnings per unit (cents)	13	10.0	7.7

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

STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2013

	Issued units \$'000	Distribution account \$'000	Undistributed income \$'000	Accumulated losses \$'000	Total \$'000
1 JANUARY 2012	85,051	1,958	6,588	(81,843)	11,754
Total comprehensive income for the period	-	-	-	1,929	1,929
Transfer to distribution account	-	1,929	-	(1,929)	-
Transfer from undistributed income	-	624	(624)	-	-
Distributions paid	-	(1,958)	-	-	(1,958)
30 JUNE 2012	85,051	2,553	5,964	(81,843)	11,725
1 JANUARY 2013	85,051	2,496	6,948	(81,843)	12,652
Total comprehensive income for the period	-	-	-	2,489	2,489
Transfer to distribution account	-	2,489	-	(2,489)	-
Transfer from undistributed income	-	251	(251)	-	-
Distributions paid	-	(2,496)	-	-	(2,496)
30 JUNE 2013	85,051	2,740	6,697	(81,843)	12,645

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 2013

	30 June 2013 \$'000	30 June 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	11,811	10,411
Cash payments in the course of operations	(3,816)	(4,208)
Interest received	54	85
Interest and other finance costs paid	(297)	(396)
NET CASH FROM OPERATING ACTIVITIES	7,752	5,892
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,731)	(2,814)
Proceeds from disposal of property, plant and equipment	2	1
NET CASH FROM INVESTING ACTIVITIES	(1,729)	(2,813)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/redraw of borrowings	(1,700)	500
Distributions paid (equity and liability portion)	(5,976)	(5,478)
NET CASH FROM FINANCING ACTIVITIES	(7,676)	(4,978)
Net decrease in cash held	(1,653)	(1,899)
Cash and cash equivalents at 1 January	3,650	4,490
CASH AND CASH EQUIVALENTS AT 30 JUNE	1,997	2,591

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

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 30 June 2013

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. Reef Corporate Services Limited, a company domiciled in Australia, is the Responsible Entity of the Trust. The Trust is a for-profit entity and is the owner and lessor of The Reef Hotel Casino complex in Cairns, North Queensland, Australia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The half year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in financial position and performance of the Trust since the last annual financial report as at and for the year ended 31 December 2012. It does not include all of the information required for a full annual financial report, and should be read in conjunction with the financial report as at and for the year ended 31 December 2012.

The half year financial report was approved by the directors of the Responsible Entity on 19 August 2013.

(b) Basis of measurement

The financial report is prepared on the historical cost basis.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Trust's functional currency.

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the half year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half year financial report, the significant judgements made in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 31 December 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Trust in this half year financial report are the same as those applied by the Trust in its financial report as at and for the year ended 31 December 2012.

30 Jun 2013 \$'000	30 Jun 2012 \$'000
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4. REVENUE AND OTHER INCOME

REVENUE

Rental

Base rent	517	505
Contingent rent	9,366	8,443

9,883	8,948
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Interest received and receivable from

Other persons	18	47
Related parties	36	39

54	86
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Other revenue

Sundry	42	25
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9,979	9,059
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OTHER INCOME

Government grants	4	4
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4	4
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5. EXPENSES

Net profit for the period includes the following specific expenses:

Depreciation

Building	730	720
Plant and equipment	1,121	1,088

1,851	1,808
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Amortisation

Computer software	30	25
Site lease	353	353

383	378
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2,234	2,186
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Net loss on disposal of property, plant and equipment	2	1
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	30 June 2013 \$'000	31 Dec 2012 \$'000
6. PROPERTY, PLANT AND EQUIPMENT		
Site lease – at cost	53,000	53,000
Less: Accumulated amortisation	(13,809)	(13,456)
	39,191	39,544
Building and integral plant – at cost or deemed cost	70,030	70,030
Less: Accumulated depreciation	(15,272)	(14,542)
	54,758	55,488
Plant and equipment – at cost	60,187	59,047
Less: Accumulated depreciation	(50,601)	(50,144)
	9,586	8,903
Work in progress	216	213
Total property, plant and equipment – net carrying amount	103,751	104,148

An independent valuation of the Trust's interest in The Reef Hotel Casino complex was carried out by Jones Lang LaSalle Hotels as at 31 December 2011. The Trust's interest in the complex, which is considered to be a cash generating unit, comprises the building, site lease, casino licence and plant and equipment. The complex was valued at \$125 million. The casino licence has an amortised cost of nil (31 December 2012: nil).

	30 June 2013 \$'000	30 June 2012 \$'000
Capital expenditure commitments		
Contracted but not provided for and payable:	312	408

Acquisitions and disposals

During the six months ended 30 June 2013, the Trust acquired property, plant and equipment with a cost of \$1,888,094 (six months ended 30 June 2012: \$2,944,791). Assets with a net book value of \$6,872 were disposed of during the six months ended 30 June 2013 (six months ended 30 June 2012: \$1,919), resulting in a net loss on disposal of \$1,638 (six months ended 30 June 2012: net loss of \$1,329). During the year a non-cash gain of \$3,400 was made on the trade-in of a fork-lift.

7. INTANGIBLE ASSETS

	30 June 2013 \$'000	31 Dec 2012 \$'000
Computer software – at cost	601	694
Less: Accumulated amortisation	(431)	(571)
Total intangible assets – net carrying amount	170	123

30 June 2013 \$'000	31 Dec 2012 \$'000
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8. PAYABLES

CURRENT

Trade creditors and accruals – unsecured	1,145	1,008
Accrued distributions (note 9)	2,489	3,480
	3,634	4,488

9. DISTRIBUTIONS

DISTRIBUTABLE INCOME

The Trust Constitution requires calculation of distributable income for each half yearly period commencing either on the first day of January or July and the amount transferred to a distribution account on the last day of such period. As the Trust must distribute at least 50% of net income for the period, this 50% is classified as a liability on the statement of financial position (note 8).

The proposed distribution for the six months ended 30 June 2013 was declared on 19 August 2013, and accounted for as follows:

DISTRIBUTION ACCOUNT (refer to statement of changes in equity)

Balance relating to issued units – equity portion	2,740	2,496
ACCRUED DISTRIBUTION (PAYABLES – note 8)		
Balance relating to issued units – liability portion	2,489	3,480
Total of distribution accounts	5,229	5,976

	2013		2012	
	Total \$'000	Cents per unit	Total \$'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December paid March	5,976	12.00	5,478	11.00
Half year ended 30 June paid/payable September	5,229	10.50	4,482	9.00
	11,205	22.50	9,960	20.00

**30 June
2013
\$'000** **30 June
2012
\$'000**

10. SEGMENT INFORMATION

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	9,113	8,111
Hotel and other non casino operations	770	837
	9,883	8,948

Rental income is received from the lessee of the complex, Casinos Austria International (Cairns) Pty Ltd, which is the Trust's only customer. All revenue received and non-current assets held are located in one geographical area – Australia.

11. RELATED PARTY INFORMATION

There has been no change to the nature of related party transactions disclosed in the most recent annual financial report.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at reporting date.

13. EARNINGS PER UNIT

Basic and diluted earnings per unit (cents)	10.0	7.7
Weighted average number of units at the end of the half year	24,900,518	24,900,518
	\$'000	\$'000
Profit for the period	2,489	1,929

14. FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	30 June 2013		31 December 2012	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
ASSETS CARRIED AT AMORTISED COST				
Cash and cash equivalents	1,997	1,997	3,650	3,650
Receivables	2,524	2,524	3,086	3,086
	4,521	4,521	6,736	6,736
LIABILITIES CARRIED AT AMORTISED COST				
Payables	3,634	3,634	4,488	4,488
Loans and borrowings	7,050	7,495	8,750	9,465
Issued units – liability portion*	85,051	64,741	85,051	58,018
	95,735	75,870	98,289	71,971

* 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):

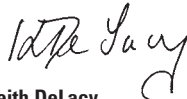
- (a) the financial statements and notes set out on pages 7 to 15, are in accordance with the *Corporations Act* 2001, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2013 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (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:



Ben Macdonald
Director

Brisbane
19 August 2013



Keith DeLacy
Director



INDEPENDENT AUDITOR'S REPORT

to the unitholders of Reef Casino Trust

Report on the financial report

We have audited the accompanying half-year financial report of Reef Casino Trust, which comprises the statement of financial position as at 30 June 2013, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of Reef Corporate Services Limited (the Responsible Entity) 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 financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the half-year financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the half-year financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the half-year financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the half-year financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the half-year financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the half-year financial report.

We performed the procedures to assess whether, in all material respects, the half-year financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting a true and fair view which is consistent with our understanding of the Trust's financial position, and of its performance.

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



INDEPENDENT AUDITOR'S REPORT

to the unitholders of Reef Casino Trust

Independence

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

Auditor's opinion

In our opinion the half-year financial report of Reef Casino 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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Report on non-IFRS financial information

We have audited the non-IFRS financial information disclosed as distributable profit included on pages 1 and 2 of the chairman's review for the half-year ended 30 June 2013. The directors of the Responsible Entity are responsible for the preparation and presentation of the non-IFRS financial information in accordance with the basis of preparation set out on page 1 of the chairman's review and for having regard to the guidelines set out in 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 auditing standards.

Auditor's opinion

In our opinion, the non-IFRS financial information disclosed as distributable profit included on pages 1 and 2 of the chairman's review for the half-year ended 30 June 2013 is prepared, in all material respects, in accordance with the basis of preparation set out on page 1 of the chairman's review.

KPMG

Gerry Mier
Partner

Cairns
19 August 2013



LEAD AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the Corporations Act 2001
to the directors of Reef Corporate Services Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the half-year ended 30 June 2013 there have been:

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

A handwritten signature in black ink, appearing to be 'W. Mier', written over a horizontal line.

KPMG

A handwritten signature in black ink, appearing to be 'Gerry Mier', written over a horizontal line.

Gerry Mier
Partner

Cairns
19 August 2013

TRUST DIRECTORY

Registered office of the Responsible Entity

Reef Corporate Services Limited
Level 1
Mercure Hotel
85-87 North Quay
BRISBANE QLD 4000
Telephone: (07) 3211 3000
Facsimile: (07) 3211 4777
www.reefcasino.com.au/trust

Directors of the Responsible Entity

Mr Benjamin W Macdonald (Chairman)
Mr Keith DeLacy
Dr Karl Stoss
Mr Michael Issenberg
Mr Kim Mooney
Mr Allan Tan
Mr Simon McGrath

Alternate directors

Mr Allan Tan (alternate for Mr Macdonald)
Mr Alexander Tucek (alternate for Dr Stoss)
Mr Philip Basha (alternate for Mr Issenberg
& Mr Mooney)

Secretary of the Responsible Entity

Ms Alison Galligan

Compliance, Audit & Risk Committee of the Responsible Entity

Hon Keith DeLacy (Chairman)
Mr Benjamin W Macdonald
Mr Kim Mooney
Mr Philip Basha (alternate for Mr Mooney)

Solicitors to the Responsible Entity

Herbert Smith Freehills
Level 38
Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Unitholder enquiries

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

Unit registry

Computershare Investor Services Pty Ltd
117 Victoria Street
WEST END QLD 4101
GPO Box 2975
MELBOURNE VIC 3001
Telephone: 1300 850 505

Bankers

Bank of Queensland Limited
259 Queen Street
BRISBANE QLD 4000

Auditors of the Trust

KPMG
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 Reef Hotel Casino Complex

Casinos Austria International (Cairns) Pty Ltd
Level 1
Mercure Hotel
85-87 North Quay
BRISBANE QLD 4000
Telephone: (07) 3211 3000
Facsimile: (07) 3211 4777

Reef Hotel Casino

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

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 530 gaming machines, 42 gambling tables, plus Club Privé, TAB and Keno. Open Monday – Thursday 9am - 3am and Friday – Sunday 9am - 5am.



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, shops and tour desk.



Indulge in the fusion of Asian and Western cuisine – a contemporary dining experience unique to Cairns. Open daily 6pm - 10.00pm.



Multi award winning full scale Chinese restaurant offering traditional Chinese cuisine, yum cha and seafood. Open daily for lunch and dinner.



Choose from a great range of light meals, snacks and beverages. Great value – all meals \$15 and under. Open during Casino operating hours.



All your favourite drinks and cocktails. Great live entertainment on Thursday through Sunday nights. Open every day from 4pm until late.



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



Café China Noodle Bar offers a tempting array of traditional Chinese delicacies in the historic surroundings of Customs House. Open daily.



Located on Level 2 of the complex, the Casino Sport Arena has the biggest high definition screen in Queensland, 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.



Night Club with live music and entertainment. Open Friday and Saturday nights until late.



Enjoy the exciting new 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 nine unique venues ranging from ballroom to boardroom to poolside are available to cater for 10 to more than 500 guests for every type of function.

CASINOS AUSTRIA INTERNATIONAL



pullman
HOTELS AND RESORTS
REEF HOTEL CASINO

REEF
CASINO TRUST

