REEF CASINO TRUST

ARSN 093 156 293

APPENDIX 4D

Half year information given to the ASX under listing rule 4.2A

This report is based on the attached accounts that have been audited and are not subject to any dispute or qualification. This information should be read in conjunction with the attached accounts 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*.

Reporting period
Half year ended 30 June 2023

Previous corresponding period
Half year ended 30 June 2022

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Down 6.9% *from $12.587 mil*	to	$11,718,000
Profit from ordinary activities after income tax attributable to members	Down 28.6% *from $3.281 mil*	to	$2,344,000
Net profit for the period attributable to members	Down 28.6% *from $3.281 mil*	to	$2,344,000

Distributable profit*	Down 28.6% *from $6.562 mil*	to	$4,688,000

**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 Grant Thornton Audit Pty Ltd. Refer to the auditor's report on page 17 of the Half Year Report for the half year ended 30 June 2023.*

2. DISTRIBUTIONS

For the 6 months ended 30 June 2023	9.44 cents per unit
Record date for determining entitlements to distribution	30 June 2023

3. NET TANGIBLE ASSETS

	Current period	Previous corresponding period
Net tangible asset backing per unit (NTA backing) [1]	$1.32	$1.35

[1] Excludes Right-of-use assets.

4. EXPLANATIONS

Additional 4D disclosures and other significant information can be found in the attached financial report for the half-year ended 30 June 2023.

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REEF
CASINO TRUST

ARSN 093 156 293

Half Year Report

June 2023

REEF CASINO TRUST

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 2023.

A profitable half year result

Key points

- Revenues at the Reef Casino Complex were up on last year
- Trust and Complex costs were up – key items being payroll, electricity, maintenance, depreciation, insurance
- Unitholder distribution of 9.44 cents per unit
- Balance sheet continues to be strong
- Management handled the cost and other challenges well

Financial summary

Period 1 January to 30 June

	2023 $mil	2022 $mil	
REVENUE AND OTHER INCOME			
Rental revenue	11.541	12.537	*Complex's revenues up, costs also up*
Other revenue and interest income	177	50	
Total revenue and other income	**11.718**	**12.587**	
EXPENSES			
Operating	4.502	3.751	*Major maintenance, electricity, insurance*
Depreciation and amortisation	2.528	2.274	*Depreciation*
Total expenses	**7.030**	**6.025**	
DISTRIBUTABLE PROFIT*/Profit before finance[1] costs attributable to unitholders	**4.688**	**6.562**	
Finance costs[1] attributable to unitholders	2.344	3.281	
PROFIT FOR THE PERIOD	**2.344**	**3.281**	
Earnings before interest, tax depreciation and amortisation (EBITDA)	**7.260**	**8.878**	
	Cents per unit	**Cents per unit**	
Earnings per unit	**9.41**	**13.17**	
Distribution per unit	**9.44**	**13.18**	

[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 for the half year ended 30 June 2023 on page 17.

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Chairman's review (continued)

Revenue and other income

The Trust reported lower rental income for the 1st half year compared to last year. Revenues at Reef Hotel Casino were up however, costs went up more, reflecting the strong national upward trend in costs.

Total Trust revenue and other income for the period (comprising mainly of rental income from the Reef Hotel Casino) was $11.718 million (2022: $12.587 million).

Expenses

Trust operating expenses in 2023 were higher than 2022 due to increases in building maintenance, electricity, insurance premiums and depreciation charges.

Distributable profit*

Trust distributable profit* was $4.688 million for the six months ended 30 June 2023 (2022 $6.562 million).

Unit distribution

A unit distribution for the 6 months from January to June 2023 of 9.44 cents per unit (2022: 13.18 cents) was declared. The record date was 30 June 2023 and payment will be made on 13 September 2023.

This represents slightly more than 100% of the distributable profit for the period, consistent with the Trust's usual distribution policy to distribute 100% of its distributable profit.

The undistributed income account balance is 20.22 cents per unit, or $10.070 million in total.

Trust balance sheet

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

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 2023 was $13.300 million. Other than the amount drawn of $200,000, the Trust is essentially debt-free. 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

Capital expenditure in the first six months of 2023 was carefully managed. Capital items approved included new gaming machines, hotel operating asset requirements, and a focus on the proper maintenance and overall upkeep of the Reef Hotel Casino complex building which is at a point in its life-cycle that requires essential maintenance work done.

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Chairman's review (continued)

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

Our markets

- Our local, regional, Queensland and Australian domestic markets held up well for our Complex.
- There were not many international tourists however they are starting to return to Cairns and the region.
- The Complex revenues grew on last year.

Complex performance – a brief review

At the Reef Hotel Casino

- **The good news is that revenues were up on last year** - through marketing, promotional and entertainment initiatives.
    - 1st half traditional low season.
    - 2022 – immediate post pandemic period.

- **Not so good was that costs were also up** – high inflation, wages growth post pandemic, electricity prices have increased sharply, essential maintenance due to the life cycle of the complex building, enhanced risk management requirements.

- **The challenge** - for management is to continue to grow revenues while using best endeavours to keep a lid on overall operating costs.

Overall Complex revenues

	Change compared to 2022 %	
1st Half	+2.7	An excellent outcome
Casino		
Visitations		
1st Half 2023	+30.2	More visitations positive
Overall casino revenues		
1st Half 2023	+2.0	A good outcome
Electronic games		
1st Half Turnover 2023	-3.6	Still good patron support from local, regional and domestic markets, 2022 was immediate post pandemic

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Chairman's review (continued)

Reef Hotel Casino Executive Director's Report (continued)

Complex performance – a brief review (continued)

Overall Complex revenues (continued)

	Change compared to 2022 %	
Table games (TG)		
1st Half TG Drop 2023	+27.0	Main floor table gaming and especially premium play reported good growth compared to last year. Table gaming was supported by local and interstate visitors
Hotel		
Overall hotel revenues		
1st Half 2023	+4.5	Overall hotel revenues were higher with increased domestic travel was satisfying outcome
Rooms		
1st Half Revenues 2023	-0.2	1st quarter was slower than last year, however 2nd quarter was much stronger.
Food and beverage (F&B)		
1st Half Revenues 2023	+8.4	Good patronage reflecting the overall increase in visitations to the Complex

Key strategies

Adopting our long standing overall low risk appetite, the following key strategies underpinned and drove our overall performance of the complex in 1st half 2023. These were coupled with the proven success of our management strategy and philosophy under our "One Complex, One Team, One Success" mantra.

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. Increasingly, as international tourists return some initiatives will be directed at this group.

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, domestic markets and increasingly to international tourists.

Food and beverage
Our food and beverage offerings will also be targeted at local, regional and domestic patrons and all visitors to Cairns. 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.

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Chairman's review (continued)

Reef Hotel Casino Executive Director's Report (continued)

Key strategies (continued)

Entertainment complex

Our complex continues to offer an array of entertainment choices including live acts and shows, restaurants and bars and a sports arena.

Complex cost control

The Executive Leadership Team is committed to achieve the best possible outcome given the current trading conditions including high inflation by targeting initiatives to tightly manage operating costs.

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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 financing.

A brief look at 2nd half 2023

The 2nd half year is the high season of Cairns and the region. July 2023 was yet another profitable month. So far in August trading is also good.

For the rest of the year, the management's goal is to put the Complex and the casino licence to productive use for the best possible outcome for the Trust.

- The trading environment and conditions remain generally challenging particularly with inflationary pressure on costs. However, international visitors are starting to return and cruise ship visits are increasing.
- Key management initiatives include
    - Continuing driving the business
    - Offering appropriate products, services and operating capacity
    - Focussing on and prioritising revenue areas that matter most
    - Controlling and managing costs
    - Striking a good balance between staff numbers and overall costs
    - Carrying out essential life-cycle building maintenance
    - Continuing attention on legislative, risk and compliance matters

Chairman's review (continued)

CHAIRMAN'S SUMMARY AND OUTLOOK

Sum up of 1st half 2023

The Trust delivered another profit result and was comfortably able to continue to adhere to its policy of paying 100% of distributable profit*. The Trust balance sheet remains strong and healthy. Management and staff continued to achieve the best possible outcomes. The Trust Board also worked well together to deliver a good outcome so far in 2023.

A brief operational outlook for the Trust in 2nd half 2023

The Trust and the Operator of the Complex will continue to adopt a long standing overall low risk appetite.

The Trust's performance largely reflects the trading at the Reef Hotel Casino as the main source of income is the rentals paid by the Reef Hotel Casino complex in Cairns. July was another profitable month for the Trust. So far in August, the Trust is trading well.

On 23 August 2023 the operator of the Reef Hotel Casino reached agreement with the tenant of the Cairns Zoom and Wildlife Dome to surrender their lease to allow access to perform maintenance works. The agreement includes a commitment to pay $900,000 to the tenant following the date of surrender which will impact Trust rental income for the 2nd half 2023.

Due to inflation, higher interest rates and global economic uncertainties, economic and trading conditions in Cairns and the region could be somewhat challenging amidst a degree of uncertainty. Increased oversight of regulatory matters requires close management monitoring and effort.

The cruise line market into Cairns has shown strong signs of recovery and many more visits by cruise ships are expected for the rest of year. Business events and conferences are showing strong forward bookings. The return of the international market into Australia is also recovering.

Trust expenditure and costs will remain under tight control and capital investment will be carefully managed. The Trust will work closely with the operator of the Complex to properly maintain the Complex building to retain its value.

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 2023.



Philip Basha
Chairman
Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust
24 August 2023

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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 2023 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)
Mr Benjamin W Macdonald (retired 26 May 2023)
Mr Fritz Pühringer
Ms Wendy Morris
Mr Allan Tan (director and until 26 May 2023 alternate for Mr Macdonald)
Ms Sarah Derry (appointed 28 March 2023)
Mr Erwin van Lambaart (appointed 31 May 2023)

Review of operations

The review of operations is contained in the Chairman's Review on pages 1 to 6.

Distribution

The distribution of $11.449 million (22.99 cents per unit) in respect of the six month period ended 31 December 2022 as reported in the 2022 annual report was paid on 8 March 2023.

The directors have declared a distribution of $4.701 million (9.44 cents per unit) in respect of the six month period ended 30 June 2023 to be paid on 13 September 2023. The distribution in respect of the six month period ended 30 June 2022 was 13.18 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 20 and forms part of the directors' report for the half year ended 30 June 2023.

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
24 August 2023

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Statement of profit or loss and other comprehensive income
For the half year ended 30 June 2023

	Note	30 June 2023 $'000	30 June 2022 $'000
REVENUE AND OTHER INCOME			
Revenue and other income	4	**11,718**	12,587
TOTAL REVENUE AND OTHER INCOME		**11,718**	12,587
EXPENSES			
Depreciation and amortisation	6	**2,528**	2,274
Property outgoings		**714**	528
Rates and taxes		**395**	385
Responsible Entity fees		**576**	576
Repairs and maintenance		**1,129**	692
Insurance		**1,029**	915
Responsible Entity director fees		**74**	105
Other expenses		**541**	508
TOTAL EXPENSES		**6,986**	5,983
PROFIT FROM OPERATING ACTIVITIES		**4,732**	6,604
Finance costs attributable to unitholders		**2,344**	3,281
Interest expense on financial liabilities measured at amortised cost		**44**	42
TOTAL FINANCE COSTS		**2,388**	3,323
PROFIT FOR THE PERIOD		**2,344**	3,281
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,344**	3,281
Basic and diluted earnings per unit (cents)	11	**9.41**	13.17

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

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Statement of financial position
As at 30 June 2023

	Note	30 June 2023 $'000	31 Dec 2022 $'000
ASSETS			
Cash and cash equivalents		**4,524**	13,745
Receivables	7	**3,420**	2,697
TOTAL CURRENT ASSETS		**7,944**	16,442
Receivables	7	**775**	775
Property, plant and equipment	8	**91,254**	90,106
Intangible assets		**72**	32
TOTAL NON-CURRENT ASSETS		**92,101**	90,913
TOTAL ASSETS		**100,045**	107,355
LIABILITIES			
Payables		**3,793**	7,661
Lease liabilities		**101**	98
TOTAL CURRENT LIABILITIES		**3,894**	7,759
Loans and borrowings	9	**200**	200
Deferred income		**9**	9
Lease liabilities		**52**	104
Issued units – liability portion	12	**85,051**	85,051
TOTAL NON-CURRENT LIABILITIES		**85,312**	85,364
TOTAL LIABILITIES		**89,206**	93,123
EQUITY			
Issued units – equity portion		**85,051**	85,051
Distribution account	10	**2,357**	5,737
Undistributed income		**10,070**	10,083
Accumulated losses		**(86,639)**	(86,639)
TOTAL EQUITY		**10,839**	14,232
TOTAL EQUITY AND LIABILITIES		**100,045**	107,355
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.

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Statement of changes in equity
For the half year ended 30 June 2023

	Issued units $'000	Distribution account $'000	Undistributed income $'000	Accumulated losses $'000	Total $'000
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
1 JANUARY 2023	**85,051**	**5,737**	**10,083**	**(86,639)**	**14,232**
Profit for the period				**2,344**	**2,344**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**2,344**	**2,344**
Transfer to distribution account	**-**	**2,344**	**-**	**(2,344)**	**-**
Transfer from undistributed income	**-**	**13**	**(13)**	**-**	**-**
Distributions paid	**-**	**(5,737)**	**-**	**-**	**(5,737)**
30 JUNE 2023	**85,051**	**2,357**	**10,070**	**(86,639)**	**10,839**

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

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Statement of cash flows
For the half year ended 30 June 2023

	30 June 2023 $'000	30 June 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	**13,186**	13,357
Cash payments in the course of operations	**(6,840)**	(5,891)
Interest received	**100**	27
Interest and other finance costs paid	**(44)**	(9)
NET CASH FROM OPERATING ACTIVITIES	**6,402**	7,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(4,137)**	(1,386)
Proceeds from disposal of non-current assets	**11**	-
NET CASH FROM INVESTING ACTIVITIES	**(4,126)**	(1,386)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal elements of lease payments	**(48)**	(46)
Distributions paid (equity and liability portion)	**(11,449)**	(8,611)
NET CASH FROM FINANCING ACTIVITIES	**(11,497)**	(8,657)
Net increase/(decrease) in cash held	**(9,221)**	(2,559)
Cash and cash equivalents at 1 January	**13,745**	9,615
CASH AND CASH EQUIVALENTS AT 30 JUNE	**4,524**	7,056

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

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Notes to the condensed interim financial statements
For the half year ended 30 June 2023

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 resolutions of unitholders on 27 May 2022 and 26 May 2023. 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 2023. 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 2022 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 24 August 2023.

(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 2022.

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 2022.

4. Revenue and other income

	30 June 2023 $'000	30 June 2022 $'000
RENTAL		
Base rent	**670**	621
Contingent rent	**10,871**	11,916
	11,541	12,537
INTEREST RECEIVED AND RECEIVABLE FROM		
Cash and cash equivalents	**55**	-
Related parties	**39**	28
	94	28
OTHER INCOME		
Sundry	**83**	22
	11,718	12,587

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Notes to the condensed interim financial statements
For the half year ended 30 June 2023

5. Segment information

	30 June 2023 $'000	30 June 2022 $'000
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	**10,641**	11,120
Hotel and other non-casino operations	**900**	1,417
	11,541	12,537

6. Expenses

	30 June 2023 $'000	30 June 2022 $'000
Net profit for the period includes the following specific expenses:		
DEPRECIATION		
Building	**1,018**	743
Plant and equipment	**1,093**	1,109
	2,111	1,852
AMORTISATION		
Computer software	**16**	22
Site lease	**353**	353
Carpark lease	**48**	47
	417	422
	2,528	2,274

7. Receivables

	30 June 2023 $'000	31 Dec 2022 $'000
CURRENT		
Rent and interest receivable from lessee	**2,284**	2,602
Prepayments and other debtors	**1,136**	95
	3,420	2,697
NON-CURRENT		
Financial assets - Loan to lessee	**750**	750
Security deposit	**25**	25
	775	775

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Notes to the condensed interim financial statements
For the half year ended 30 June 2023

8. Property, plant and equipment

	30 June 2023 $'000	31 Dec 2022 $'000
Site lease – at cost	**53,000**	53,000
Less: Accumulated amortisation	**(20,876)**	(20,523)
	32,124	32,477
Building and integral plant – at cost or deemed cost	**75,421**	74,873
Less: Accumulated depreciation	**(27,690)**	(27,630)
	47,731	47,243
Plant and equipment – at cost	**66,004**	66,045
Less: Accumulated depreciation	**(56,383)**	(56,488)
	9,621	9,557
Carpark lease – right of use	**382**	382
Less: Accumulated amortisation	**(231)**	(183)
	151	199
Work in progress	**1,627**	630
Total property, plant and equipment – net carrying amount	**91,254**	90,106

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

Site lease	**32,124**	32,477
Carpark lease	**151**	199
Total right-of-use assets	**32,275**	32,676

Capital expenditure commitments	30 June 2023 $'000	30 June 2022 $'000
Contracted but not provided for and payable:	**2,284**	1,382

ACQUISITIONS
During the six months ended 30 June 2023, the Trust acquired property, plant and equipment with a cost of $3,679,000 (six months ended 30 June 2022: $896,801).

9. Loans and borrowings

	Facility Available		Facility Used		Facility Unused	
	30 June 2023 $'000	31 Dec 2022 $'000	30 June 2023 $'000	31 Dec 2022 $'000	30 June 2023 $'000	31 Dec 2022 $'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

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Notes to the condensed interim financial statements
For the half year ended 30 June 2023

10. Distributions

	30 June 2023 $'000	31 Dec 2022 $'000
Distributable income		
The proposed distribution for the six months ended 30 June 2023 was declared on 24 August 2023, and accounted for as follows:		
DISTRIBUTION ACCOUNT (refer to statement of changes in equity)		
Balance relating to issued units – equity portion	**2,357**	5,737
ACCRUED DISTRIBUTION		
Balance relating to issued units – liability portion	**2,344**	5,713
TOTAL OF DISTRIBUTION ACCOUNTS	**4,701**	11,450

	2023		2022	
	Total $'000	Cents per unit	Total $'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December paid March	**11,449**	**22.99**	8,611	17.29
Half year ended 30 June paid/payable September	**4,701**	**9.44**	6,564	13.18
	16,150	**32.43**	15,175	30.47

Earnings per unit

	30 June 2023	30 June 2022
Basic and diluted earnings per unit (cents)	9.41	13.17
Weighted average number of units at the end of the half year	**24,900,518**	24,900,518

11. 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 2023		31 December 2022	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
LIABILITIES CARRIED AT AMORTISED COST				
Issued units – liability portion*	**85,051**	**77,192**	85,051	75,698

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

12. Events subsequent to balance date

On 23 August 2023 the operator of the Reef Hotel Casino reached agreement with the tenant of the Cairns Zoom and Wildlife Dome to surrender their lease to allow access to perform maintenance works. The agreement includes a commitment to pay $900,000 to the tenant following the date of surrender which will impact Trust rental income for the 2nd half 2023.

No other matters or circumstances have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial periods.

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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 8 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 2023 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
24 August 2023

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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 2023, 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 2023 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*.

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.

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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	
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. 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. 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. 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.	Our procedures included, amongst others: • 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 2023, 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.

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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 2 for the half year ended 30 June 2023 is prepared, in all material respects, in accordance with the basis of preparation set out on page 1.

Responsibilities

The Directors of the Responsible Entity of the Trust are responsible for the preparation and presentation of the non-IFRS financial information with the basis of preparation set out on page 1 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, 24 August 2023

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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 2023, 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, 24 August 2023

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REEF CASINO TRUST

Trust Directory

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 802,000 rooms. With 290,000 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 Fritz Pühringer Ms Wendy Morris Mr Allan Tan Ms Sarah Derry Mr Erwin van Lambaart
Secretary of the Responsible Entity	Ms Alison Galligan
Compliance, Audit & Risk Committee of the Responsible Entity	Ms Wendy Morris (Chairperson) Mr Fritz Pühringer 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

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REEF CASINO TRUST

Trust Directory

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 www.reefcasino.com.au
Unitholder enquiries	Please contact the unit registry if you have any questions about your unitholding or distributions.

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