

2014

ANNUAL REPORT & FINANCIAL STATEMENTS



REEF
CASINO TRUST

ARSN 093 156 293

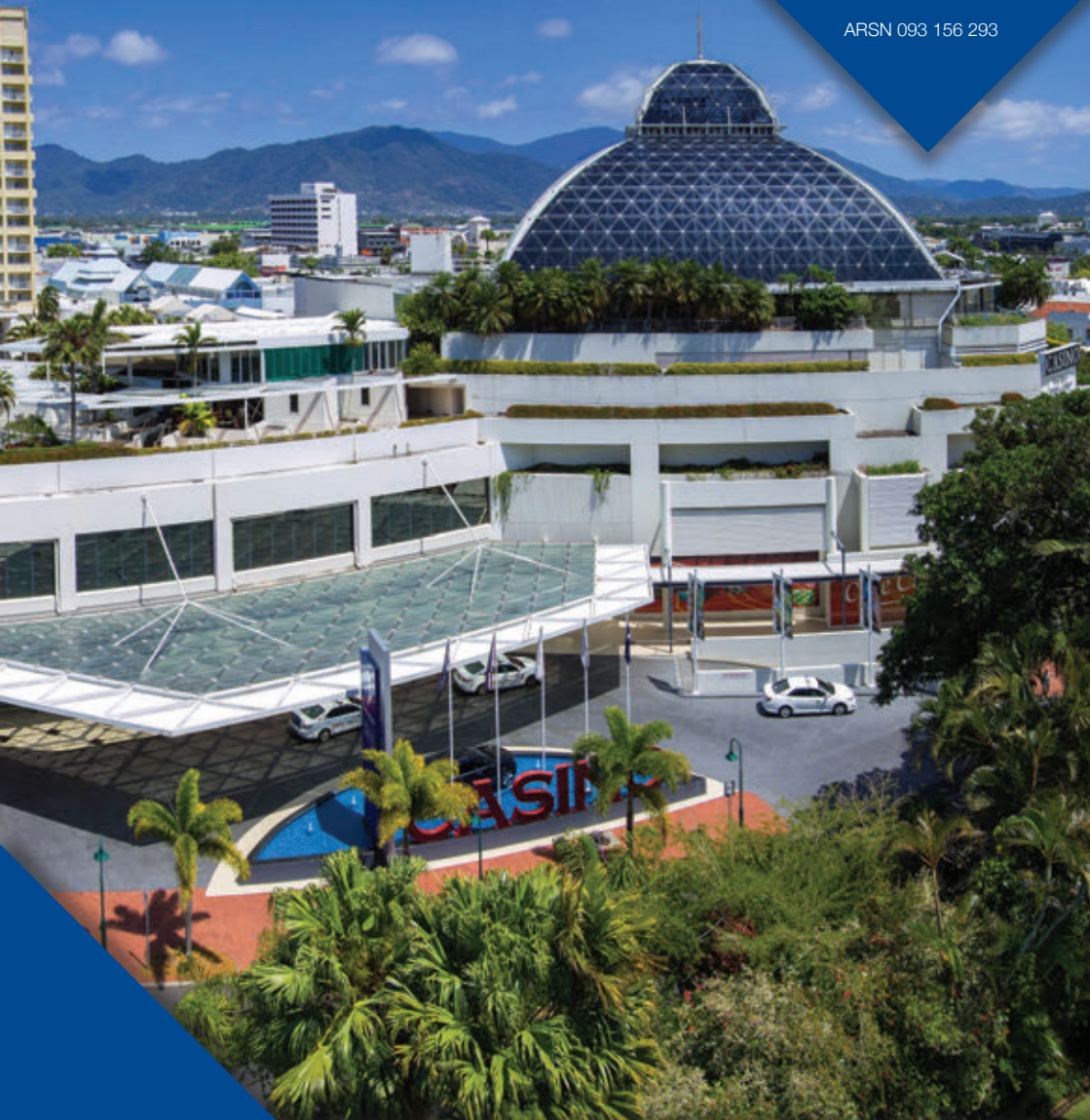
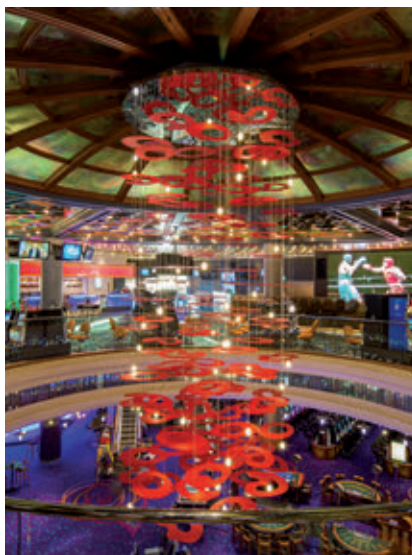


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Annual General Meeting

25th May 2015 at 10.30 am
Michaelmas Cay Ballroom
35-41 Wharf Street
Cairns Qld Australia

Unit Distribution

Half year ended 31 December 2014

17.25 cents per unit

Payment date - 18th March 2015

Total for 2014 26.02 cents per unit

Announcement Dates

Half year ending 30 June 2015

Estimate distribution mid June 2015

Results late August 2015

Half year ending 31 December 2015

Estimated distribution mid December 2015

Results late February 2016



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 financial year ended 31 December 2014.

Key points

Solid 2014 Trust result despite Aquis takeover bid proposal interruptions

- Despite the interruptions to day to day operations of the Trust and at the Reef Hotel Casino in 2014 due to the Aquis takeover bid proposal, the Trust reported a distributable profit* of \$12.1 million, compared to \$13.9 million last year. Unitholders' distributions classified as "finance costs" were \$6.03 million resulting in a net profit of \$6.03 million, compared to \$7.0 million last year. The difference is due to lower casino premium play revenues and Aquis transactional costs.
- First half year Trust distributable profit* was \$4.4 million. The second half year Trust distributable profit* was \$7.7 million, reflecting the historical stronger second half year trading at the Reef Hotel Casino.
- Unit distribution for the six months from July to December 2014 was 17.25 cents per unit making the unit distribution for the year from January to December 2014 a total of 26.02 cents per unit (last year 28.0 cents per unit).
- Operating costs at the Reef Casino Trust and the Reef Hotel Casino were well controlled.
- In November 2014, the Trust announced that a takeover bid proposal for the Trust had lapsed.
- Reef Hotel Casino complex independently valued at \$136 million as at 31 December 2014, up from \$125 million as at 31 December 2011.



Trust distributable profit

Trust distributable profit* was \$12.1 million for the year ended 31 December 2014. This compares with \$13.9 million in 2013.

Total Trust revenue (comprising mainly of rental income from the Reef Hotel Casino) was \$22.9 million (last year \$24.3 million). Premium play revenues were lower in 2014 due to a lower win rate compared to 2013 and less activity.

Aquis takeover proposal transactional costs in 2014 were \$602K. The Trust's other 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 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 43 of the Annual Report for the year ended 31 December 2014.*

	2014 \$'000	2013 \$'000	
REVENUE AND OTHER INCOME			
Rental revenue	22,650	24,071	-5.9%
Other revenue and income	204	213	
Total revenue and other income	22,854	24,284	-5.9%
EXPENSES			
Aquis transactional costs	602	275	
Operating expenses	5,776	5,602	-3.1%
Depreciation and amortisation	4,412	4,483	
Total expenses	10,790	10,360	-4.1%
PROFIT BEFORE FINANCE COSTS¹ ATTRIBUTABLE TO UNITHOLDERS (DISTRIBUTABLE PROFIT*)	12,064	13,924	-13.4%
Finance costs ¹ attributable to unitholders	6,032	6,962	
PROFIT FOR THE PERIOD	6,032	6,962	-13.4%
	cents per unit	cents per unit	
Earnings per unit	24.22	28.00	
Distribution per unit	26.02	28.00	

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

Unit distribution

The Trust has declared a distribution of 17.25 cents per unit or a total of \$8.6 million for the six months from 1 July to 31 December 2014.

A distribution of 8.77 cents per unit was paid for the six months from 1 January to 30 June 2014. For the 2014 financial year, the total distribution declared was 26.02 cents per unit.

Therefore, the 2014 total unit distribution comprised 100% of 2014 earnings per unit of 24.22 cents and the use of 1.80 cents per unit from the undistributed income account. The 2014 total unit distribution closely represents the Trust's earnings for 2014 on a basis "normalised" for casino premium play and Aquis transactional costs.

The undistributed income account now stands at 12.1 cents per unit or \$6 million.

The Trust intends to continue its distribution policy to pay out "100% of distributable profit".

Independent valuation of Trust property

In accordance with the requirements of the Trust Constitution an independent valuation of The Reef Hotel Casino complex was commissioned as at 31 December 2014.

The independent valuer, JLL Hotels & Hospitality Group, valued the Reef Hotel Casino complex at \$136 million as at 31 December 2014, up from \$125 million as at 31 December 2011. As the Reef Hotel Casino complex is measured at depreciated cost (\$100M as at 31 December 2014), this latest independent valuation is shown only as a note to the financial statements.

The Trust will continue to obtain an independent valuation of the Reef Hotel Casino complex at least once every 3 years in accordance with the requirements of the Trust Constitution.



Trust balance sheet

The Trust is required to disclose \$2.9 million of debt drawn under the Trust's interest only loan facility of \$16.5 million which expires in December 2015 as a current liability as at 31 December 2014. As a result the Statement of Financial Position shows a deficiency of working capital of \$1.8 million.

The Trust is in receipt of an offer and is close to finalising an extension of the loan facility, subject to regulatory approval, and foresees no difficulties in doing so given the strong relationship the Trust has with its existing bank, the value of the security provided and its strong and reliable operating cashflows.

The Trust balance sheet remains strong and healthy. The Trust's cash position remains positive.

Capital investment

Despite the Aquis takeover bid proposal, the Trust continued to invest in operational capital expenditure in the Reef Hotel Casino complex in Cairns to properly maintain its facilities and performance. However, "special" projects were suspended in 2014. Following the lapse of the Aquis takeover bid, the Trust will revert to its normal program of capital investment.

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

Aquis takeover bid proposal

The Aquis takeover bid implementation agreement requirements resulted in the management team devoting significant resources for most of the year to assist Aquis in "integration and planning" which otherwise would have been devoted wholly to the day to day operations of the Reef Hotel Casino.

Trading conditions

- As with previous years, the first half year was the low tourist season in Cairns and the second half was the high tourist season.
- Cessation of year round direct flights from China, these reverted to being seasonal.
- The local economy including tourism remained flat in general.

Key strategies

The following key management strategies continued to underpin the solid performance at the Reef Hotel Casino.

- “Locals strategy” – The Only Place to Play
- “China strategy” – Reef by Day, Reef by Night
- The best hotel in Cairns
- Cost control and risk management throughout the complex

Complex performance

Overall, the Reef Hotel Casino achieved a commendable outcome given the interruptions to day to day operations because of the Aquis takeover bid proposal.

Casino

- **Casino visitation**
Casino visitations were down 16.1% on last year. Contributing factors included a soft and flat local economy, a competitive local market and the cessation of year round direct flights from China into Cairns.
- **Electronic gaming**
Electronic gaming machine turnover was up 10.8% on last year and revenues were up 12.5% on last year. Patron support from local, domestic and international markets was strong throughout the year. The Reef Casino achieved a record level of electronic gaming machine turnover and revenue in 2014. Electronic gaming's strong performance was underpinned by the introduction of new games and machines and a full program of promotions and entertainment.
- **Table games**
Total revenues were down 25.7% on last year mainly due to cessation of year round direct flights from China and a change in the mix of the Chinese tourist market (with a bias towards the lower end of the market). Compared to 2013, premium play revenues were lower in 2014 due to a lower win rate and less activity.

Hotel

- **Room**
Rooms revenues were 6.2% higher compared to last year, due to good yield management.
- **Food and beverage**
Overall, food and beverage revenues held up well and were down just 1.1% on last year reflecting lower casino visitations.
- **Complex cost control**
Operating costs of the Reef Hotel Casino continued to be well controlled.

Future operational strategies and capital investment

- Management will continue to leverage off the good momentum in electronic gaming, introduce and implement further initiatives to try and grow the Chinese tourist market and building up our hotel conference business.
- A complete repainting of the exterior of the complex building is expected to be completed by end February, early March.
- Management is also working on a 3 year capital investment strategy which aims to enhance the complex's facilities and products.

Chairman's review continues

Trust outlook for 2015

Lapsed Aquis takeover bid proposal

On 28 November 2014, Reef Casino Trust announced that the offer made by Aquis Casino Acquisitions Pty Ltd (Aquis) under an off market takeover bid for all the units in the Trust had lapsed. The offer was subject to various defeating conditions, including Queensland gaming regulatory approvals. Those conditions were not met at that time and accordingly the offer lapsed. The Board of Reef Corporate Services Limited and members of the Independent Board Committee used their best endeavours in accordance with the Takeover Bid Implementation Agreement to achieve a successful outcome. Due to the lapse of the proposed takeover, the Takeover Bid Implementation Agreement with Aquis was terminated.

Following the lapse of the Aquis takeover bid proposal, it has been "business as usual" for the Trust and the Reef Hotel Casino.

The Trust's performance in 2015 will reflect that of the Reef Hotel Casino.

Economic background

- The local economic conditions in Cairns remain soft.
- However, the Australian dollar is generally lower and hopefully this will be positive for Cairns tourism.

Reef Hotel Casino outlook

- **Electronic gaming**

With the introduction of new games and additional fully automatic table games, the introduction of a new Reef Club loyalty program plus a full year schedule of marketing, entertainment and promotions, the outlook is positive.

- **Table game**

Cairns remains a popular destination with Chinese tourists. Direct flights from Shanghai to Cairns are still expected to be seasonal (before and after Chinese New Year holiday season). The slow down in China is not expected to affect Cairns and our casino in a major way. Management has strategies to try and achieve best possible results. Overall, the outlook is neutral to positive.

- **Best 5 star hotel in Cairns**

Our Pullman Reef Hotel Casino remains the best 5 star hotel in Cairns. Through better yield management and a strong sales effort, the outlook is positive.

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.



Ben Macdonald

Chairman

Reef Corporate Services Limited

Responsible Entity of Reef Casino Trust

DIRECTORS' REPORT

Mr Ben Macdonald
Non-executive Chairman



Mr Richard Haire
Non-executive Director



Mr Michael Issenberg
Non-executive Director



Mr Allan Tan
Executive Director,
CEO Reef Hotel Casino



Mr Alex Tucek
Alternate for Dr Stoss



Mr Keith DeLacy
Non-executive Director
Chairman of Compliance,
Audit & Risk Committee



Dr Karl Stoss
Non-executive Director



Mr Kim Mooney
Non-executive Director



Mr Simon McGrath
Non-executive Director



Mr Philip Basha
Alternate for Mr
Issenberg & Mr Mooney



The directors of Reef Corporate Services Limited, ABN 66 057 599 621, the Responsible Entity of Reef Casino Trust (the Trust) present their report together with the financial statements of the Trust for the year ended 31 December 2014 and the auditor's report thereon.

Responsible Entity

The directors of Reef Corporate Services Limited during the financial year or since the end of the financial year are:

Mr Benjamin W Macdonald (Chairman)
Mr Keith DeLacy
Mr Richard Haire
Dr Karl Stoss
Mr Michael Issenberg
Mr Kim Mooney
Mr Allan Tan (director and alternate for Mr Macdonald)
Mr Simon McGrath
Mr Alexander Tucek (alternate for Dr Stoss)
Mr Philip Basha (alternate for Mr Mooney & Mr Issenberg)

Principal activities

The Trust is the owner and lessor of the Reef Hotel Casino complex which is located in Cairns, North Queensland, Australia.

Review and results of operations

The review and results of operations is contained in the Chairman's Review commencing on page 1.

This includes information on the financial position and business strategies and prospects for future financial years.

Distributions

Distributions are paid on a half yearly basis.

The distribution of \$8.72 million (17.5 cents per unit) in respect of the six month period ended 31 December 2013 as reported in the 2013 annual report was paid on 19 March 2014.

The distribution of \$4.4 million (8.77 cents per unit) in respect of the six month period ended 30 June 2014 was paid on 17 September 2014 (note 17).

The directors have declared a distribution of \$8.59 million (17.25 cents per unit) in respect of the six month period ended 31 December 2014 to be paid on 18 March 2015 (note 17).

Significant changes in the state of affairs

There was no significant change in the nature of the activity of the Trust that occurred during the financial year under review.

Environmental regulation

The Trust's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Responsible Entity believes that the Trust has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Trust.

Events subsequent to balance date

On 19 February 2015, the board of directors of the Responsible Entity, Reef Corporate Services Limited, declared a 17.25 cent per unit distribution payable on 18 March 2015. This distribution totals \$8,590,679.

Other than as identified in this report, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust, in future financial years.

Interests of the Responsible Entity

Reef Corporate Services Limited holds no units either directly or indirectly in Reef Casino Trust. Associates of the Responsible Entity hold 36,527,994 units at 31 December 2014 (2013: 36,451,044 units). The total number of units on issue in 2013 and 2014 was 49,801,036.

Responsible Entity's remuneration

In accordance with the Trust Constitution, Reef Corporate Services Limited is entitled to receive:

- (i) Half yearly fees calculated as 0.375% of the value of net assets of the Trust (as defined in the Trust Constitution) as at the last day of the half year period just completed, paid quarterly, plus
- (ii) Half yearly fees calculated as the greater of \$37,500 and a fee calculated on a sliding scale by reference to the value of gross assets (as defined in the Trust Constitution), payable within two months of the end of each half yearly period.

Reef Corporate Services Limited is also entitled to reimbursement of Trust expenses incurred on behalf of the Trust.

Set out below are the fees paid or payable by the Trust to the Responsible Entity during the year:

	Dec 2014 \$	Dec 2013 \$
Responsible Entity fees	1,053,861	993,097
Reimbursement of Trust expenses	89,896	62,478

Directors' interests

The relevant interests of each director of Reef Corporate Services Limited in the unit capital of the Trust at the date of this report are set out below:

	Number of units held		Number of units held
Mr Benjamin W Macdonald	263,750	Mr Kim Mooney	122,583
Mr Keith DeLacy	5,000	Mr Allan Tan	76,950
Mr Richard Haire	-	Mr Simon McGrath	-
Dr Karl Stoss	-	Mr Alexander Tucek	-
Mr Michael Issenberg	221,000	Mr Philip Basha	-

Likely developments

The Trust will continue as owner and lessor of the Reef Hotel Casino complex located in Cairns. The Trust will also consider appropriate opportunities similar to its current investment in the Reef Hotel Casino complex.

Indemnities and insurance premiums for officers or auditors

Indemnification

Under the Trust Constitution, Compliance, Audit and Risk Committee members are entitled to be indemnified out of the trust fund in respect of liabilities incurred in good faith through acting as a member of the Compliance, Audit and Risk Committee in successfully defending proceedings against them. The Responsible Entity is also entitled to be indemnified out of the trust fund in accordance with the Trust Constitution. Since the end of the previous financial year, the Trust has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Trust.

Insurance premiums

During the financial year the Trust has paid premiums to insure current and former directors and officers of the Responsible Entity against liabilities arising as a result of work performed in their capacity as directors or officers of the Responsible Entity.

The insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Information on directors

Ben Macdonald AM

Non-executive Chairman; director since 20 September 1995.

Mr Macdonald was born in Brisbane and educated at Geelong Grammar School Victoria. He joined Macdonald Hamilton & Co Ltd in 1952, retiring in 1985 as joint Managing Director of the company.

Since 1985, he has served as a director of a number of Australian public companies, some of which were Perpetual Trustees Australia Ltd (Chairman), AMP Society (Australia board), CSR Limited, Placer Pacific Ltd, Allgas Energy Ltd, Bank of Queensland Ltd (Deputy Chairman), Casinos Austria International Limited (Chairman), Queensland Cotton Holdings Ltd (Chairman), FKP Ltd (Chairman) and AP Eagers Ltd (Chairman). He was a founding director and deputy Chairman of Brisbane's first FM radio station (Four Triple M Ltd).

He served as the Honorary Consul for Uruguay in Queensland and served on the Committee of the Royal Automobile Club of Queensland and the Salvation Army (Brisbane Division).

For service to business and commerce through executive roles with a range of investment, banking and agricultural organisations, and to the community as a supporter of charitable and sporting bodies Ben has been awarded an AM.

Keith DeLacy AM

Independent non-executive director; director since 1 December 1999.

Mr DeLacy is the Chairman of the Compliance, Audit and Risk Committee.

He retired in November 2014 as President of the Queensland Division of the Australian Institute of Company Directors (AICD), and as a national board member of the AICD National.

He was born in Cairns and still lives there with his family. He was the State Member for Cairns for fifteen years and Treasurer of Queensland from 1989 to 1996.

Keith is Chairman of Integrated Food and Energy Developments Ltd (I-FED) and Stag Beef Ltd. He retired as Chairman of Macarthur Coal in October 2011 when it was taken over by Peabody Resources.

Over the years he has been Chairman of Australia's largest cotton producer Cubbie Group, COFCO Australia, Queensland Sugar (QSL) and the Global Sugar Alliance, Ergon Energy and the Trinity Group, as well as a range of not-for profits.

For services to the community Keith has been awarded an AM, the Centenary Medal, honorary doctorates from both James Cook University (HonDLitt) and Central Queensland University (DUniv), and the Gatton Gold medal from the University of Queensland.

Richard Haire

Independent non-executive director; director since 1 October 2013.

Mr Haire is a member of the Compliance, Audit and Risk Committee.

Mr Haire was the Chief Executive Officer of Queensland Cotton Corporation Pty Ltd from 1989 to 2007, and Managing Director and Regional Head, Australia and New Zealand of Olam from 2007 to 2012. He has more than 28 years of experience in listed entities.

He is a director and Chairman of the Audit Committee at the Bank of Queensland and a Director at BEC Feed Solutions Limited.

Richard holds a Bachelor of Economics Degree from the University of New England. He is a fellow of the Australian Institute of Company Directors.

Dr Karl Stoss

Non-executive director; director since 8 February 2012

Dr Stoss is CEO of Casinos Austria AG, Österreichische Lotterien GmbH and President of Casinos Austria International.

Studying business administration and graduating from University of Innsbruck, he then worked in various roles within the insurance and banking sector. Dr Stoss was appointed Deputy Chairman and Deputy Director General of Österreichische Postsparkasse Savings Bank before becoming a director of the Managing Board of Raiffeisen Zentralbank Österreich AG from 2001, and then on to the Managing Board of Generali Holding Vienna AG becoming Chairman in early 2005 before he joined Casinos Austria Group in 2007.

Dr Stoss is President of the Austrian Olympic Committee since September 2009 and was re-elected in November 2012.

Michael Issenberg

Non-executive director; director since 21 January 2002.

Mr Issenberg is Chairman and Chief Executive Officer of Accor Asia Pacific and has been with Accor for more than 20 years. He has responsibility and oversight for Accor's full range of business interests in the Asia Pacific region and is also a member of the Global Management Committee.

Prior to joining Accor Asia Pacific, Mr Issenberg spent five years as Chief Executive Officer, Mirvac Hotels. This was following a successful career at Westin Hotels and Resorts, Laventhol & Horwath and Horwath & Horwath Services Pty Limited in San Francisco and Sydney. He came to Accor with an impressive background in the hotel industry.

In addition to Reef Casino Trust, Mr Issenberg is also a director of The A-HTRUST (Ascendas Hospitality Trust) listed on the Singapore Stock Exchange.

Mr Issenberg, holds a degree in hotel administration from Cornell University, USA and is a Lifetime Member of the Cornell Hotel Society. Mr Issenberg is also a Lifetime Member of Tourism and Transport Forum in Australia.

Kim Mooney

Non-executive director; director since 21 January 2002.

Mr Mooney is a member of the Compliance, Audit and Risk Committee.

Mr Mooney is the Chief Financial Officer for Accor Asia Pacific and is responsible for a range of ancillary tourism services and operations.

He joined Accor in 1993 from Resort Hotels Management as the General Manager of Finance for Australia, New Zealand, South Pacific and Japan. Prior to this he held positions in Arts Administration in Europe, England and Australia.

In February 2003, he was appointed Chief Financial Officer – Asia Pacific, which is the position he currently holds. He is based in Singapore but works from Sydney and Singapore offices.

Mr Mooney is a Certified Practising Accountant, holding qualifications in Business, Hospitality and Arts Administration. He is a director of all Accor Asia Pacific entities and previously served as a director of The Music Board of the Australia Council.

Allan Tan

Executive director; director since 28 March 2006.

Alternate for Mr Macdonald; alternate director since 10 July 1997.

Mr Tan is the CEO of the Reef Hotel Casino and Executive Director of Casinos Austria International – Australia, Asia Pacific. He joined Casinos Austria in 1995 as Chief Financial Officer and Company Secretary for Casinos Austria International Limited. Since this time, he has held several positions within the group, including Chief Financial Officer and Company Secretary for Reef Casino Trust and Regional Manager (Australia, Asia Pacific) for Casinos Austria Group.

He holds an honours degree in Commerce (Accounting) and is a member of the English & Welsh Institute of Chartered Accountants and a member of Governance Institute of Australia.

Mr Tan also holds a number of executive directorships within the Casinos Austria Group.

Simon McGrath

Non-executive director; director since 23 August 2011.

Simon McGrath is Chief Operating Officer for Accor Pacific, responsible for over 250 hotels, 33,000 rooms and 12,000 employees in the Pacific region.

Simon has an extensive and highly respected career in the hotel sector, having worked in management positions domestically and overseas. He has worked in senior executive positions in Australia's major city and tourist destinations, including Sydney, Gold Coast, Cairns, Hamilton Island and Ayers Rock Resort as well as internationally in Malaysia and Thailand.

In addition to his role as Chief Operating Officer for Accor Pacific, Simon holds the following Directorship Roles: Director of AAPC Limited and Director of Accor Vacation Club (AVC).

Simon also currently holds positions on the following Boards: Deputy Chairman of Tourism and Transport Forum (TTF) and Independent Director of Genesis Care.

Simon has played a major advocate role in advancing indigenous employment opportunities in the hospitality and tourism sector as well as championing innovative human resources development, marketing and customer relationship management.

Alexander Tucek

Alternate for Dr Stoss; alternate director since 8 February 2012

Alexander Tucek joined Casinos Austria AG in 1971 and moved to Casinos Austria International in 1978, where he initially served as Casino Manager in a number of land based and shipboard casinos around the globe. Following an extensive international career, he returned to Head Office and was appointed Senior Vice President Human Resources in 2002.

In July 2005, he transferred to the USA as Managing Director of Casinos Austria Maritime and Regional Director for The Americas, where he was responsible for all Casinos Austria International Casinos in the region, including the flagship Great Blue Heron Charity Casino near Toronto, Ontario.

In 2011, his career path took him back to Vienna as Executive Vice President Operations of Casinos Austria International. Since December 2013 he has been Chief Executive Officer of Casinos Austria International. In this capacity, he manages the Casinos Austria Group's extensive international activities, including its existing operations and development projects. Alexander Tucek has a degree in Business Administration and speaks German, English and Spanish.

Philip Basha

Alternate for Mr Issenberg and Mr Mooney; alternate director since 23 August 2011.

Mr Basha is currently an alternate member of the Compliance, Audit and Risk Committee.

He joined the Accor finance team in 2003 and is currently the Vice President Corporate Finance Australia. He commenced his accounting career at KPMG in 1999 and spent five years as an auditor in its Consumer and Industrial Markets group. He holds a Bachelor of Economics (Accounting) from Macquarie University and is a member of Chartered Accountants Australia and New Zealand.

Units on issue

Units on issue and movements in issued units are detailed in note 16 to the financial statements.

Assets

The Trust had total assets of \$107,166,000 as at 31 December 2014 (2013: \$111,010,000). The basis of valuation of the Trust's assets is disclosed in note 3 to the financial statements.

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

The lead auditor's independence declaration is set out on page 45 and forms part of the directors' report for the year ended 31 December 2014.

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 financial statements and the 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 February 2015



Keith DeLacy

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Note	Dec 2014 \$'000	Dec 2013 \$'000
REVENUE AND OTHER INCOME			
Revenue	6	22,846	24,271
Other income	7	8	13
TOTAL REVENUE AND OTHER INCOME		22,854	24,284
EXPENSES			
Depreciation and amortisation	8	4,412	4,483
Property outgoings		1,212	1,176
Rates and taxes		793	759
Responsible Entity fees		1,054	993
Repairs and maintenance		963	825
Insurance		551	532
Project development costs		602	275
Other expenses		888	774
TOTAL EXPENSES		10,475	9,817
RESULTS FROM OPERATING ACTIVITIES		12,379	14,467
Finance costs attributable to unitholders		6,032	6,962
Interest expense on financial liabilities measured at amortised cost		315	543
TOTAL FINANCE COSTS	9	6,347	7,505
PROFIT FOR THE YEAR		6,032	6,962
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,032	6,962
Basic and diluted earnings per unit (cents)	23	24.2	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 31 December 2014

	Note	Dec 2014 \$'000	Dec 2013 \$'000
ASSETS			
Cash and cash equivalents	19	4,397	5,912
Receivables	10	1,858	1,773
TOTAL CURRENT ASSETS		6,225	7,685
Receivables	10	750	750
Property, plant and equipment	11	99,994	102,393
Intangible assets	12	167	182
TOTAL NON-CURRENT ASSETS		100,911	103,325
TOTAL ASSETS		107,166	111,010
LIABILITIES			
Payables	13	5,181	5,923
Loans and borrowings	14	2,900	-
TOTAL CURRENT LIABILITIES		8,081	5,923
Loans and borrowings	14	-	5,600
Deferred income	15	50	58
Issued units – liability portion	16	85,051	85,051
TOTAL NON-CURRENT LIABILITIES		85,101	90,709
TOTAL LIABILITIES		93,182	96,632
EQUITY			
Issued units – equity portion	16	85,051	85,051
Distribution account	17	4,742	4,242
Undistributed income		6,034	6,928
Accumulated losses		(81,843)	(81,843)
TOTAL EQUITY		13,984	14,378
TOTAL EQUITY AND LIABILITIES		107,166	111,010
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 year ended 31 December 2014

	Issued units \$'000	Distribution account \$'000	Undistributed income \$'000	Accumulated losses \$'000	Total \$'000
1 JANUARY 2013	85,051	2,496	6,948	(81,843)	12,652
Profit for the year	-	-	-	6,962	6,962
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,962	6,962
Transfer to distribution account	-	6,962	-	(6,962)	-
Transfer from undistributed income account	-	20	(20)	-	-
Distributions paid	-	(5,236)	-	-	(5,236)
31 DECEMBER 2013	85,051	4,242	6,928	(81,843)	14,378
1 JANUARY 2014	85,051	4,242	6,928	(81,843)	14,378
Profit for the year	-	-	-	6,032	6,032
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,032	6,032
Transfer to distribution account	-	6,032	-	(6,032)	-
Transfer from undistributed income account	-	894	(894)	-	-
Distributions paid	-	(6,426)	-	-	(6,426)
31 DECEMBER 2014	85,051	4,742	6,034	(81,843)	13,984

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

STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	Note	Dec 2014 \$'000	Dec 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		24,915	27,200
Cash payments in the course of operations		(8,375)	(7,451)
Interest received		119	111
Interest and other finance costs paid		(315)	(543)
NET CASH FROM OPERATING ACTIVITIES	19	16,344	19,317
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,112)	(2,712)
Proceeds of disposal of property, plant and equipment		36	12
NET CASH FROM INVESTING ACTIVITIES		(2,076)	(2,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(2,700)	(3,150)
Distributions paid (equity portion and liability portion)		(13,083)	(11,205)
NET CASH FROM FINANCING ACTIVITIES		(15,783)	(14,355)
Net increase/(decrease) in cash held		(1,515)	2,262
Cash and cash equivalents at 1 January		5,912	3,650
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	19	4,397	5,912

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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. 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

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements of the Trust comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the board of directors of the Responsible Entity on 19 February 2015.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are 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 that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 11 – property, plant and equipment (lease classification).

(e) Deficiency of current assets

At 31 December 2014 the Trust had a deficiency of current assets of \$1,826,000 (2013 no deficiency) with the loan classified as a current liability as the loan facility is due to expire at the end of 2015. The Trust has unused bank loans of \$13,600,000 at 31 December 2014 which can be used to fund any deficiency in the net current assets and is close to finalising an extension of the loan facility.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial assets

The Trust initially recognises trade and other receivables and cash and cash equivalents on the date that they are originated.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the

acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Trust in the management of its short term commitments.

(ii) Non-derivative financial liabilities

The Trust initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument. The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Trust has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables. Bank overdrafts form an integral part of the Trust's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Such financial liabilities are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(iii) Compound financial instruments - issued units

Compound financial instruments issued by the Trust comprise issued units.

The Trust Constitution contains a contractual obligation to distribute at least 50% of Trust income for any income period. The issued units have therefore been classified as a compound financial instrument containing both a liability and an equity component. The liability component is measured at amortised cost using the effective interest method. As the fair value of future distributions cannot be ascertained with any certainty, the directors of the Responsible Entity have determined that the liability component comprises 50% of the value of total issued units with the equity component comprising the other 50% in line with the obligation to distribute 50% of Trust income.

3. Significant accounting policies (continued)

(a) Financial Instruments (continued)

(iii) Compound financial instruments - issued units (continued)

The total distribution for an income period is determined in accordance with the Trust Constitution. The portion of the distribution comprising 50% of net income is recognised as a liability and expensed as a financing cost on an accrual basis. The remaining portion of the distribution is debited directly to equity, and recognised as a liability in the period in which it is declared.

(b) Leased assets

Leases in terms of which the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Trust's statement of financial position.

(c) Property, plant and equipment

(i) Recognition and measurement

Site lease, buildings, integral plant, plant and equipment and work in progress are measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are

accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Trust, and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Trust will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

- Site lease 75 years
- Buildings and integral plant 15 – 73 years
- Plant and equipment 3 – 20 years

Depreciation methods, useful lives and residual values are reassessed at each annual reporting date and adjusted if appropriate.

3. Significant accounting policies (continued)

(c) Property Plant & Equipment (continued)

(iii) Depreciation (continued)

Items of property, plant and equipment are depreciated from the date they are installed and are ready for use, or in respect of internally constructed assets, from the date the asset is completed and ready for use.

(d) Intangible assets

Items of software that are acquired by the Trust, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the items of software from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Software 4 years

Amortisation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(e) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not

consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers and economic conditions that correlate with defaults.

Financial assets measured at amortised cost

The Trust considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at a specific asset level. All assets are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

3. Significant accounting policies (continued)

(e) Impairment (continued)

(iii) Non-financial assets (continued)

Impairment losses are recognised if the carrying amount of the asset or its CGU exceeds the recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount on a pro rata basis.

(f) Provisions

A provision is recognised if, as a result of a past event, the Trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(g) Revenue

Rent revenue is brought to account when earned and, if not received at reporting date, is reflected in the statement of financial position as a receivable. Rent is determined in accordance with the lease agreements relating to the Reef Hotel Casino and is made up of two components: a base rent and a contingent rental component. The base rental component is recognised on a straight-line basis over the lease term and indexed on a yearly basis. The contingent rental component is based on the performance of the lessee and is recognised when contractually due.

(h) Government grants

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Trust will comply with the conditions

associated with the grant. Grants that compensate the Trust for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Trust for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(i) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings calculated using the effective interest method, and the portion of distributions comprising 50% of net income (note 3(a)(iii)).

(j) Responsible Entity's fee

Under the Trust Constitution, the Responsible Entity is entitled to a fee amounting to:

- (i) Half yearly fees calculated as 0.375% of the value of net assets of the Trust (as defined in the Trust Constitution) as at the last day of the half year period just completed, paid quarterly, plus
- (ii) Half yearly fees calculated as the greater of \$37,500 and a fee calculated on a sliding scale by reference to the value of gross assets (as defined in the Trust Constitution), payable within two months of the end of each half yearly period.

The Responsible Entity is also entitled to reimbursement of Trust expenses incurred on behalf of the Trust.

(k) Income tax

Under current income tax legislation, the Trust is not subject to income tax, provided that certain legislative requirements regarding distribution are satisfied. Tax allowances for building and plant and equipment depreciation are distributed in the form of tax deferred amounts.

3. Significant accounting policies (continued)

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Invoiced receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability on the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Earnings per unit

The Trust presents basic and diluted earnings per unit data for its issued units. Basic earnings per unit is calculated by dividing the profit or loss attributable to unitholders of the Trust by the weighted average number of the equity component of issued units outstanding during the period. Diluted earnings per unit is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of the equity component of issued units outstanding for the effects of any dilutive potential units.

(n) Segment reporting

An operating segment is a component of the Trust that engages in business activities from which it may earn revenues and incur expenses. The Trust determines and presents operating segments based on the information that internally is provided to the board.

(o) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Trust.

4. Determination of fair values

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability the Trust uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. Determination of fair values (continued)

(a) Property, plant and equipment, site lease and licences

The Trust Constitution requires the Trust to obtain independent valuations of the complex at least once during every 3 years, by an independent valuer, under the instructions given by the Responsible Entity. The valuation is used for disclosure purposes, and also assists the Trust in determining whether there is any impairment of the cash generating unit (note 3(e)(ii)).

The Trust Constitution requires that the valuation is based on the price, at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller; and
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and
- (iii) that the property was reasonably exposed to that market; and
- (iv) that, except in relation to the Casino Licence, no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of property being valued; and
- (v) that the Trust has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
- (vi) that the Trust has sufficient resources to negotiate an agreement for the sale of the property.

In undertaking this valuation assignment the valuer utilised discounted cash flow, equivalent yield capitalisation and earnings multiple valuation methods. The discounted cash flow method derives the net present value by

applying a selected discount rate to the five year cash flow forecast. The equivalent yield capitalisation is based on the five year trading forecast firstly discounted for inflation to reflect financial performance in current dollars and after annual capital expenditure allowance. The earnings multiple approach is calculated by applying an earnings multiple to the first year's net income estimate.

As some of the inputs used in these valuation techniques are not based on 'observable market data' the valuation is classified as a level 3 in the fair value hierarchy.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(b) Current receivables

Due to the short-term nature of the Trust's current receivables, their carrying value is assumed to approximate their fair value.

(c) Non-current receivables

The fair value of the Trust's non-current receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. The inputs used are classified as level 2.

(d) Current payables

Due to the short-term nature of the Trust's current payables, their carrying value is assumed to approximate their fair value.

(e) Loans and borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The inputs used are classified as level 2.

4. Determination of fair values (continued)

(f) Issued units – liability portion

Fair value, which is determined for disclosure purposes, is based on the quoted market price per unit at the reporting date and is a level 1 input.

5. Financial risk management

The Trust has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk.

This note presents information about the Trust's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The board has overall responsibility for the establishment and oversight of the risk management framework. The board has established a Compliance, Audit and Risk Committee, with responsibilities including the review of risk management policies and reports. The committee reports regularly to the board on its activities.

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables from customers. There is a significant concentration of credit risk in so far as the Trust receives rental income from one complex, the Reef Hotel Casino.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations

associated with its financial liabilities that are settled by delivering cash or another financial asset. The Trust's approach to managing liquidity is to use cash flow management and forecasts to ensure there is enough cash to meet liabilities when due. Information about the Trust's liquidity risk and borrowings is included in note 14 and note 24.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Trust's income. The Trust generally manages interest rate exposure by considering a balance of fixed interest debt to variable interest debt with some flexibility to adjust the ratio, and investing excess cash at variable interest rates.

Capital management

The Trust policy is to maintain the current level of issued units (\$170,102,000; 2013: \$170,102,000). Capital requirements are assessed based on budgeted cash flows and capital expenditure commitments and are monitored on an ongoing basis. Should new funding be required for enhancement or for investment in new opportunities the Trust will consider an appropriate balance of new equity and/or debt funding. Surplus funds are used to repay debt.

The board sets the level of distributions to unitholders taking into account the requirements of the Trust Constitution which require that the Trust must distribute at least 50% of net distributable income for each half yearly period commencing either on the first day of January or July. It is the board's current policy to distribute all of the Trust's distributable income.

	Dec 2014 \$'000	Dec 2013 \$'000
6. Revenue		
<i>Rental</i>		
Base rent	1,060	1,033
Contingent rent	21,590	23,038
	22,650	24,071
<i>Interest received and receivable from</i>		
Other persons	49	43
Related parties	71	72
	120	115
<i>Other revenue</i>		
Sundry	76	85
	22,846	24,271

7. Other income

Net gain on disposal of plant and equipment	-	5
Government grants	8	8
	8	13

8. Expenses

Net profit includes the following specific expenses:

<i>Depreciation</i>		
Building	1,447	1,459
Plant and equipment	2,194	2,252
	3,641	3,711
<i>Amortisation</i>		
Computer software	64	66
Site lease	707	706
	771	772
	4,412	4,483
Net loss on disposal of plant and equipment	40	-

	Dec 2014 \$'000	Dec 2013 \$'000
9. Finance income and expense		
<i>Recognised in profit or loss</i>		
Interest income on bank deposits	49	43
Interest income on loans and receivables	71	72
FINANCE INCOME	120	115
Interest expense on financial liabilities measured at amortised cost	(315)	(543)
Finance costs attributable to unitholders	(6,032)	(6,962)
FINANCE EXPENSE	(6,347)	(7,505)
NET FINANCE INCOME AND EXPENSE	(6,227)	(7,390)

The above financial income and expense include the following in respect of assets (liabilities) not at fair value through profit or loss:

Total interest income on financial assets	120	115
Total interest expense on financial liabilities	(6,347)	(7,505)

10. Receivables

CURRENT		
Rent receivable from lessee	1,794	1,716
Other debtors	64	57
	1,858	1,773
NON-CURRENT		
Loans to lessee, bearing an interest rate of 9.38% (2013: 9.38%)	750	750

	Site Lease \$'000	Building & Integral Plant \$'000	Plant & Equipment \$'000	Work In Progress \$'000	Total \$'000
11. Property, plant and equipment					
AT 1 JANUARY 2013					
At cost or deemed cost	53,000	70,030	59,047	213	182,290
Accumulated depreciation/amortisation	(13,456)	(14,542)	(50,144)	-	(78,142)
Net carrying amount	39,544	55,488	8,903	213	104,148
YEAR ENDED 31 DECEMBER 2013					
Opening net carrying amount	39,544	55,488	8,903	213	104,148
Additions	-	-	1,249	1,423	2,672
Disposals	-	-	(10)	-	(10)
Transfers from WIP	-	-	1,592	(1,592)	-
Depreciation/amortisation charge	(706)	(1,459)	(2,252)	-	(4,417)
Closing net carrying amount	38,838	54,029	9,482	44	102,393
AT 31 DECEMBER 2013					
At cost or deemed cost	53,000	69,959	60,442	44	183,445
Accumulated depreciation/amortisation	(14,162)	(15,930)	(50,960)	-	(81,052)
Net carrying amount	38,838	54,029	9,482	44	102,393
YEAR ENDED 31 DECEMBER 2014					
Opening net carrying amount	38,838	54,029	9,482	44	102,393
Additions	-	12	1,774	298	2,084
Disposals	-	(11)	(104)	-	(115)
Transfers from WIP	-	-	182	(182)	-
Reclassification to intangibles	-	-	-	(20)	(20)
Depreciation/amortisation charge	(707)	(1,447)	(2,194)	-	(4,348)
Closing net carrying amount	38,131	52,583	9,140	140	99,994
AT 31 DECEMBER 2014					
At cost or deemed cost	53,000	69,956	59,219	140	182,315
Accumulated depreciation/amortisation	(14,869)	(17,373)	(50,079)	-	(82,321)
Net carrying amount	38,131	52,583	9,140	140	99,994

11. Property, plant and equipment (continued)

An independent valuation of the Trust's interest in the Reef Hotel Casino Complex was carried out by JLL Hotels & Hospitality Group as at 31 December 2014. The complex was valued at \$136 million. The valuation is determined in line with policy set out in note 4. The current use is considered to be the highest and best use. 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 casino licence has an amortised cost of nil (2013: nil).

The Trust paid \$53 million to the Queensland Government by way of a lump sum prepayment of the rental payable for the term of the lease (75 years) for the site on which the Reef Hotel Casino complex is situated. Even though the lease is not eligible for conversion to freehold tenure, the Trust determined that the site lease is a finance lease. At 31 December 2014, the remaining term of the site lease was 54 years. The conditions of the lease are set out in the Cairns Casino Agreement which forms part of the Cairns Casino Agreement Act 1993. Negotiations for a further lease can take place during the last 10 years. The lease cannot be assigned or sublet without consent of the Minister. The site is required to be used for commercial purposes only.

	Dec 2014 \$'000	Dec 2013 \$'000
Capital expenditure commitments		
Contracted but not provided for and payable:		
Not longer than one year	208	419

Operating leases as lessor

The Trust leases out The Reef Hotel Casino under an operating lease. The future minimum lease payments under non-cancellable leases are as follows:

Less than one year	1,082	1,060
Between one and five years	90	1,149
More than five years	-	-
	1,172	2,209

The casino, hotel and ancillary facilities lease agreements with the lessee have a twenty year term, expiring 23 January 2016. Base rent is set out in the lease (and is indexed annually) and additional rent is based on financial performance. An option exists to renew the leases at the end of the existing term until 26 October 2029 and can be exercised between 3 and 6 months prior to expiry of the current term. It is expected that the option will be exercised. Further extensions from year to year are subject to certain ownership conditions being met. The future minimum lease payments shown do not include rentals which are contingent on revenue of the operator, and do not include recovery of outgoings.

	Dec 2014 \$'000	Dec 2013 \$'000
12. Intangible assets		
COMPUTER SOFTWARE		
AT 1 JANUARY		
At cost	629	694
Accumulated amortisation	(447)	(571)
Net carrying amount	182	123
YEAR ENDED 31 DECEMBER		
Opening net carrying amount	182	123
Additions	29	125
Transfers from WIP	20	-
Amortisation charge	(64)	(66)
Closing net carrying amount	167	182
AT 31 DECEMBER		
At cost	678	629
Accumulated amortisation	(511)	(447)
Net carrying amount	167	182
13. Payables		
CURRENT		
Trade creditors and accruals – unsecured	1,333	1,450
Accrued distributions (note 17)	3,848	4,473
	5,181	5,923

14. Loans and borrowings

This note provides information about the contractual terms of the Trust's loans and borrowings, which are measured at amortised cost. For more information about the Trust's exposure to interest rate and liquidity risk, see note 24.

	Nominal Interest rate	Year of maturity	Dec 2014 \$'000	Dec 2013 \$'000
CURRENT LIABILITIES				
Bank loan – BOQ Limited	5.62%	2015	2,900	-
			2,900	-
NON-CURRENT LIABILITIES				
Bank loan – BOQ Limited	7.00%	2015	-	5,600
			-	5,600

The Trust has \$13.6 million (2013: \$10.9 million) of unused loan facilities available for its immediate use as well as an overdraft facility of \$2 million (2013: \$2 million).

The bank loans are secured by a registered first mortgage over the Special Lease (a Crown lease for a term of 75 years under which the Trust occupies the site on which the complex is built) and a first ranking fixed and floating equitable charge over the whole of the assets and undertakings of the Trust.

Interest is payable at a fixed margin over Bank of Queensland's cost of funds for \$2,900,000 (2013: \$2,850,000). Currently there is no fixed rate portion (2013: \$2,750,000 at a fixed rate of 8.43%).

The current loan facility expires at the end of 2015. The Trust is close to finalising an extension of the loan facility.

Dec
2014
\$'000

Dec
2013
\$'000

15. Deferred income

Government grant	50	58
------------------	----	----

16. Issued units

49,801,036 (December 2013: 49,801,036) units

Issued units – equity portion	85,051	85,051
Issued units – liability portion	85,051	85,051
	170,102	170,102

The number of issued units includes 740,000 (December 2013: 740,000) restricted founder units.

Founder units can only be transferred with consent of the founders and the Governor of Queensland and by making a binding covenant to be bound by the Foundation Agreement. Founder units cannot be encumbered.

17. 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, and shown as an accrued liability on the statement of financial position (note 13).

The proposed distribution for the six months ended 31 December 2014 was declared on 19 February 2015, and accounted for as follows:

	Dec 2014 \$'000	Dec 2013 \$'000
DISTRIBUTION ACCOUNT (refer to statement of changes in equity)		
Balance relating to issued units – equity portion	4,742	4,242
ACCRUED DISTRIBUTION (payables – note 13)		
Balance relating to issued units – liability portion	3,848	4,473
TOTAL OF DISTRIBUTION ACCOUNTS	8,590	8,715

	Dec 2014		Dec 2013	
	Total \$'000	Cents per unit	Total \$'000	Cents per unit
<i>Distributions paid and payable</i>				
Half year ended 30 June paid September	4,368	8.77	5,229	10.50
Half year ended 31 December paid/payable March	8,590	17.25	8,715	17.50
	12,958	26.02	13,944	28.00

18. Segment information

The results and financial position of the Trust's single operating segment are prepared for the board on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures are detailed below:

	Dec 2014 \$'000	Dec 2013 \$'000
RENTAL INCOME		
Casino operations	19,845	21,428
Hotel and other non casino operations	2,805	2,643
	22,650	24,071

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.

	Dec 2014 \$'000	Dec 2013 \$'000
19. Cash and cash equivalents		
Cash (held in interest bearing accounts, at call)	4,397	5,912
Reconciliation of cash flows from operating activities		
PROFIT FOR THE YEAR	6,032	6,962
ADJUSTMENTS FOR:		
Loss/(profit) on sale of property, plant and equipment	40	(5)
Finance costs attributable to unitholders	6,032	6,962
Depreciation and amortisation	4,412	4,483
NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	16,516	18,402
Changes in operating assets and liabilities		
(Increase)/decrease in receivables and other assets	(85)	563
(Increase)/decrease in payables	(79)	360
Increase/(decrease) in deferred income	(8)	(8)
NET CASH FROM OPERATING ACTIVITIES	16,344	19,317

20. Related party information

The Responsible Entity

The Responsible Entity of Reef Casino Trust is Reef Corporate Services Limited (ABN 66 057 599 621) which is jointly controlled by Casinos Austria International Limited and Accor Casino Investments (Australia) Pty Ltd.

Key management personnel

	Short-term Salary & Fees \$	Post-employment Superannuation Benefits \$	Total \$
2014			
Non-executive directors			
Benjamin Macdonald (Chairman)	90,000	8,438	98,438
Keith DeLacy	65,333	6,124	71,457
Karl Stoss	-	-	-
Michael Issenberg	-	-	-
Kim Mooney	-	-	-
Simon McGrath	-	-	-
Richard Haire	61,500	5,765	67,265
Alexander Tucek	-	-	-
Philip Basha	-	-	-
Executive director			
Allan Tan (Chief Executive Officer - Operator)	104,911	-	104,911
Executive			
Alison Galligan (Company Secretary)	91,486	-	91,486
Total	413,230	20,327	433,557

20. Related party information (continued)

Key Management Personnel (continued)

	Short-term Salary & Fees \$	Post-employment Superannuation Benefits \$	Total \$
2013			
Non-executive directors			
Benjamin Macdonald (Chairman)	93,871	4,417	98,288
Keith DeLacy	59,333	5,416	64,749
Julian Hercus (resigned 24 April 2013)	17,692	1,592	19,284
Karl Stoss	-	-	-
Michael Issenberg	-	-	-
Kim Mooney	-	-	-
Simon McGrath	-	-	-
Richard Haire (appointed 1 October 2013)	13,750	1,272	15,022
Alexander Tucek	-	-	-
Philip Basha	-	-	-
Executive director			
Allan Tan (Chief Executive Officer - Operator)	80,215	-	80,215
Executive			
Alison Galligan (Company Secretary)	87,664	-	87,664
Total	352,525	12,697	365,222

Only directors who are not full time executives of Casinos Austria International Limited group or Accor Asia Pacific group receive remuneration from the Trust.

The Trust has no employees and pays no amounts directly to executives. The amounts disclosed above have been reimbursed by the Trust to Casinos Austria International Limited, the employer of executives involved in the management of the Trust. The amount is based on an allocation of the executive's time spent on managing the affairs of the Trust (and includes on costs).

The Responsible Entity determines remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced directors. This is determined by given trends in other public companies in the same industry.

None of the directors of the Responsible Entity has or has had any interest in the promotion of the Trust or in the property acquired for the purposes of the Trust other than the directors of the Responsible Entity who are entitled to receive directors' fees from the Trust, as set out above.

During the financial year the Trust has paid premiums to insure current and former directors and officers of the Responsible Entity against liabilities arising as a result of work performed in their capacity as directors or officers of the Responsible Entity.

The insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

20. Related party information (continued)

Unit holdings of directors of the Responsible Entity

Name	Balance at start of the year	Changes during the year	Balance at end of the year
Benjamin Macdonald	263,750	-	263,750
Keith DeLacy	5,000	-	5,000
Karl Stoss	-	-	-
Michael Issenberg	221,000	-	221,000
Kim Mooney	122,583	-	122,583
Allan Tan	-	76,950	76,950
Simon McGrath	-	-	-
Richard Haire	-	-	-
Alexander Tucek	-	-	-
Philip Basha	-	-	-

Responsible Entity's remuneration

	Transaction value		Balance outstanding	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013
	\$	\$	\$	\$
Fees paid or payable by the Trust to Reef Corporate Services Limited during the year				
Responsible Entity fee	1,053,861	993,097	549,253	500,132
Reimbursement of trust expenses	89,896	62,478	-	-

Details of the basis of the Responsible Entity's fees are set out in note 3(j).

Other related parties

- Casinos Austria International Limited and Accor Casino Investments (Australia) Pty Limited jointly control the lessee.
- Reef Casino Investments Pty Ltd (jointly owned by Casinos Austria International Limited and Accor Casino Investments (Australia) Pty Ltd) directly owns 50.2% (2013: 50.2%) of Reef Casino Trust.
- Casinos Austria International Holding GmbH (the parent company of Casinos Austria International Limited) is incorporated in Austria and directly owns 11.37% (2013: 11.37%) of Reef Casino Trust.
- Casinos Austria International Limited directly owns 5.53% (2013: 5.53%) of Reef Casino Trust and Accor Casino Investments (Australia) Pty Ltd directly owns 4.86% (2013: 4.86%) of Reef Casino Trust.

Each of these entities is considered to be a related party and transactions and balances with these entities are summarised below.

20. Related party information (continued)

	Transaction value Dec 2014 \$	Dec 2013 \$	Balance outstanding Dec 2014 \$	Dec 2013 \$
Aggregate amounts brought to account in relation to transactions with other related parties:				
Rental income received from lessee	22,650,360	24,071,039	1,787,612	1,710,010
Interest on loan to lessee	70,732	71,915	5,975	5,975
Operating expenses paid by the Trust to the lessee and entities related to the Responsible Entity	2,394,191	2,478,040	315,783	189,159
Management fee to lessee	119,288	117,088	29,403	28,984
Distribution paid or payable	8,965,224	8,778,169	2,769,339	3,218,944
Aggregate amounts receivable/payable with related parties at balance date:				
Current receivables			1,793,587	1,715,985
Non-current receivables			750,000	750,000
Current payables			894,439	718,275
Accrued distribution			2,822,602	3,273,942

All of the above transactions were conducted under normal commercial terms and conditions, and where applicable, in accordance with lease agreements.

Controlling entity

The ultimate chief parent entity is Reef Casino Investments Pty Ltd which is incorporated in Australia.

21. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	Dec 2014 \$	Dec 2013 \$
<i>KPMG</i>		
Audit of statutory financial reports	586	60,827
Other assurance services	-	25,378
<i>Grant Thornton Audit Pty Ltd</i>		
Audit of statutory financial reports	61,616	-
Other assurance services	21,300	-
	83,502	86,205

22. Contingent liabilities and contingent assets

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

23. Earnings per unit

	Dec 2014	Dec 2013
Basic and diluted earnings per unit (cents)	24.2	28.0
<i>Weighted average number of units (equity portion) for the year (note 3(m) and note 16)</i>	24,900,518	24,900,518
	\$'000	\$'000
Profit for the year	6,032	6,962

24. Financial instruments

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Trust's most significant customer, Casinos Austria International (Cairns) Pty Ltd (lessee of the Reef Hotel Casino), accounts for \$2,543,587 of the receivables carrying amount at 31 December 2014 (2013: \$2,465,985). Details of the lease agreement are contained in note 11.

There is no collateral held as security or any other credit enhancements (2013: nil). None of the Trust's receivables are past due and no impairment is required (2013: nil). There are no significant financial assets that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired (2013: nil).

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000
31 DECEMBER 2014					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade creditors and accruals	1,333	(1,333)	(1,333)	-	-
Accrued distribution	3,848	(3,848)	(3,848)	-	-
Bank borrowings	2,900	(3,063)	(3,063)	-	-
Issued units – liability portion*	85,051	-	-	-	-

24. Financial instruments (continued)

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000
31 DECEMBER 2013					
NON-DERIVATIVE					
FINANCIAL LIABILITIES					
Trade creditors and accruals	1,450	(1,450)	(1,450)	-	-
Accrued distribution	4,473	(4,473)	(4,473)	-	-
Bank borrowings	5,600	(6,384)	(392)	(5,992)	-
Issued units – liability portion*	85,051	-	-	-	-

* Future cash flows from the liability portion of issued units are dependent on the future income of the Trust (refer to note 3(a)(iii)). Finance costs attributable to unitholders for the year ended 31 December 2014 totalled \$6,032,000 (2013: \$6,962,000).

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Interest rate risk

At the reporting date the interest rate profile of the Trust's interest-bearing financial instruments was:

	Dec 2014 \$'000	Dec 2013 \$'000
<i>Fixed rate instruments</i>		
Financial liabilities	-	(2,750)
	-	(2,750)
<i>Variable rate instruments</i>		
Financial assets	5,147	6,662
Financial liabilities	(2,900)	(2,850)
	2,247	3,812

Fair value sensitivity analysis for fixed rate instruments

The Trust does not account for the fixed rate borrowings at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would increase or decrease the Trust's finance income by \$51,000 (2013: \$67,000), finance costs by \$29,000 (2013: \$29,000) and profit for the year by \$22,000 (2013: \$38,000).

24. Financial instruments (continued)

Fair values

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

	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<i>Assets carried at amortised cost</i>				
Cash and cash equivalents	4,397	4,397	5,912	5,912
Receivables	2,608	2,608	2,523	2,523
	7,005	7,005	8,435	8,435
<i>Liabilities carried at amortised cost</i>				
Payables	5,181	5,181	5,923	5,923
Loans and borrowings	2,900	2,952	5,600	5,831
Issued units – liability portion	85,051	75,698	85,051	93,875
	93,132	83,831	96,574	105,629

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows are as follows:

	2014	2013
Receivables	9.38%	9.38%
Loans and borrowings	5.62%	5.62%

DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Reef Corporate Services Limited, the Responsible Entity of Reef Casino Trust:
 - (a) the financial statements and notes that are set out in pages 16 to 41, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's financial position as at 31 December 2014 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards 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.
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 31 December 2014.
- 3 The directors draw attention to note 2(a) to the financial statements which includes a statement of compliance with International Financial Reporting Standards.

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



Ben Macdonald
Director



Keith DeLacy
Director

Brisbane
19 February 2015

INDEPENDENT AUDITOR'S REPORT

to the unitholders of Reef Casino Trust

Report on the financial report

We have audited the accompanying financial report of Reef Casino Trust (the "Trust"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then end, notes 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 of the Trust, are responsible for the preparation of the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with AASB 101 'Presentation of Financial Statements', the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial report.

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

Independence

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

Grant Thornton Audit Pty Ltd ACN 130 913 594

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Auditor's opinion

In our opinion:

(a) the financial report of Reef Casino Trust is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

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 year ended 31 December 2014. 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 2 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 year ended 31 December 2014 is prepared, in all material respects, in accordance with the basis of preparation set out on page 2 of the chairman's review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Gerry Mier
Partner

Cairns
19 February 2015

**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 year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of 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.

GRANT THORNTON AUDIT PTY LTD
Chartered AccountantsGerry Mier
PartnerCairns
19 February 2015

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CORPORATE GOVERNANCE STATEMENT

The directors of Reef Corporate Services Limited, the Responsible Entity of Reef Casino Trust, support the principles of corporate governance developed by the ASX Corporate Governance Council.

The following statement is by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments and illustrates that the Responsible Entity complies with the majority of the ASX Principles. Where it does not, reasons for the departure are noted in this statement.

The following corporate governance practices were in place throughout the financial year, unless otherwise stated. In this statement, "the board" means the board of directors of the Responsible Entity of the Trust.

This corporate governance statement and other related information is available on the Trust's website:

www.reefcasino.com.au/corporategovernance/

Principle 1: Lay solid foundations for management and oversight

Reef Corporate Services Limited is jointly owned by Casinos Austria International Limited (CAIL) and Accor Casino Investments (Australia) Pty Ltd (Accor) who are substantial shareholders in the Trust.

The Responsible Entity's role is provided for in the Trust Constitution. Its role covers the provision of all corporate services in connection with the Trust, including investor relations, government and operator liaison, secretarial and administrative services, maintenance of financial and taxation records and statutory compliance plus overall corporate governance of the Trust, including the protection of unitholders' interests.

The responsibilities of the board and management are set out in the board charter which is available on:

www.reefcasino.com.au/corporategovernance/

The responsibilities reserved for the board are:

- Final approval of the strategic plans of the lessee
- Final approval of the annual budgets including capital expenditure of the Trust and lessee
- Approving and monitoring the progress of major refurbishment programs, acquisitions or divestments
- Approving the issue of securities and establishment of debt facilities
- Approving the appointment of the CEO of the operator, the company secretary and the external auditor (taking guidance from the Compliance, Audit and Risk Committee)
- Monitoring the performance of the CEO and management team of the lessee
- Distribution policy and approval of any distribution payment
- Approving (taking guidance from the Compliance, Audit and Risk Committee) all half yearly and annual financial reports including the directors' report and corporate governance statement and any related announcements to the ASX or communications with unitholders
- Instigation of corporate governance policies including Code of Conduct, continuous disclosure, trading in units
- Approving and monitoring compliance with the Trust internal control system and risk management systems
- Monitoring (taking guidance from the Compliance, Audit and Risk Committee) the Trust's obligations and compliance with relevant regulatory requirements
- Considering the competencies of directors, board succession plans and board evaluations
- Reviewing the remuneration framework for directors

- Reviewing the diversity policy, monitoring performance against diversity objectives and reviewing and reporting on the proportion of men and women employed.

Day to day management of the Trust and matters not specifically referred to have been delegated to the CEO of the lessee but are subject to oversight by the board. The separation of responsibilities between the board and management is clearly understood and respected.

The board continuously reviews the performance of executive management. For the CEO, an annual review is done by the Chairman against agreed performance targets. For the Company Secretary an annual review is done by the CEO against agreed performance targets. The reviews for the year ended 31 December 2013 were conducted as described. The reviews for the year ended 31 December 2014 will be completed following the finalisation of the annual results for the Trust.

Principle 2: Structure the board to add value

The board comprises seven non-executive directors (including the Chairman) and one executive director. The names and skills, experience and relevant expertise of the directors in office at the date of this statement, and the period of office of each director, are set out in the directors' report on pages 12 to 15.

The Responsible Entity does not meet ASX Recommendation 2.1: A majority of the board should be independent directors. The constitution of the Responsible Entity reflects its joint ownership by CAIL and Accor and requires directors to be appointed as follows:

- two directors appointed by the unitholders - Mr DeLacy and Mr Haire, who are considered independent following review of their annual independence declarations against the criteria for independence set out in the board charter. In considering the independence of Mr DeLacy the board noted that he has served as a director for 15 years
- however considered that he continues to demonstrate independent judgment.
- three directors appointed by CAIL - Mr Macdonald, Dr Stoss and Mr Tan, who are not considered independent; and
- three directors appointed by Accor - Mr Issenberg, Mr Mooney and Mr McGrath, who are not considered independent.

In determining independent status of a director, materiality is assessed on a case-by-case basis and having regard to each director's individual circumstances. No director is a professional adviser, supplier or customer of the Trust or Responsible Entity.

The board composition also reflects the majority ownership of the Trust by CAIL and Accor. With support from CAIL and Accor who between them directly appoint 6 out of 8 directors the board seeks to achieve a mix of skills, experience and diversity that will best compliment the board's effectiveness.

The Responsible Entity's constitution provides that each of the directors shall have regard to the following interests (in descending order of priority):

- the interests of the unitholders of the Trust as a whole;
- the interests of the person who has a right to appoint and remove the director except to the extent those interests conflict with the interests of unitholders as a whole; and
- the interests of the members of the Responsible Entity except to the extent those interests conflict with either or both of the interests of the unitholders of the Trust as a whole or the appointer

The board believes that it has an appropriate mix of skills and experience and the current composition does not affect the proper functioning of the board. It is complimented by the Compliance, Audit and Risk Committee.

Each director is able to seek independent professional advice at the Trust's expense, with prior approval of the Chairman.

The Chairman of the board of directors of Reef Corporate Services Limited is appointed by agreement of the directors. Any of the directors may be appointed Chairman. The Responsible Entity does not comply with ASX Recommendation 2.2: The chair should be an independent director. The Chairman, Mr Macdonald is appointed as a director by CAIL and therefore is not independent. The board believes that he has the appropriate skills and experience and fulfils the responsibilities of the Chairman as outlined in ASX Recommendation 2.2.

The Trust has no Chief Executive Officer, although similar roles are carried out by the Chief Executive Officer of the lessee, Mr Allan Tan. These functions have always remained separate from the functions performed by the Chairman as are set out in the board charter.

A description of the structure of the board including the method of appointment of directors is included in the board charter which is available on: www.reefcasino.com.au/corporategovernance/

Directors appointed by the unitholders remain in office for a term of 3 years (unless removed earlier) and are then subject to re-election. The directors appointed by the unitholders may be nominated by unitholders holding not less than 5% of the total number of units on issue other than restricted units or by the board of directors. Before a candidate is nominated by the Board consideration is given to the range of skills, experience, expertise and diversity that will best complement the board's effectiveness. All other directors remain in office until removed by their appointers. All director appointments must be approved by the Minister responsible for the administration of the Casino Control Act 1982 (Queensland).

The Responsible Entity does not comply with ASX Recommendation 2.4: The board should establish a nomination committee. As the board has limited involvement in the appointment of directors a separate committee is not considered necessary.

Instead considering the competencies of directors, board succession plans and board evaluations are performed by the full board as set out in the board charter.

The board continuously reviews its performance. On an annual basis the Chairman leads a formal discussion during a board meeting on the performance of the board, the Compliance, Audit and Risk Committee and individual directors. This was conducted on 16 December 2014.

Each new director appointed undergoes an induction with the Chairman and CEO, with management available for discussions as required. In addition, management presents to the board regular financial and corporate updates which are relevant to the Trust.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The board has adopted a Code of Conduct which applies to all employees and directors of the Responsible Entity, the Trust and the lessee. The Code of Conduct is available at: www.reefcasino.com.au/corporategovernance/. The Code of Conduct includes the practices necessary to maintain confidence in the integrity of the Responsible Entity, the Trust and the lessee and covers conflicts of interest, insider trading, confidentiality, privacy, treatment of others, political contributions and gambling at the Reef Hotel Casino. It also sets out the practices necessary to ensure compliance with legislation relevant to an employee's responsibilities. Employees are encouraged to report any actual or potential breaches of the code to management or the board without fear of retribution in accordance with the lessee's whistleblower policy.

Diversity

The Diversity Policy available at: www.reefcasino.com.au/corporategovernance/ includes requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them. The policy also covers the lessee.

The approved measurable objectives and progress made are:

Objective	Progress to date
Board: When considering candidates for nomination to board positions efforts will be made to identify and consider candidates who have a diverse range of attributes, including but not limited to gender	Ongoing
Lessee: Ongoing diversity training for new staff of lessee	Done for all new staff in 2014
Lessee: Ensure that at least one female candidate is short listed for all department supervisory positions where recruitment is undertaken	Done for 2014

The Trust has no direct employees. Other than directors the Responsible Entity has no direct employees. There are no women on the board. At the end of the financial year 50% of the total employees of the lessee are women and 43% of the executive leadership team of the lessee (CEO and direct reports) are women.

Principle 4: Safeguard integrity in financial reporting

Compliance, Audit and Risk Committee

The members of the Compliance, Audit and Risk Committee during the financial year were:

		Meetings Attended*
Mr Keith DeLacy (Chair)	Independent, non-executive director	4
Mr Richard Haire	Independent, non-executive director	4
Mr Kim Mooney	Non-executive director	-
Mr Philip Basha	Alternate for Mr Mooney	4

*4 meetings held during the year

The structure of the Committee complied with ASX Recommendation 4.2.

Details of directors' qualifications are set out in the directors' report on pages 12 to 15.

The Committee Charter is available from: www.reefcasino.com.au/corporategovernance/

The responsibilities of the Compliance, Audit and Risk Committee include:

- Exercising a high level of due diligence in relation to the accuracy and completeness of the Trust's half-year and annual financial

reports and any reports lodged with the ASX, as well as the Responsible Entity's annual financial report and Australian Financial Services Licence (AFSL) audit requirements

- Reviewing the performance, independence and timing of rotation of the external auditor
- Recommending to the board the selection or replacement of the external auditor
- Monitoring the audit plan, auditor's findings and provision of non-audit services

- Performing the functions of a compliance committee identified in the Corporations Act 2001 and Compliance Plan
- Reviewing the risk management plan and policy and keeping the board informed of material business risks
- Reviewing reports from management on the effectiveness of the management of material business risks
- Reviewing the external audit reports and any findings in respect of any breaches or weaknesses in internal controls relating to the compliance plan, Trust bank account, AFSL and any other external audit reports relating to risk management and consider the adequacy of management's planned corrective action
- Considering the need for internal audit

The external auditors, Company Secretary / Executive Manager Finance, the Chief Executive Officer and other relevant experts attend committee meetings at the invitation of the committee. The committee meets at least twice per year. It is authorised to take such independent professional advice as it considers necessary.

The Committee Charter includes procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners. The external auditor Grant Thornton has a process for rotating audit partners in accordance with the Corporations Act 2001.

Principle 5: Make timely and balanced disclosure

The board has established a continuous disclosure policy to ensure the Trust complies with legal obligations and ASX Listing Rules and to ensure accountability at a senior level for that compliance. The CEO has primary responsibility for making sure that the Responsible Entity complies with its disclosure obligations for the Trust. The Company Secretary is responsible for communications with the ASX.

A copy of the policy is available from:
www.reefcasino.com.au/corporategovernance/.

Principle 6: Respect the rights of unitholders

The board has established the unitholder communications policy which is available from: www.reefcasino.com.au/corporategovernance/. The policy aims to ensure that the unitholders are informed of all major developments affecting the Trust's state of affairs and to encourage participation at general meetings.

Communication with unitholders occurs by a range of means:

- annual report and half year report available on the website, by email or by mail (on request);
- annual general meeting;
- website;
- through the unit registry (Computershare);
- ASX announcements; and
- other mail outs, eg. distribution statements, notice of meetings.

Annual general meeting

An Annual General Meeting (AGM) is convened each year, usually in May. The board encourages full participation of unitholders to ensure a high level of accountability.

A representative of the external auditor, Grant Thornton, attends the AGM and is available to answer questions from unitholders concerning the audit. Transcripts of the Chairman's address are released to the ASX before the commencement of the AGM.

Website

The website of the Trust is located at:
www.reefcasino.com.au/corporategovernance/.

The website enables unitholders to obtain a range of information, and includes links to the unit registry and ASX as well as a copy of this Corporate Governance Statement.

Principle 7:

Recognise and manage risk

The board has adopted a risk management policy for the oversight and management of material business risks. This was reviewed by the board during the year and is available from: www.reefcasino.com.au/corporategovernance/.

The board also reviewed the risk management plan which sets out the detailed risk management process which is based on AS/NZS/ISO 31000:2009 Risk Management – Principles and guidelines and which identifies the material business risks. The risk management plan has adopted the following risk categories.

- The Reef Hotel Casino complex
- Compliance risks, including the Australian Financial Services Licence (AFSL)
- Financial reporting risks

The board requires management to maintain risk registers and be responsible for ongoing identification, assessment, monitoring and management of risk and reporting to the board via the Compliance, Audit and Risk Committee on the effective management of the Responsible Entity's and Trust's material business risks by interim and final (coinciding with sign off of the annual financial statements) reports on the effectiveness of the Responsible Entity's management of the material business risks. These reports include summaries of management's monitoring of internal controls and detail any external or Casinos Austria group / Accor Asia Pacific group internal audit report findings.

As a registered managed investment scheme the Trust has a compliance plan which has been lodged with ASIC. The compliance plan sets out measures to ensure compliance with the Trust Constitution, the Corporations Act 2001, the AFSL and other material legislation and contracts. The compliance officers provide a written report to the Compliance, Audit and Risk Committee twice yearly regarding compliance with the plan. The external auditor, Grant Thornton, conducts an annual audit of compliance with the compliance plan.

The board received and reviewed management's report on the effectiveness of the Responsible Entity's management of the material business risks for the year ended 31 December 2014.

The board received the written assurance from the Chief Executive Officer of the lessee and the Company Secretary / Executive Manager Finance that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8:

Remunerate fairly and responsibly

Details of the directors' remuneration are set out in note 20 to the financial statements. The Trust pays directors fees only to non-executive directors who are not full time executives of Casinos Austria International group or Accor Asia Pacific group. Other non-executive directors receive no remuneration from the Trust. The Trust has no direct employees. Executives involved in the management of the Trust are employed by CAIL. The Trust reimburses a portion of the payroll related costs based on time spent on Trust management.

The Responsible Entity does not comply with ASX Recommendation 8.1: The board should establish a remuneration committee. A separate remuneration committee is not considered necessary due to the relatively small number of people remunerated by the Trust. Instead the entire board fulfils the role of the remuneration committee with the board charter (available on www.reefcasino.com.au/corporategovernance/) setting out the board's responsibility for reviewing the remuneration framework for directors. Independent advice is obtained, as needed, on the appropriateness of the directors' remuneration.

There are no equity based remuneration schemes in operation. No retirement benefits are payable to directors.

SECURITIES EXCHANGE INFORMATION

SUBSTANTIAL UNITHOLDERS

Substantial unitholders as at 28 February 2015 are:

Unitholder	Number	%
Casinos Austria Group	20,916,908*	42.00
Accor Group	14,921,803*	29.96
Gary Mauric	2,507,465	5.03

* Includes 50% (12,500,000 units) of the total units owned by Reef Casino Investments Pty Ltd, which is jointly controlled by Casinos Austria Group and Accor Group.

DISTRIBUTION OF UNITHOLDERS (as at 28 February 2015)

Range	Holders	Public Units	Restricted Founder Units	% Issued Capital
1 - 1000	1,837	570,344	-	1.15
1001 - 5000	657	1,676,731	-	3.37
5001 - 10000	147	1,141,562	-	2.29
10001 - 100000	138	3,465,399	-	6.96
100001 - and over	23	42,207,000	740,000	86.23
	2,804	49,061,036	740,000	100.00

The number of unitholders holding less than a marketable parcel of units (169 units) at 28 February 2015 was 764.

RESTRICTED FOUNDERS UNITS (as at 28 February 2015)

Unitholder	Number of units	% of total units
Casinos Austria International Limited	370,000	0.74%
Accor Casino Investments (Australia) Pty Ltd	370,000	0.74%

Twenty largest unitholders of listed units (as at 28 February 2015)

Name	No. of units	% of total units
1. Reef Casino Investments Pty Ltd	25,000,000	50.20
2. AET SFS PTY LTD <Casinos Austria International Holding GmbH>	5,661,193	11.37
3. Casinos Austria International Limited	2,385,715	4.79
4. Accor Casino Investments (Australia) Pty Limited	2,051,803	4.12
5. Mr Gary Mauric	1,785,000	3.58
6. RBC Dexia Investor Services Australia Nominees Pty Ltd <bkcust a/c>	1,087,061	2.18
7. JP Morgan Nominees Australia Limited	790,609	1.59
8. Mr Gary Mauric	722,465	1.45
9. Mr Frank McFadden	316,684	0.64
10. Mrs Elspeth Macdonald	250,000	0.50
11. Julian Hercus & Associates Pty Ltd <super fund a/c>	235,643	0.47
12. Angeline Investments Pty Ltd <Angeline a/c>	225,000	0.45
13. Mr Michael Issenberg	220,000	0.44
14. Mr Graham Bromilow Ambrose <Ambrose Super Benefits a/c>	208,460	0.42
15. National Nominees Limited	206,118	0.41
16. Mr William Coates Gair & Mrs June Verna Gair	170,100	0.34
17. Mrs Rita Agata Mauric	150,000	0.30
18. HSBC Custody Nominees (Australia) Limited – GSCO ECA	135,261	0.27
19. Goh Super Pty Ltd <The Goh Super Fund a/c>	134,794	0.27
20. Sortie Pty Ltd <Sortie Super Fund a/c>	130,516	0.26
	41,866,422	84.05

Voting Rights

The voting rights, as set out in Clause 29.9 of the Trust Constitution, are:

On a show of hands every unitholder who is present in person or by proxy and who was recorded on the register at the books closing date for that meeting as a holder of a unit carrying the right to vote at that meeting shall have one vote and;

On a poll every such unitholder shall have:

- (a) one vote for each fully paid unit of which he is the registered holder; and
- (b) a fraction of a vote equivalent to the proportion of the total selling price paid-up for each partly paid unit for which he is the registered holder.

On-Market Buy-Back

There is no current on-market buy-back

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
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 realized 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 92 countries with more than 3,600 hotels and 470,000 rooms. With more than 170,000 employees in Accor brand hotels worldwide, the Group offers to its clients and partners nearly 45 years of know-how and expertise.

Directors of the Responsible Entity

Mr Benjamin W Macdonald (Chairman)
Hon Keith DeLacy
Mr Richard Haire
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 and Risk Committee of the Responsible Entity

Hon Keith DeLacy (Chairman)
Mr Richard Haire
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

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
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

Sub-lessee of The 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
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.

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 519 gaming machines, 38 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 main fare, steaks from the grill, lighter meals, snacks, beverages and supper dishes.
Open during Casino operating hours.



All your favourite drinks and cocktails. Great live entertainment on Thursday through Sunday nights.
Open every day from 5pm 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 8 to more than 800 guests for every type of function.

MUST SEE

MUST VISIT

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





REEF
CASINO TRUST

CASINOS AUSTRIA INTERNATIONAL

pullman
HOTELS AND RESORTS
REEF HOTEL CASINO

