REEF CASINO TRUST

ARSN 093 156 293

APPENDIX 4D

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

This report is based on the attached accounts that have been audited and are not subject to any dispute or qualification. This information should be read in conjunction with the attached accounts and any public announcements made by the Trust during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

Reporting period
Half year ended 30 June 2021

Previous corresponding period
Half year ended 30 June 2020

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Up 561.4%		
	from $1.856 mil	to	$12,275,000

Profit/(Loss) from ordinary activities after income tax attributable to members	Up 112.9%		
	from -$23.690 mil	to	$3,059,000

Net profit/(Loss) for the period attributable to members	Up 112.9%		
	from -$23.690 mil	to	$3,059,000

Distributable profit*	Up 100%		
	from nil	to	$6,118,000

**Basis of preparation: Distributable profit is a non-IFRS measure that is determined in accordance with the Trust Constitution and used as the basis for determining distributions to unitholders. Distributable profit is determined as net profit for the half year, adding back distributions to unitholders which have been treated as finance costs in accordance with IFRS. The distributable profit has been audited by Grant Thornton Audit Pty Ltd. Refer to the auditor's report on page 20 of the Half Year Report for the half year ended 30 June 2021.*

2. DISTRIBUTIONS

For the 6 months ended 30 June 2021	$12.29 cents per unit
Record date for determining entitlements to distribution	30 June 2021

3. NET TANGIBLE ASSETS

	Current period	Previous corresponding period
Net tangible asset backing per unit (NTA backing) [1]	$1.32	$0.86

[1] Excludes Right-of-use assets.

4. EXPLANATIONS

Additional 4D disclosures and other significant information can be found in the attached financial report for the half-year ended 30 June 2021.

REEF

CASINO TRUST

ARSN 093 156 293

Half Year Report

June 2021

REEF CASINO TRUST

Chairman's review

Dear Unitholders,

On behalf of the Board of Directors of Reef Corporate Services Limited, Responsible Entity of the Reef Casino Trust (the Trust), I present my review of the Reef Casino Trust for the half year ended 30 June 2021.

Key points

The Trust can report a strong first half result.

Profits

	2021 $mil	2020 $mil	2019 $mil	
Net profit/(loss)	**3.059**	(23.690)	.755	Trust delivered a strong result in 2021
Add back "finance costs"	3.059	-	.755	Distributions classified as "finance costs"
Add back impairment of property, plant and equipment	-	19.374	-	Reversed in 2nd half 2020
Distributable profit*/(loss)[2]	**6.118**	(4.316)	1.510	Total profit available for distribution

Unit distribution

	2021 cents	2020 cents	2019 cents
Period 1 January to 30 June	**12.29**	0.00	3.04

January to June 2020 was the first time in the last 21 years that no distribution was declared for any 6-month period due to COVID-19.

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

	2021 $mil	2020 $mil	2019 $mil
Period 1 January to 30 June	**8.571**	(1.736)	4.220

Trust balance sheet

The Trust's balance sheet continues to be healthy. The Trust's cash position remains positive and the Trust has adequate working capital.

Novel Coronavirus Pandemic (COVID-19)

COVID-19 impacts in 1st half 2021

1 January 2021 to 30 June 2021 – Reef Hotel Casino stayed open
The Reef Hotel Casino, located in Cairns stayed open throughout this period. It operated under varying restrictions as imposed by the Queensland Government. The Reef Hotel Casino traded strongly during this period.

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

Chairman's review (continued)

Key points (continued)

Novel Coronavirus Pandemic (COVID-19) (continued)

COVID-19 impacts in 2020

23 March 2020 to 2 July 2020 - Shut down of Reef Hotel Casino
The Reef Hotel Casino, specifically the casino and food and beverage outlets, were shut down as directed by the Queensland Government from 23 March 2020, with hotel rooms following soon after. This shut down period represented 55% of the first half year of 2020 during which time there was essentially no revenue at the Reef Hotel Casino complex.

The Federal Government's JobKeeper program meant that while most staff were stood down, there were no redundancies.

3 July 2020 - Reopening of the Reef Hotel Casino
The Reef Hotel Casino reopened for trading on 3 July 2020 and remained open and operational for the rest of 2020. The Reef Hotel Casino traded strongly during this period.

Financial summary

Period 1 January to 30 June

	2021	2020	2019
	$'000	$'000	$'000
REVENUE AND OTHER INCOME			
Rental revenue	12,206	1,820	7,516
Other revenue and interest income	69	36	75
Total revenue and other income	**12,275**	**1,856**	**7,591**
EXPENSES			
Operating	3,756	3,022	3,516
Impairment of receivables	-	667	-
Depreciation and amortisation	2,401	2,483	2,565
Total expenses	**6,157**	**6,172**	**6,081**
Distributable profit*/Profit or loss before impairment of property, plant and equipment and finance[1] costs attributable to unitholders (loss)[2]	**6,118**	**(4,316)**	**1,510**
Finance costs[1] attributable to unitholders	3,059	-	755
Impairment of property, plant and equipment	-	19,374	-
PROFIT/(LOSS) FOR THE PERIOD	**3,059**	**(23,690)**	**755**
	cents per unit	cents per unit	cents per unit
Earnings/(loss) per unit	**12.28**	**(95.14)**	**3.03**
Distribution per unit	**12.29**	**0.00**	**3.04**

Chairman's review (continued)

Financial summary (continued)

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

[2] As the Trust reported an operating loss before impairment of property, plant and equipment for the first half year of 2020 there was no distributable profit for the half year ended 30 June 2020.

* Basis of preparation: Distributable profit is a non-IFRS measure that is determined in accordance with the Trust Constitution and used as the basis for determining distributions to unitholders. Distributable profit is determined as net profit for each half year, adding back distributions to unitholders which have been treated as finance costs in accordance with IFRS. The distributable profit has been audited by Grant Thornton Audit Pty Ltd. Refer to the auditor's report on page 20 of the Half Year Report for the half year ended 30 June 2021.

Revenue and other income

The Trust reported strong rental income for the 1st half year as the Reef Hotel Casino traded strongly.

Both the Trust and the Reef Hotel Casino received no Federal Government JobKeeper subsidy in the current reporting period. In first half of 2020 the Federal Government's JobKeeper subsidy program assisted total rentals paid to Trust by approximately $800,000.

Total Trust revenue and other income for the period (comprising mainly of rental income from the Reef Hotel Casino) was $12.275 million. 2020's trading result was heavily impacted by the enforced closure of the complex by the Queensland Government to manage the COVID-19 risk.

Expenses

Operating expenses were kept under tight control. In 2021, building repair and maintenance expenses were higher than 2020 and 2019. Insurance premiums were also higher in 2021.

Non-Executive Directors who received directors' fees agreed to take a 50 percent reduction in their fees for the period 1 April 2020 to 30 September 2020.

Distributable profit*

Trust distributable profit* was $6.118 million for the six months ended 30 June 2021.

In the same period for 2020, it was nil as the Trust reported a net loss for the period.

In the same period for 2019, natural disasters including flooding and bush fires in the country impacted on rental income received.

Unit distribution

A unit distribution for the 6 months from January to June 2021 of 12.29 cents per unit (2020: nil; 2019: 3.04 cents) was declared. The record date was 30 June 2021 and payment will be made on 15 September 2021.

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

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

The undistributed income account balance is 20.31 cents per unit, or $10.115 million in total.

Chairman’s review (continued)

Trust balance sheet

The Trust’s interest only business term loan facility with the Bank of Queensland remains unchanged at $13.500 million. This loan facility was renewed with the Bank of Queensland earlier in the year for a further 3 years and now expires on 31 January 2025. The amount undrawn at 30 June 2021 was $13.300 million. Importantly, the Trust continues to be solvent and a going concern. At present, the Trust has determined there is no need for additional cash facilities or liquidity given the Trust’s current balance sheet position and outlook.

Capital investment

Despite strong cash flows in the period, capital expenditure in the first six months of 2021 was very carefully managed due to the on-going COVID-19 pandemic. Essential capital items were approved which included new gaming machines, hotel operating asset requirements, and the proper maintenance and overall upkeep of the Reef Hotel Casino complex building.

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

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

Reef Hotel Casino Executive Director’s Report

Trading and operating conditions

COVID-19 impact

- The Reef Hotel Casino Complex was opened for operations throughout 1H 2021
- The Complex continued to operate with a site specific COVID Safe Plan as required by the Queensland Government. This plan had amendments fairly regularly but restrictions were lessened over time.
- The Complex did not receive any Federal Government JobKeeper subsidy
- There were no international tourists because of Australia’s closed borders

Our markets

- Our local, regional and Queensland market continued to hold up well for our complex.
- As for the domestic interstate market, this improved over time as state borders reopened. However, last minute closures of state borders were not helpful.
- Our casino performed particularly well. Our hotel operations also performed relatively well. Hotel room performance improved over time as state border restrictions eased.
- All this was achieved despite COVID-19 impacts and restrictions which included closed international borders, the closure of various state borders from time to time and COVID related restrictions on our operations.

Chairman's review (continued)

Reef Hotel Casino Executive Director's Report (continued)

Complex performance – a brief review

The Reef Hotel Casino can report a strong first half result

Rental to the Trust

	2021 $mil	2020 $mil	2019 $mil
1st Half 1 January to 30 June	**12.206**	1.820	7.516

2021 – A strong overall performance by the Complex which resulted in a good rental paid to the Trust.
2020 – Complex closed from 23 March to 30 June as mandated by the government due to COVID.
2019 – Complex felt the impacts of a series of natural disasters in Queensland and other parts of the country.

Casino

Overall casino revenues

	Change compared to	
	2020 %	**2019 %**
1st Half 2021	+162.2	+14.6

Electronic games

	Change compared to	
	2020 %	**2019 %**
1st Half Turnover 2021	+150.2	+15.6

2021 – Electronic gaming is the Complex's biggest revenue segment and in 1H 2021 it performed strongly with good patron support from local, regional and domestic markets. It is the biggest contributor to the rentals paid to the Trust.

Table games (TG)

	Change compared to	
	2020 %	**2019 %**
1st Half TG Drop 2021	+142.7	-5.2

2021 – Main floor gaming was impacted by COVID-19 due to an absence of international patrons resulting from the closed Australian national borders. With premium play, despite the absence of international patrons, there was improved and increased patron support from domestic patrons coming from other states of the country.

Hotel

Overall hotel revenues

	Change compared to	
	2020 %	**2019 %**
1st Half 2021	+163.7	-9.6

2021 – As state borders reopened, overall hotel revenues improved with increased domestic travel.

Chairman's review (continued)

Reef Hotel Casino Executive Director's Report (continued)

Complex performance – a brief review (continued)

Hotel (continued)

Rooms

	Change compared to 2020 %	2019 %
1st Half Revenues 2021	+166.4	-15.1

2021 – Rooms performance improved steadily since the reopening of the Complex on 3 July 2020. In 1H 2021, the improvement gained momentum due to the relaxation of the state border controls. The hotel leads the market in the 5-star competitor set in terms of RevPar (revenue per available room).

Food and beverage (F and B)

	Change compared to 2020 %	2019 %
1st Half Revenues 2021	+172.3	-2.1

2021 – Overall, F and B revenues are slightly lower than pre-COVID levels with seating capacity and lower operational hours than pre-COVID levels. This will be closely monitored to ensure optimum efficiency for the whole Complex. F and B services play an important part in the overall success of the Complex.

Key strategies

The following key strategies underpinned and drove our overall performance of the complex for the 1st half of 2021 under challenging economic and still uncertain COVID-19 conditions. In the 2nd half of 2021, these will be consolidated and built upon as the COVID-19 uncertainties continue. These will be coupled with the proven success of our management strategy and philosophy under our *"One Complex, One Team, One Success"* mantra.

COVID Safe Plan

Our complex re-opened on 3 July 2020 in accordance with the Queensland Government's lifting of restrictions. However, there are still restrictions on our operations and we operate by reference to our site-specific COVID Safe Plan as amended and approved by the health authorities.

The key areas to note include:

- Cap on capacity – gaming and food and beverage outlets with lessened restrictions over time
- Social distancing measures – these generally remain with some lessening of the measures
- Contact tracing measures – these have been enhanced with the implementation of the QR code throughout the Complex
- COVID safe cleaning – this continues

We are committed to complying with our COVID Safe Plan which has changed from time to time as directed by the health authorities as restrictions were progressively lifted. Additional operating expenses were incurred as a result.

Chairman's review (continued)

Reef Hotel Casino Executive Director's Report (continued)

Key strategies (continued)

Casino operations

Electronic Gaming
Electronic gaming will remain our most important source of revenues. We will continue to market in Cairns, selected regional and domestic regions to target the markets that have a higher chance of visiting Cairns. An appropriate package of promotion, marketing and entertainment programs will continue.

Table Games
Similarly, we will target local, regional and domestic markets (both main floor and premium) that have a higher chance of visiting Cairns.

Hotel operations

Rooms
Our Pullman hotel will market to local, regional and domestic markets via a range of sales and marketing channels including the key and important Accor sales and marketing network in Australia which our hotel is part of.

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

Complex cost control

The Executive Leadership Team is committed to achieve the best possible outcome given the current COVID impacted trading conditions including initiatives to tightly manage operating costs.

Complex regulatory compliance, risk management

The Executive Leadership Team is also committed to the proper delivery of successful outcomes in overall compliance and risk management including the following areas
- Casino regulatory compliance
- Responsible serving of gaming and alcohol
- Anti-money laundering and counter-terrorism funding

A brief look at 2nd half 2021

The 2nd half commenced with a very strong July rental paid to the Trust due in part to increased premium patron support domestically. We hope this will continue, however a consequence of this is possible short-term variability in win rates. Electronic gaming continues to perform well. Hotel room performance is dependent on the status of the State borders.

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

Chairman's review (continued)

CHAIRMAN'S SUMMARY AND OUTLOOK

Relationship between Trust and Operator

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

Risk Management
Reef Hotel Casino – Trust's principal asset

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

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

The Reef Hotel Casino continues to operate with reference to a site specific COVID Safe plan as approved by the health authorities. However, as experienced last financial year, decisions around operating restrictions to manage pandemic risk are not always in our control.

A brief operational outlook for the Trust in 2nd half 2021

The Trust can report a strong start to the 2nd half of 2021. The operator of the Reef Hotel Casino in Cairns has reported a very strong profitable trading month in July 2021. This has resulted in a very high rental income for the Trust in July.

On 8 August 2021 the Reef Hotel Casino operations (with the exception of our hotel accommodation) closed temporarily following the Queensland Government's announcement of a 3-day COVID-19 snap lockdown for the Cairns Regional Council and Yarrabah Aboriginal Shire Council. The operations re-opened on 11 August 2021.

Due to the on-going COVID-19 situation, economic and trading conditions in Cairns and the region remain somewhat challenging amidst a degree of uncertainty. Consequently, Trust expenditure and costs will remain under tight control and capital investment will be carefully managed.

In closing, I would like thank my fellow board directors and the management and staff of the Trust and the operator of the Reef Hotel Casino for their efforts and contributions during the 1st half of 2021.

Michael Issenberg
Chairman
Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust
20 August 2021

Directors' report

The directors of Reef Corporate Services Limited, ABN 66 057 599 621, the Responsible Entity of Reef Casino Trust, present their half year report together with the half year financial report of the Trust for the half year ended 30 June 2021 and the auditor's report thereon.

Responsible Entity

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

Mr Michael Issenberg (Chairman since 21 May 2021)
Mr Benjamin W Macdonald
Mr Keith DeLacy
Mr Christoph Zurucker-Burda
Mr Allan Tan (director and alternate for Mr Macdonald)
Mr Simon McGrath
Mr Philip Basha (director and until 21 May 2021 alternate for Mr Issenberg)
Mr Richard Haire (Chairman until retired 21 May 2021)

Review of operations

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

Distribution

The distribution of $4.861 million (9.76 cents per unit) in respect of the six month period ended 31 December 2020 as reported in the 2020 annual report was paid on 10 March 2021.

The directors have declared a distribution of $6.121 million (12.29 cents per unit) in respect of the six month period ended 30 June 2021 to be paid on 15 September 2021. No distribution was declared in respect of the six month period ended 30 June 2020.

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

The auditor's independence declaration is set out on page 23 and forms part of the directors' report for the half year ended 30 June 2021.

Rounding off

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

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

Michael Issenberg
Director

Allan Tan
Executive Director

Brisbane
20 August 2021

Statement of profit or loss and other comprehensive income
For the half year ended 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
REVENUE AND OTHER INCOME			
Revenue and other income	4	**12,275**	1,856
TOTAL REVENUE AND OTHER INCOME		**12,275**	1,856
EXPENSES			
Depreciation and amortisation	6	**2,401**	2,483
Property outgoings		**504**	444
Rates and taxes		**357**	342
Responsible Entity fees		**570**	616
Repairs and maintenance		**871**	380
Insurance		**782**	739
Responsible Entity director fees		**157**	118
Impairment of receivables		**-**	667
Impairment of property, plant and equipment		**-**	19,374
Other expenses		**463**	286
TOTAL EXPENSES		**6,105**	25,449
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		**6,170**	(23,593)
Finance costs attributable to unitholders		**3,059**	-
Interest expense on financial liabilities measured at amortised cost		**52**	97
TOTAL FINANCE COSTS		**3,111**	97
PROFIT/(LOSS) FOR THE PERIOD		**3,059**	(23,690)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**3,059**	(23,690)
Basic and diluted (loss)/earnings per unit (cents)	11	**12.28**	(95.14)

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

Statement of financial position
As at 30 June 2021

	Note	30 June 2021 $'000	31 Dec 2020 $'000
ASSETS			
Cash and cash equivalents		**6,590**	4,079
Receivables	7	**2,516**	2,578
TOTAL CURRENT ASSETS		**9,106**	6,657
Receivables	7	**775**	750
Property, plant and equipment	8	**91,534**	92,775
Intangible assets		**79**	105
TOTAL NON-CURRENT ASSETS		**92,388**	93,630
TOTAL ASSETS		**101,494**	100,287
LIABILITIES			
Payables		**4,302**	6,222
Lease liabilities		**89**	-
TOTAL CURRENT LIABILITIES		**4,391**	6,222
Loans and borrowings	9	**200**	200
Deferred income		**10**	10
Lease liabilities		**253**	-
Issued units – liability portion	12	**85,051**	85,051
TOTAL NON-CURRENT LIABILITIES		**85,514**	85,261
TOTAL LIABILITIES		**89,905**	91,483
EQUITY			
Issued units – equity portion		**85,051**	85,051
Distribution account	10	**3,062**	274
Undistributed income		**10,115**	10,118
Accumulated losses		**(86,639)**	(86,639)
TOTAL EQUITY		**11,589**	8,804
TOTAL EQUITY AND LIABILITIES		**101,494**	100,287
MEMORANDUM NOTE – ISSUED UNITS			
Issued units – liability portion		**85,051**	85,051
Issued units – equity portion		**85,051**	85,051
		170,102	170,102

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

Statement of changes in equity
For the half year ended 30 June 2021

	Issued units $'000	Distribution account $'000	Undistributed income $'000	Accumulated losses $'000	Total $'000
1 JANUARY 2020	85,051	2,698	5,805	(81,843)	11,711
Profit/(Loss) for the period	-	-	-	(23,690)	(23,690)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(23,690)	(23,690)
Transfer to distribution account	-	-	-	-	-
Transfer from undistributed income	-	-	-	-	-
Distributions paid	-	(2,698)	-	-	(2,698)
30 JUNE 2020	85,051	-	5,805	(105,533)	(14,677)
1 JANUARY 2021	**85,051**	**274**	**10,118**	**(86,639)**	**8,804**
Profit/(Loss) for the period	**-**	**-**	**-**	**3,059**	**3,059**
Other comprehensive income	**-**	**-**	**-**		
Total comprehensive income/(loss) for the period				**3,059**	**3,059**
Transfer to distribution account	**-**	**3,059**	**-**	**(3,059)**	**-**
Transfer from undistributed income	**-**	**3**	**(3)**	**-**	**-**
Distributions paid	**-**	**(274)**	**-**	**-**	**(274)**
30 JUNE 2021	**85,051**	**3,062**	**10,115**	**(86,639)**	**11,589**

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

Statement of cash flows
For the half year ended 30 June 2021

	30 June 2021 $'000	30 June 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	**14,490**	3,882
Cash payments in the course of operations	**(5,960)**	(3,845)
Interest received	**27**	16
Interest and other finance costs paid	**(52)**	(91)
NET CASH FROM OPERATING ACTIVITIES	**8,505**	(38)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(1,089)**	(851)
NET CASH FROM INVESTING ACTIVITIES	**(1,089)**	(851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan	**(2,500)**	-
Drawdown of loan	**2,500**	4,000
Principal elements of lease payments	**(44)**	(30)
Distributions paid (equity and liability portion)	**(4,861)**	(5,279)
NET CASH FROM FINANCING ACTIVITIES	**(4,905)**	(1,309)
Net decrease in cash held	**2,511**	(2,198)
Cash and cash equivalents at 1 January	**4,079**	2,957
CASH AND CASH EQUIVALENTS AT 30 JUNE	**6,590**	759

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

Notes to the condensed interim financial statements
For the half year ended 30 June 2021

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

These general purpose condensed interim financial statements of the Trust are for the six months ended 30 June 2021. They have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Trust for the year ended 31 December 2020 and any public announcements made by the Trust during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements were approved by the directors of the Responsible Entity on 20 August 2021.

(b) Use of estimates and judgements

The significant judgements made in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those described in the financial statements as at and for the year ended 31 December 2020.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Trust's last annual financial statements for the year ended 31 December 2020.

4. Revenue

	30 June 2021 $'000	**30 June 2020 $'000**
RENTAL		
Base rent	**596**	266
Contingent rent	**11,610**	1,554
	12,206	1,820
INTEREST RECEIVED AND RECEIVABLE FROM		
Other persons	**-**	2
Related parties	**26**	14
	26	16
OTHER REVENUE		
Sundry	**43**	20
	12,275	1,856

Notes to the condensed interim financial statements
For the half year ended 30 June 2021

5. Segment information

	30 June 2021 $'000	30 June 2020 $'000

The Trust has a single operating segment. Revenue from external customers is derived from the rental of the Reef Hotel Casino complex, which is made up of the following components:

RENTAL INCOME		
Casino operations	**10,696**	1,635
Hotel and other non-casino operations	**1,510**	185
	12,206	1,820

6. Expenses

Net profit for the period includes the following specific expenses:

DEPRECIATION		
Building	**724**	715
Plant and equipment	**1,251**	1,344
	1,975	2,059
AMORTISATION		
Computer software	**26**	36
Site lease	**353**	353
Carpark lease	**47**	35
	426	424
	2,401	2,483

7. Receivables

	30 June 2021 $'000	31 Dec 2020 $'000
CURRENT		
Rent and interest receivable from lessee	**1,657**	2,530
Prepayments and other debtors	**859**	48
	2,516	2,578
NON-CURRENT		
Financial assets - Loan to lessee	**750**	750
Security deposit	**25**	-
	775	750

Notes to the condensed interim financial statements
For the half year ended 30 June 2021

8. Property, plant and equipment

	30 June 2021 $'000	31 Dec 2020 $'000
Site lease – at cost	**53,000**	53,000
Less: Accumulated amortisation	**(19,462)**	(19,109)
	33,538	33,891
Building and integral plant – at cost or deemed cost	**74,441**	74,573
Less: Accumulated depreciation	**(25,808)**	(25,217)
	48,633	49,356
Plant and equipment – at cost	**63,052**	63,397
Less: Accumulated depreciation	**(54,119)**	(53,995)
	8,933	9,402
Carpark lease – right of use	**387**	147
Less: Accumulated amortisation	**(40)**	(141)
	347	6
Work in progress	**83**	120
Total property, plant and equipment – net carrying amount	**91,534**	92,775

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

Site lease	**33,538**	33,891
Carpark lease	**347**	6
Total right-of-use assets	**33,885**	33,897

Capital expenditure commitments	30 June 2021 $'000	30 June 2020 $'000
Contracted but not provided for and payable:	**1,719**	515

ACQUISITIONS
During the six months ended 30 June 2021, the Trust acquired property, plant and equipment with a cost of $751,415 (six months ended 30 June 2020: $572,119).

9. Loans and borrowings

	Facility Available		Facility Used		Facility Unused	
	30 June 2021 $'000	31 Dec 2020 $'000	30 June 2021 $'000	31 Dec 2020 $'000	30 June 2021 $'000	31 Dec 2020 $'000
NON-CURRENT LIABILITIES						
Bank loan – BOQ Limited (expires 31 January 2025)	**13,500**	13,500	**200**	200	**13,300**	13,300
	13,500	13,500	**200**	200	**13,300**	13,300

Notes to the condensed interim financial statements
For the half year ended 30 June 2021

10. Distributions

	30 June 2021 $'000	31 Dec 2020 $'000
Distributable income		
The proposed distribution for the six months ended 30 June 2021 was declared on 20 August 2021, and accounted for as follows:		
DISTRIBUTION ACCOUNT (refer to statement of changes in equity)		
Balance relating to issued units – equity portion	**3,062**	274
ACCRUED DISTRIBUTION		
Balance relating to issued units – liability portion	**3,059**	4,587
TOTAL OF DISTRIBUTION ACCOUNTS	**6,121**	4,861

	2021		2020	
	Total $'000	Cents per unit	Total $'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December paid March	**4,861**	**9.76**	5,279	10.60
Half year ended 30 June paid/payable September	**6,121**	**12.29**	-	-
	10,982	**22.05**	5,279	10.60

11. Earnings per unit

	30 June 2021	30 June 2020
Basic and diluted (loss)/earnings per unit (cents)	12.28	(95.14)
Weighted average number of units at the end of the half year	**24,900,518**	24,900,518

12. Financial Instruments

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

	30 June 2021		31 December 2020	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
LIABILITIES CARRIED AT AMORTISED COST				
Issued units – liability portion*	**85,051**	**58,018**	85,051	68,476

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

Notes to the condensed interim financial statements
For the half year ended 30 June 2021

13. Events subsequent to balance date

On 8 August 2021 the Reef Hotel Casino operations (with the exception of our hotel accommodation) closed temporarily following the Queensland Government's announcement of a 3-day COVID-19 snap lockdown for the Cairns Regional Council and Yarrabah Aboriginal Shire Council. The operations re-opened on 11 August 2021.

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

Directors' declaration

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

(a) the financial statements and notes set out on pages 10 to 18, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the half year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

Michael Issenberg
Director

Allan Tan
Executive Director

Brisbane
20 August 2021

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Independent Auditor's Report

To the Unitholders of Reef Casino Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of Reef Casino Trust (the Trust), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a Giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its performance for the half year ended on that date; and

b Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

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Key audit matter	How our audit addressed the key audit matter
Determination and recognition of revenue – Note 4	
The Trust leases its facilities to a related party, Casinos Austria International (Cairns) Pty Ltd (the Lessee). Accordingly the Trust's rental revenue is determined in accordance with the lease agreements between the Trust and the Lessee. Rental revenue comprises two components: a base rent and a contingent rent. The base rent component is indexed yearly and recognised on a straight line basis over the lease term. The contingent rent component is based on the financial performance and results of the Lessee and is recognised when contractually due. The contingent rent component comprises the majority of total rental revenue. This is a key audit matter given that it is material to the Trust's results and is recognised based on the financial performance and results of the Lessee.	Our procedures included, amongst others: • Assessing the design and implementation of management's controls over the determination and recognition of rental revenue; • Analysing management's calculation of rental revenue in accordance with the lease agreements and with the audited financial statements of the Lessee; • Agreeing whether the inputs to management's calculation of contingent rental revenue are in accordance with the lease agreements and with the audited financial statements of the Lessee; and • Assessing the appropriateness and sufficiency of the work performed on the Lessee's financial statements for the relevant period by the Lessee's auditor.

Information other than the financial report and auditor's report thereon

The Directors of Reef Corporate Services Limited, the Responsible Entity of the Trust, are responsible for the other information. The other information comprises the information included in the Trust's half year report for the half year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the audit of non-IFRS information

Opinion on non-IFRS information

In our opinion, the non-IFRS information disclosed as distributable profit included in the chairman's review on pages 1 to 3 for the half year ended 30 June 2021 is prepared, in all material respects, in accordance with the basis of preparation set out on page 3.

Responsibilities

The Directors of the Responsible Entity of the Trust are responsible for the preparation and presentation of the non-IFRS financial information in accordance with the basis of preparation set out on page 3 and for having regard to the guidelines set out in the ASIC Regulatory Guide 230: *Disclosing Non-IFRS Financial Information*. Our responsibility is to express an opinion on the non-IFRS financial information, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner – Audit & Assurance

Brisbane, 20 August 2021

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Auditor's Independence Declaration

To the Directors of the Responsible Entity of Reef Casino Trust

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Reef Casino Trust for the half year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M C Bragg
Partner – Audit & Assurance

Brisbane, 20 August 2021

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Trust Directory

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

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Directors of the Responsible Entity	Mr Michael Issenberg (Chairman) Mr Benjamin W Macdonald Mr Keith DeLacy Mr Christoph Zurucker-Burda Mr Allan Tan Mr Simon McGrath Mr Philip Basha
Alternate directors	Mr Allan Tan (alternate for Mr Macdonald)
Secretary of the Responsible Entity	Ms Alison Galligan
Compliance, Audit & Risk Committee of the Responsible Entity	Mr Keith DeLacy (Chairman) Mr Michael Issenberg Mr Simon McGrath
Solicitors to the Responsible Entity	Herbert Smith Freehills Level 31 480 Queen Street BRISBANE QLD 4000
Unit Registry	Computershare Investor Services Pty Ltd Level 1 200 Mary Street BRISBANE QLD 4000 GPO Box 2975 MELBOURNE VIC 3001 Telephone: 1300 552 270 www.investorcentre.com/contact
Bankers	Bank of Queensland Limited 100 Skyring Terrace NEWSTEAD QLD 4006

Trust Directory

Auditors of the Trust	Grant Thornton Audit Pty Ltd Level 13 Cairns Corporate Tower 15 Lake Street CAIRNS QLD 4870
Securities exchange listing	Official list of the Australian Securities Exchange Limited
Sub-lessee of The Reef Hotel Casino Complex	Casinos Austria International (Cairns) Pty Ltd Level 3 Sofitel Hotel 249 Turbot Street BRISBANE QLD 4000 Telephone: (07) 3211 3000 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.