

## Appendix 4D

### Half Yearly Report

**Name of Entity:** Apollo Tourism & Leisure Ltd

**ABN:** 67 614 714 742

#### 1. Reporting Period

<b>Reporting Period:</b>	<b>Half year ended 31 December 2016 ("current period")</b>
<b>Previous Reporting Period:</b>	<b>Half year ended 31 December 2015 ("previous corresponding period")</b>

#### 2. Results for Announcement to the Market

**\$A'000s**

Revenues from ordinary activities	Up	63%	to	75,440
Profit/ (Loss) from ordinary activities after tax attributed to members (i)	Up	709%	to	3,552
Net profit/ (Loss) for the period attributed to members (i)	Up	709%	to	3,552

- (i) In 1HY FY17, one off costs associated with the IPO of AUD\$1.4 million after tax were incurred. Excluding the impact of this amount, profit from ordinary activities after tax attributes to members was up 1028% to AUD\$5.0 million.

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<i>Current period</i> Interim dividend	0.5 cents	100%
<i>Current period</i> Interim dividend	N/A	N/A
Record date for determining entitlements to the dividend		28 February 2017

#### **Brief explanation of revenue, net profit and dividends (results commentary)**

Revenue of the Group for the 6 months ended 31 December 2016 was \$75.4m (31 December 2015 \$46.2) an increase of 63%. This increase has been driven by increased rental activity and a significant uplift in revenue from vehicle sales activities.

Profit from ordinary activities after tax for the 6 months ended 31 December 2016 increased by 709% to \$3.6m (31 December 2015 \$0.4m). The 2016 result includes IPO costs of \$1.4m after tax. The improvement in profitability reflects the growth in revenue with \$7.9m EBIT at 31 December 2016 (31 December 2015 \$4.4m).

Subsequent to the end of the reporting period, the Directors declared a fully franked interim dividend for the half year ended 31 December 2016 of 0.5 cents per ordinary share, with a record date of 28 February 2017, to be paid on 14 March 2017, a total estimated distribution of \$725,589 based on the number of ordinary shares on issue at 28 February 2017, representing 21% of statutory NPAT.

### 3. Net Tangible assets per security

	Current period	Previous corresponding period
Net tangible assets per security	\$0.34	\$0.22

For comparative purposes, the previous corresponding period calculation has been compiled using the same number of securities issued as the current period.

### 4. Details of entities over which control has been gained or lost during the period

#### Control gained over entities

Name of entities	Apollo Motorhome Holidays LLC Apollo Finance Pty Ltd
Date(s) from which control was gained	30 September 2016
Contribution to consolidated profit/ (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired.	(1,138)
Profit/ (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	2,652

The seasonality and the timing of the acquisition has significant impact on the profit contribution of these businesses over the reporting period. If the acquisition of these businesses had taken place on 1 July 2016, the profit contribution to the Group after tax would have been \$ 3,240,000.

#### Loss of control of entities

Name of entities	N/A
Date(s) from which control was lost	N/A
Contribution to consolidated profit/ (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was lost.	N/A
Profit/ (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

### 5. Details of Individual and Total Dividends

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend	Current period	14 March 2017	0.5 cents	100%	-
	Previous corresponding period	Nil	N/A	N/A	N/A

### 6. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation

	N/A
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The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

	N/A
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**7. Details of Associated and Joint Ventures:**

Name of associate or joint venture entity	Percentage holding	
	Current Period	Previous corresponding period
Canadream Corporation	20.22%	16.83%

**8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)**

Group operations in New Zealand and United States of America have been compiled using International Financial Reporting Standards.

**9. Description of dispute of qualification if the accounts have been audited or subject to review**

N/A

**This report is based on:**

Statutory accounts that have been subject to review by EY.

**Luke Trouchet**

Managing Director and Chief Executive Officer, Apollo Tourism & Leisure Ltd

Dated this 22<sup>nd</sup> day of February 2017

**APOLLO TOURISM & LEISURE LTD**

**(ABN 67 614 714 742)**

**FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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# Corporate Information

## Directors

Stephen Lonie, Chair and Non Executive Director

Sophie Mitchell, Non Executive Director

Luke Trouchet, Managing Director

Karl Trouchet, Executive Director

## Company Secretary

Peter Jans

## Registered Office

698 Nudgee Road

Northgate

Queensland 4013

Australia

## Principal place of business

698 Nudgee Road

Northgate

Queensland 4013

Australia

## Share Register

Computershare

117 Victoria Street

West End

Queensland 4101

Australia

Apollo Tourism & Leisure Ltd shares are listed on the Australian Stock Exchange (ASX).

## Auditors

Ernst & Young

Australia

## Solicitors

Jones Day

Australia

# Directors' report

Your Directors submit their report for the half-year ended 31 December 2016.

## DIRECTORS

The names and details of the Company's Directors in office during the half-year and until the date of this report and who were in office for this entire period unless otherwise stated as follows:

### Names, qualifications, experience and special responsibilities

#### Stephen E Lonie BCom MBA FAICD FCA FFin FIMCA(Chair)

Appointed 8 September 2016. Chairman of Remuneration Committee, Chairman of Nominations Committee, Member of Audit & Risk Committee.

Stephen Lonie is currently a non-executive Director of Corporate Travel Management Limited (ASX: CTD), Retail Food Group Limited (ASX: RFG), MyState Limited (ASX: MYS) and Jellinbah Resources Pty Ltd.

#### Luke G Trouchet LLB AIM (Managing Director)

Luke Trouchet joined Apollo in 1996 and was appointed Chief Executive Officer in 2001.

#### Karl R L Trouchet BBus AICD

Karl Trouchet joined Apollo in 1997 and was appointed Chief Financial Officer in 2001.

#### Sophie Mitchell BEc GAICD SF Fin

Appointed 8 September 2016. Member of Remuneration Committee, Member of Nominations Committee, Chairman of Audit & Risk Committee.

Sophie Mitchell holds non-executive Director roles in Silver Chef Limited (ASX: SIV) and Flagship Investments Limited (ASX: FSI). She is also a member of the Takeovers Panel, the Queensland Performing Arts Trust, the Queensland Advisory Board for AustralianSuper, and a Board member of the Australia Council for the Arts.

## PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the manufacture, hire and sale of camper vans.

Apollo's rental activities are generated from 17 central location outlets across Australia, New Zealand (NZ) and United States of America (USA). Sales of new and used motorhomes and caravans in Australia are principally through the Apollo retail network located in major cities. Ex-rental motorhome sales in NZ and USA are through an established dealer network. The Australian and New Zealand manufacturing entities produce all units purchased by the rental operations in those countries. All USA rental vehicle purchases are currently from Winnebago USA. In addition, the Australian manufacturing entity produces a range of retail motorhomes and caravans under the Winnebago brand which are sold through Apollo's retail sales network. The Group also includes a strategic 20% shareholding in CanaDream Corporation, a publicly listed Canadian RV rental and ex-fleet sales company.

There have been no significant changes in the nature of these activities during the period

The principal activities of the Company are geographically located as follows:

Location	Manufacturing	Rental operations	RV sales
Australia	✓	✓	✓*
New Zealand	✓	✓	✓**
USA		✓	✓**
Canada		✓	✓**

\* New and ex-rental RV sales  
\*\* Ex-rental RV sales only

Note: Apollo's interests in Canada are via a strategic investment in CanaDream Corporation (TSXV:CDN).

## DIVIDENDS

No dividends were paid or declared since the start of the financial year, except as noted in the subsequent events note.

## REVIEW OF OPERATIONS

On 30 September 2016, the Company, through a subsidiary Company in the Group structure, acquired a 100% shareholding in Apollo Motorhomes LLC for consideration of \$16m and a 100% shareholding in Apollo Finance Pty Ltd for consideration of \$0.5m. For further information on these acquisitions, refer to Note 3 Acquisition of Entities Under Control.

On 4 November 2016, Apollo Tourism & Leisure Ltd listed on the Australian Stock Exchange (ASX) under the ticker code ATL.

As part of the restructure and initial public offering, Apollo Tourism & Leisure Ltd received a net capital injection of \$17m (\$20m less \$3m listing costs).

The Group reported a consolidated profit before tax from continuing operations of \$4,045,451 for the half-year ended 31 December 2016, an increase of 724% from the previous half-year amount of \$491,044.

The Group generated an increase in cash and cash equivalents of \$5,108,253 for the half-year ended 31 December 2016, which reflects the improved trading result and balance sheet management strategies implemented by the Board.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 8 February 2017, the Apollo Group made the following investments:

- The 100% acquisition of Sydney RV Group Pty Limited, a major new and used caravan and motorhome retailer in New South Wales (NSW), which was purchased for consideration of \$1,750,000 through a combination of the issue of ATL shares to the value of \$218,750 and \$1,531,250 in cash.

- The procurement of a 25% shareholding in Camplify Pty Ltd, an online caravan and RV sharing community that connects caravan and RV owners with people looking to rent these vehicles, which was acquired for a cash payment of \$1,750,000.

The combined impact of recent investments in Sydney RV and Camplify are not expected to have any material impact on pro forma and statutory forecasts for FY17.

On 22 February 2017, the Directors declared a fully franked interim dividend for the half year ended 31 December 2016 of 0.5 cents per ordinary share with a record date of 28 February, to be paid on 14 March 2017, a total estimated distribution of \$725,589.14 based on the number of ordinary shares on issue at 28 February 2017, representing 21% of statutory NPAT. The dividend has not been provided for in the 31 December 2016 financial statements.

Signed in accordance with a resolution of the Board of Directors:



Luke Trouchet  
Managing Director

Brisbane, 22 February 2017



## Auditor's Independence Declaration to the Directors of Apollo Tourism & Leisure Ltd

As lead auditor for the review of Apollo Tourism & Leisure Ltd for the half-year ended 31 December 2016, I declare 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Apollo Tourism & Leisure Ltd and the entities it controlled during the financial period.



Ernst & Young



Mike Reid  
Partner  
22 February 2017

## To the members of Apollo Tourism & Leisure Ltd

### Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Apollo Tourism & Leisure Ltd, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Apollo Tourism & Leisure Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Apollo Tourism & Leisure Ltd is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Mike Reid  
Partner  
Brisbane  
22 February 2017

# Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December

	<i>Notes</i>	<i>Half-Year to December 2016</i>	<i>Half-Year to December 2015</i>
		\$	\$
<b>Revenue</b>			
Sales of services		40,206,381	32,397,767
Sales of goods		33,892,528	12,632,634
Other revenue		1,340,787	1,181,340
<b>Total revenue</b>	<a href="#">16</a>	<b>75,439,696</b>	<b>46,211,741</b>
Cost of goods sold		(31,038,898)	(11,303,101)
Motor vehicle running expenses		(12,996,496)	(10,956,823)
Advertising, promotions and commissions paid		(1,430,524)	(1,075,978)
Employee benefits expense		(7,466,158)	(6,353,812)
Depreciation expense		(10,184,421)	(9,667,708)
Rental costs on land & buildings		(1,677,679)	(1,392,967)
Share of profit/ (loss) in associates		1,494,291	89,648
Other expenses		(4,239,677)	(1,125,445)
<b>Profit before tax and finance costs</b>	<a href="#">16</a>	<b>7,900,134</b>	<b>4,425,555</b>
Finance costs		(3,854,683)	(3,934,511)
<b>Profit before tax</b>	<a href="#">16</a>	<b>4,045,451</b>	<b>491,044</b>
Income tax (expense)/ benefit	<a href="#">4</a>	(493,070)	(52,301)
<b>Profit/ (loss) for the period</b>	<a href="#">16</a>	<b>3,552,381</b>	<b>438,743</b>
Exchange differences on translation of foreign operations (net of tax)		(33,451)	410,043
<b>Total other comprehensive income /(loss) to be reclassified to profit and loss in subsequent periods, net of tax</b>		<b>(33,451)</b>	<b>410,043</b>
<b>Total comprehensive income /(loss)</b>		<b>3,518,930</b>	<b>848,786</b>
<b>Earnings per share from profit for the period attributable to the equity holders of the company</b>			
Basic earnings per share (cps)	<a href="#">11</a>	7.9	1.0
Diluted earnings per share (cps)	<a href="#">11</a>	7.9	1.0

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

# Consolidated statement of financial position

As at 31 December 2016

	<i>Notes</i>	<i>December 2016</i>	<i>June 2016</i>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	<a href="#">5</a>	10,908,323	5,535,162
Trade and other receivables	<a href="#">6</a>	3,959,743	747,978
Income tax receivable		319,996	332,873
Inventory		16,620,269	16,033,736
Prepayments and other current assets		4,151,390	3,362,178
<b>Total Current Assets</b>		<b>35,959,721</b>	<b>26,011,927</b>
<b>Non-current Assets</b>			
Deferred income tax assets		4,388,217	2,633,695
Property, plant and equipment	<a href="#">7</a>	158,764,990	129,624,912
Related party receivables	<a href="#">6</a>	-	9,052,087
Investment in CanaDream Corporation (associated entity)	<a href="#">8</a>	5,113,710	3,032,408
Intangible assets		87,311	87,311
<b>Total Non-current Assets</b>		<b>168,354,228</b>	<b>144,430,413</b>
<b>TOTAL ASSETS</b>		<b>204,313,949</b>	<b>170,442,340</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	<a href="#">9</a>	10,806,378	9,850,959
Unearned income - rental		9,397,481	6,963,958
Interest-bearing loans and borrowings	<a href="#">10</a>	44,994,733	42,282,167
Income tax payable		2,862,130	1,202,438
Provisions		1,223,314	1,164,501
Other liabilities		1,650,164	1,750,971
<b>Total Current Liabilities</b>		<b>70,934,200</b>	<b>63,214,994</b>
<b>Non-current Liabilities</b>			
Unearned income - rental		239,250	319,000
Interest-bearing loans and borrowings	<a href="#">10</a>	59,801,372	60,699,330
Deferred income tax liabilities		19,891,890	11,154,918
Provisions		183,133	158,545
Other liabilities		3,632,385	3,342,605
<b>Total Non-current Liabilities</b>		<b>83,748,030</b>	<b>75,674,398</b>
<b>TOTAL LIABILITIES</b>		<b>154,682,230</b>	<b>138,889,392</b>
<b>NET ASSETS</b>		<b>49,631,719</b>	<b>31,552,948</b>
<b>EQUITY</b>			
Issued capital	<a href="#">14</a>	35,618,515	1,422
Reserves	<a href="#">15</a>	(20,459,193)	631,510
Retained earnings		34,472,397	30,920,016
<b>TOTAL EQUITY</b>		<b>49,631,719</b>	<b>31,552,948</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

## Consolidated statement of changes in equity

For the half-year ended 31 December 2016

	Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Common control reserve \$	Total equity \$
<b>At 1 July 2015</b>		<b>1,422</b>	<b>26,086,391</b>	<b>(49,444)</b>	-	<b>26,038,369</b>
Profit for the half-year ended 31 December 2015		-	438,743	-	-	438,743
Other comprehensive income		-	-	410,043	-	410,043
<b>Total comprehensive income</b>		<b>-</b>	<b>438,743</b>	<b>410,043</b>	<b>-</b>	<b>848,786</b>
<b>At 31 December 2015</b>		<b>1,422</b>	<b>26,525,134</b>	<b>360,599</b>	<b>-</b>	<b>26,887,155</b>

	Notes	Issued capital \$	Retained earnings \$	Foreign currency translation reserve \$	Common control reserve \$	Total equity \$
<b>At 1 July 2016</b>		<b>1,422</b>	<b>30,920,016</b>	<b>631,510</b>	-	<b>31,552,948</b>
Profit for the half-year ended 31 December 2016		-	3,552,381	-	-	3,552,381
Other comprehensive income		-	-	(33,451)	-	33,451
Issue of shares to acquire Apollo Motorhomes LLC		16,000,000	-	-	-	16,000,000
Issue of shares to acquire Apollo Finance Pty Ltd		464,743	-	-	-	464,743
Changes arises from investment in acquired Apollo Motohomes LLC		-	-	602,955	(21,237,872)	(20,634,917)
Changes arises from investment in acquired Apollo Finance Pty Ltd		-	-	-	(422,335)	(422,335)
Issue of shares in Public Offering		50,000,000	-	-	-	50,000,000
Costs associated with Public Offering		(847,650)	-	-	-	(847,650)
Vendor payment		(30,000,000)	-	-	-	(30,000,000)
<b>Total comprehensive income</b>		<b>35,617,093</b>	<b>3,552,381</b>	<b>569,504</b>	<b>(21,660,207)</b>	<b>18,078,771</b>
<b>At 31 December 2016</b>		<b>35,618,515</b>	<b>34,472,397</b>	<b>1,201,014</b>	<b>(21,660,207)</b>	<b>49,631,719</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

# Consolidated statement of cash flows

For the half-year ended 31 December 2016

	<i>Notes</i>	<i>Half-Year to December 2016</i>	<i>Half-Year to December 2015</i>
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		61,862,516	55,246,978
Payments to suppliers and employees		(47,177,736)	(38,782,319)
Proceeds from sale of rental fleet		23,416,309	6,685,958
Income tax (paid)/refunded		(1,030,547)	-
Borrowing costs		(3,854,683)	(3,934,511)
Interest received		97,956	201,469
<b>Net cash flows from operating activities</b>		<b>33,313,815</b>	<b>19,417,575</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	<a href="#">7</a>	(765,360)	(1,101,069)
Acquisition of common controlled entities - cash acquired	<a href="#">3</a>	6,169,301	-
<b>Net cash flows from/(used in) investing activities</b>		<b>5,403,941</b>	<b>(1,101,069)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		50,000,000	-
Payment to founding shareholders		(30,000,000)	-
Transaction costs for public offering		(1,210,929)	-
Related entity loans (paid)/ received		5,489,600	(2,565,501)
Repayment of borrowings/finance lease principal		(57,888,174)	(16,879,097)
<b>Net cash flows from/(used in) financing activities</b>		<b>(33,609,503)</b>	<b>(19,444,598)</b>
Net increase in cash and cash equivalents		5,108,253	(1,128,092)
Effect of FX rates		264,908	33,616
Cash and cash equivalents at beginning of period		5,535,162	3,195,751
<b>Cash and cash equivalents at end of period</b>	<a href="#">5</a>	<b>10,908,323</b>	<b>2,101,275</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

For the half-year ended 31 December 2016

## 1. CORPORATE INFORMATION

The consolidated financial statements of Apollo Tourism & Leisure Ltd and its subsidiaries (collectively, the "Group") for the half-year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Directors on the date the Directors' declaration was signed.

Apollo Tourism & Leisure Ltd (the "Company") is a for-profit company limited by shares incorporated in Australia and whose shares are publically traded on the Australian Stock Exchange (ASX).

The registered office and principal place of business of the Company is 698 Nudgee Road, Queensland 4013.

The nature of the operations and the principal activities of the Group are described in the Directors' Report.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Basis of Preparation

The interim consolidated financial statements for the half-year ended 31 December 2016 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The Group is in a consolidated net current liability position as at 31 December 2016 of \$34.9 million (current assets of \$35.9 million and current liabilities of \$70.9 million) as a result of liabilities due under finance lease and hire purchase contracts, and unearned income of \$9 million being classified as current liabilities. Due to the terms associated with certain finance facilities and, in accordance with AASB 101, these facilities are treated as current liabilities with the assets that are being financed included as non-current assets, which results in current liabilities being in excess of current assets in the statement of financial position as at 31 December 2016. Based on projected profit and cash flow forecasts, the Group expects to be able to pay its creditors as and when they fall due for the next 12 months and does not consider that any asset is likely to be realised for an amount less than the amount at which it is recorded in the Balance Sheet as at 31 December 2016. Accordingly, the Directors consider that the Group will generate sufficient cash flows from operations to finance its ongoing operations and meet its financial obligations. Accordingly, the financial report has been prepared on a going concern basis.

As the acquisition of Apollo Motorhome Holidays LLC and Apollo Finance Pty Ltd occurred on 30 September 2016, the financial statements reflect the trading performance of these companies for the 3 months from 1 October 2016.

### 2.2. Accounting Policies

The accounting policies used in the preparation of these interim financial statements are consistent with those accounting policies used in the 30 June 2016 annual financial statements of Apollo Motorhome Ultimate Holdings Pty Ltd prior to the restructuring transaction.

### 2.3. Issued Standards and Amendments Effective From 1 July 2016

There are no new or amended standards which have been adopted in the half-year ended 31 December 2016 that have a material impact on the Group

### 2.4. Estimate and Judgements

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

The estimates and judgements used in the preparation of these interim financial statements are consistent with those estimated and judgements used in the presumption of the 30 June 2016 annual financial statements.



## Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

### 3 Acquisition of Entities Under Control

On 30 September 2016, affiliated entities, Apollo Motorhome Holidays LLC ("LLC") and Apollo Finance Pty Ltd ("Finance") were acquired by the Apollo Tourism & Leisure Ltd Group. The purchase consideration representing fair value of the net assets was determined by the Directors of Apollo Tourism & Leisure Ltd as \$16.464 million. The consideration was paid via the issue of shares in Apollo Tourism & Leisure Ltd. As this transaction involved entities under common control, the Directors have elected for the respective assets and liabilities of each of Apollo Motorhome Holidays LLC and Apollo Finance Pty Ltd to be recognised at book value as at 30 September 2016 in the accounts of Apollo Tourism & Leisure Ltd. This approach will not give rise to any goodwill on consolidation within the Apollo Tourism & Leisure Ltd Group or a gain/loss on the transaction, rather this approach resulted in the recognition of a Common Control Reserve within equity of the Apollo Tourism & Leisure Ltd consolidated financial statements.

The acquisition of Apollo Motorhome Holidays LLC changed the tax base of certain USA fleet assets for USA tax purposes. Judgement has been applied in determining the value of these amounts and the related deferred tax liabilities.

The identifiable assets and liabilities of LLC and Finance as at the date of acquisition were:

	Book value recognised on acquisition	
	LLC	Finance
<b>Assets</b>		
Cash and cash equivalents	6,165,569	3,732
Trade and other receivables	143,182	-
Inventory	58,978	-
Investment in Canadream (associated entity)	-	587,011
Prepayments and other current assets	2,581,419	10,646
Deferred income tax asset	-	23
Property, Plant & Equipment	40,371,967	-
	<b>49,321,115</b>	<b>601,412</b>
<b>Liabilities</b>		
Trade and other payables	1,521,807	-
Unearned income	1,187,523	-
Interest-bearing loans and borrowings	40,323,018	-
Deferred income tax liabilities	9,392,190	-
Provisions - current	40,380	-
Related party payables	2,094,069	559,004
	<b>54,558,987</b>	<b>559,004</b>
Total identifiable net assets at book value	<b>(5,237,872)</b>	<b>42,408</b>
Common Control Reserve arising on acquisition	21,237,872	422,335
<b>Purchase consideration transferred</b>	<b>16,000,000</b>	<b>464,743</b>

#### Analysis of cash flows on acquisition:

Net cash acquired with the subsidiaries (included in cash flows from investing activities)	6,165,569	3,732
<b>Net cash flow on acquisition</b>	<b>6,165,569</b>	<b>3,732</b>

There were \$2,000,000 of transaction costs expensed and paid in relation to this transaction which have been included in "Other Expenses" in the consolidated statement of profit and loss and other comprehensive income.

From the date of acquisition, LLC has contributed \$17,161,697 of revenue and a loss of \$1,972,245 before tax to the continuing operations of the Group. If the acquisition had taken place from 1 July 2016, the revenue would have been \$31,998,662, with an adjusted consolidated Group revenue of \$90,276,661 and the profit from continuing operations before tax would have been \$5,233,292, with the adjusted consolidated Group profit before tax improving from \$4,045,451 to \$11,250,988.

From the date of acquisition, Finance has contributed \$43,219 of share of profits in associates and a profit of \$43,141 before tax to the continuing operations of the Group. If the acquisition had taken place from 1 July 2016, the share of profits in associates would have been \$259,313, with an adjusted consolidated Group share of profits in associates of \$1,710,230 and the profit from continuing operations before tax would have been \$259,158, with the adjusted consolidated Group profit before tax improving from \$4,045,451 to \$4,261,468.

# Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

## 4 INCOME TAX

The major components of income tax expense for the half-year ended 31 December 2016 and 2015 are:

	<i>December 2016</i>	<i>December 2015</i>
	\$	\$
<b>Consolidated statement of profit or loss</b>	4,045,451	491,044
<b>Current income tax:</b>		
Current income tax charge	(7,343,148)	716,891
Research & development claim	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	7,836,218	(664,590)
<b>Income tax expense/(benefit) reported in profit and loss</b>	<u>493,070</u>	<u>52,301</u>
<b>Income tax refundable/(payable)</b>	<u>(2,862,130)</u>	<u>(1,202,438)</u>

Reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for the half-year ended 31 December 2016 and 2015 are:

	<i>December 2016</i>	<i>December 2015</i>
	\$	\$
<b>Accounting profit before income tax</b>	<b>4,045,451</b>	<b>491,044</b>
Tax calculated at domestic rates applicable to profits in the respective countries	947,957	158,687
Non-assessable income on associates	(448,286)	(26,894)
Prior year tax adjustment	-	(79,492)
Other	(6,601)	-
	<u>493,070</u>	<u>52,301</u>

## 5 CASH AND CASH EQUIVALENTS

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
Cash at bank and in hand	<u>10,908,323</u>	<u>5,535,162</u>

## 6 TRADE AND OTHER RECEIVABLES

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
<b>Current</b>		
Trade receivables	1,394,865	631,427
Less provision for impairment of receivables	(18,686)	(4,297)
Trade receivables - net	<u>1,376,179</u>	<u>627,130</u>
Other receivables (including US fleet disposal proceeds)	2,583,564	120,848
Total trade and other receivables	<u>3,959,743</u>	<u>747,978</u>
<b>Non-current</b>		
Related party receivables – non-current	<u>-</u>	<u>9,052,087</u>

## 7 PROPERTY, PLANT AND EQUIPMENT

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
<b>Motor Vehicles-purchased under finance leases</b>		
Cost	202,452,099	171,887,005
Accumulated depreciation	(50,238,742)	(48,800,606)
Net carrying amount	<u>152,213,357</u>	<u>123,086,399</u>
<b>Plant and equipment</b>		
Cost	22,910,554	20,599,898
Accumulated depreciation	(16,358,921)	(14,061,385)
Net carrying amount	<u>6,551,633</u>	<u>6,538,513</u>
Total property, plant & equipment	<u>158,764,990</u>	<u>129,624,912</u>

# Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

## 7 PROPERTY, PLANT AND EQUIPMENT (Continued)

### Reconciliation of Property, Plant and Equipment (Continued)

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
<b>Motor Vehicles-purchased under finance leases</b>		
Carrying amount at beginning of the period, net of accumulated depreciation	123,086,399	117,632,325
Acquired assets (refer to note 3)	40,142,561	-
Additions	16,755,929	32,646,382
Transfer used rental vehicles for sale at net book value to inventory	(18,615,439)	(12,236,241)
Depreciation charge for the period (i)	(9,319,682)	(17,656,935)
Exchange differences	163,589	2,700,868
Carrying amount at the end of the period, net of accumulated depreciation	<u>152,213,357</u>	<u>123,086,399</u>
<b>Plant and equipment</b>		
Carrying amount at beginning of the year, net of accumulated depreciation	6,538,513	6,043,020
Acquired assets (refer to note 3)	229,406	-
Additions	765,360	2,121,329
Disposals	-	-
Depreciation charge for the period (i)	(993,573)	(1,647,201)
Exchange differences	11,927	21,365
Carrying amount at the end of the year, net of accumulated depreciation	<u>6,551,633</u>	<u>6,538,513</u>

(i) Depreciation charge for the 6 months to 31 December 2016 contains \$128,834 (June 2016: \$275,142) classified as part of the cost of motor vehicle manufacture and depreciation expense of \$10,184,421 (June 2016: \$19,028,994).

During the period, the Group acquired property, plant and equipment with an aggregate cost of \$16,800,729 (June 2016: \$32,646,382) by means of finance leases representing the entire motor vehicle asset category.

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

## 8 Investment in Associate

In October 2009, the previous Group (prior to restructure) acquired a shareholding in CanaDream Corporation for AUD2,274,000. As at 31 December 2016, this investment represented a 20.0% interest (2016: 16.83%). CanaDream Corporation is a publically listed Canadian RV rental and ex-fleet sales company. The Group can exert significant influence through its representation on the Board of CanaDream Corporation. The investment has been equity accounted for as an investment in associate's, and the Group's share of associates profits have been recognised within the share of profit/(loss) of associates in the consolidated profit and loss statement. The financial statements of CanaDream Corporation is prepared for a different reporting period to the Group, being the year ending 30 April. When necessary, adjustments are made to bring the accounting policies in line with those of the Group, and to account for results of the investee for the full period.

The carrying amounts recognised in the balance sheet are as follows:

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
CanaDream Corporation	<u>5,113,710</u>	<u>3,032,408</u>

The share of profits/(losses) recognised in the income statement are as follows:

	<i>6 months to December 2016</i>	<i>12 months to June 2016</i>
	\$	\$
CanaDream Corporation	<u>1,494,291</u>	<u>788,029</u>

## 9 TRADE AND OTHER PAYABLES

	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
Trade creditors	8,790,430	6,928,781
Sundry accruals	2,015,948	2,658,178
	10,806,378	9,586,959
Related party payables – current	-	264,000
	<u>10,806,378</u>	<u>9,850,959</u>

# Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

10 INTEREST-BEARING LOANS AND BORROWINGS	<i>December 2016</i>	<i>June 2016</i>
	\$	\$
<b>Current</b>		
Obligations under finance leases and hire purchase contracts (i)	44,538,832	40,377,335
Floor Plan Finance (ii)	455,901	1,904,832
<b>Total Current Interest Bearing Loans and Borrowings</b>	<u>44,994,733</u>	<u>42,282,167</u>
<b>Non-current</b>		
Obligations under finance leases and hire purchase contracts	59,801,372	60,699,330
<b>Total Non-Current Interest Bearing Loans and Borrowings</b>	<u>59,801,372</u>	<u>60,699,330</u>
	<u>104,796,105</u>	<u>102,981,497</u>
<b>Movements in interest-bearing loans and borrowings are analysed as follows:</b>		
Opening balance	102,981,497	101,560,826
Net borrowings/(repayments)	1,814,608	1,420,671
	<u>104,796,105</u>	<u>102,981,497</u>

The Group has sufficient working capital and undrawn financing facilities to service its operating activities and on-going investment in rental motorhomes. The Group has met all banking covenant requirements in the current period.

*(i) Obligations under finance leases and hire purchase contracts*

The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Interest rates applicable at 31 December 2016 on term loans to finance the rental fleet and Australian capitalised lease obligations range from 5% to 8% p.a. (2016: 5% to 8% p.a.).

*(ii) Floor plan finance*

Floor plan facilities are maintained to fund the inventory of new motorhomes and caravans held for resale at Apollo's retail sales outlets when required. Terms are interest only for the first half-year and then interest plus principal of between 5% to 15%.

Interest rates applicable at 31 December 2016 on floor plan facilities range from 7% to 8.25% p.a. (2016: 7% to 8.25% p.a.).

The Group companies cross guarantee all secured loans.

## 11 EARNINGS PER SHARE (EPS)

Basic earnings per share (EPS) is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on any convertible preference shares) by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations :

	<i>December 2016</i>	<i>December 2015</i>
	\$	\$
Profit attributable to the equity holders of the Parent	3,552,381	438,743
Weighted average number of ordinary shares on issue	44,906,087	44,906,087
Basic earnings per share (cps)	<u>7.9</u>	<u>1.0</u>
Diluted earnings per share (cps)	<u>7.9</u>	<u>1.0</u>

## Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

### 12 CAPITAL COMMITMENTS

Capital expenditure contracted for at period end but not yet incurred is as follows:

		<i>December 2016</i>	<i>June 2016</i>
		\$	\$
Property, plant and equipment	(i)	<u>60,257,973</u>	<u>8,619,955</u>

(i) The 31 December 2016 balance incorporates the USA motor vehicle hire purchase commitments of \$51.3m which were not included at 30 June 2016 as Apollo Motorhome Holidays LLC was not part of the Group for that period.

### 13 RELATED PARTY DISCLOSURES

#### The ultimate parent

The ultimate parent entity is Apollo Tourism & Leisure Ltd, which is registered in Australia.

#### New Related Party transactions

On 30 September 2016, the Company issued 16,464,743 shares to the founding shareholders for the acquisition of Apollo Motorhome Holidays LLC and Apollo Finance Pty Ltd.

### 14 ISSUED CAPITAL

	<i>December 2016</i>	<i>June 2016</i>	<i>December 2016</i>	<i>June 2016</i>
	#no	#no	\$	\$
<b>Issued shares</b>				
Ordinary shares	144,960,000	13,320	35,618,515	1,422
Opening number of shares of AUH (i)	13,320	13,320	1,422	1,422
Shares transferred out AUH	(13,320)	-	-	-
Shares issued to:				
- Founding shareholders	94,960,000	-	16,464,743	-
- The Public	50,000,000	-	50,000,000	-
Payment to founding shareholders	-	-	(30,000,000)	-
Costs associated with Public Offering	-	-	(847,650)	-
<b>Closing number of shares</b>	<u>144,960,000</u>	<u>13,320</u>	<u>35,618,515</u>	<u>1,422</u>

(i) AUH - Apollo Motorhome Ultimate Holdings Pty Ltd

On 4 November 2016, as part of the initial public offering, Apollo Tourism & Leisure Ltd paid a distribution of \$30m to Founding Shareholders and 94,960,000 ordinary shares were issued as consideration (representing 65.51% of total Shares issued as at Listing).

## Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

### 15 RESERVES

Foreign currency translation reserve	December 2016	June 2016
	\$	\$
Balance at the beginning of the year	631,510	(49,444)
Currency translation differences	(33,451)	680,954
Changes arises from investment in acquired Apollo Motohomes LLC	602,955	-
	<u>1,201,014</u>	<u>631,510</u>

Exchange differences arising on the translation of foreign operations are taken to the foreign currency translation reserve. When any net investment is disposed, the related component of the reserve is recognised in profit and loss as part of the gain or loss on disposal.

The closing exchange rates used to translate the balance sheet are as follows:

Common control reserve	December 2016	June 2016
	\$	\$
Acquisition of Apollo Motohomes LLC	(21,237,872)	-
Acquisition of Apollo Finance Pty Ltd	(422,335)	-
	<u>(21,660,207)</u>	<u>-</u>

Refer to note 3 for acquisition of entities under common control.

<b>Total Reserves</b>	<u>(20,459,193)</u>	<u>631,510</u>
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### 16 SEGMENT INFORMATION

The chief operating decision-maker (CODM) has been identified as the Managing Director. The Managing Director monitors the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties and the CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments.

As at 31 December 2016, the CODM has identified that the most appropriate business segmentation is by geography. Given the manufacturing entities in each of Australia and New Zealand operate on a cost recovery basis in order to breakeven and manufacture only to order by the respective Australia and New Zealand operating entities, the Directors do not consider the manufacturing entities to be separate operating segments and that non operating segments are amalgamated.

Half-year to 31 December 2016	Australia \$	New Zealand \$	USA \$	Others and eliminations \$	Total \$
Revenue from external customers	44,699,857	13,845,992	17,161,697	(267,850)	75,439,696
Operating profit before interest and tax	6,107,380	1,841,067	(1,133,356)	1,085,043	7,900,134
Interest expense	(2,133,245)	(1,289,888)	(838,889)	407,339	(3,854,683)
Profit before tax	3,974,135	551,179	(1,972,245)	1,492,382	4,045,451
Income tax (expense)/benefit	(1,185,321)	(145,799)	837,479	571	(493,070)
Profit/(loss) for the period	2,788,814	405,380	(1,134,766)	1,492,953	3,552,381
Costs of manufacture	(9,621,834)	(2,267,945)	-	-	(11,889,779)
Capital expenditure	11,263,276	6,232,397	25,616	-	17,521,289
Investment in associates	-	-	-	5,113,710	5,113,710
Total assets	138,740,222	52,640,940	10,586,280	2,346,507	204,313,949
Total liabilities	94,517,713	43,682,581	16,482,482	(546)	154,682,230

## Notes to the consolidated financial statements (Continued)

For the half-year ended 31 December 2016

### 16 SEGMENT INFORMATION (Continued)

Half-year to 31 December 2015	Australia \$	New Zealand \$	Others and eliminations \$	Total \$
<b>Revenue from external customers</b>	<b>35,998,079</b>	<b>10,181,059</b>	<b>32,603</b>	<b>46,211,741</b>
<b>Operating profit before interest and tax</b>	<b>4,208,287</b>	<b>127,620</b>	<b>89,648</b>	<b>4,425,555</b>
Interest expense	(2,598,599)	(1,335,912)	-	(3,934,511)
<b>Profit before tax</b>	<b>1,609,688</b>	<b>(1,208,292)</b>	<b>89,648</b>	<b>491,044</b>
Income tax (expense)/benefit	(126,177)	73,876	-	(52,301)
<b>Profit/(loss) for the period</b>	<b>1,483,511</b>	<b>(1,134,416)</b>	<b>89,648</b>	<b>438,743</b>
Costs of manufacture	(7,049,917)	(2,189,278)	-	(9,239,195)
Capital expenditure	12,200,178	5,396,844	-	17,597,022
Investment in associates (i)	-	-	2,334,028	2,334,028
Total assets	117,760,763	48,928,821	113,310	166,802,895
Total liabilities	96,733,421	43,182,318	-	139,915,739

(i) Investment in associate balance includes \$1,315,304 of impairment expense recorded in the year.

### 17 SEASONALITY OF BUSINESS

The tourism industry is subject to seasonal fluctuations with peak demand over tourism attractions and transportation over the summer months. The operating revenue and profits of the Group's segments are disclosed in note 16. New Zealand and Australia's profits are typically generated over the southern hemisphere summer months and the USA revenues is the peak summer season between April and August each year. Due to the seasonal nature of the businesses, the risk profile at period end is not representative of all risks faced during the period.

### 18 EVENTS AFTER BALANCE DATE

On 8 February 2017, the Apollo Group made the following investments:

- The 100% acquisition of Sydney RV Group Pty Limited, a major new and used caravan and motorhome retailer in New South Wales (NSW), which was purchased for consideration of \$1,750,000 through a combination of the issue of ATL shares to the value of \$218,750 and \$1,531,250 in cash.

- The procurement of a 25% shareholding in Camplify Pty Ltd, an online caravan and RV sharing community that connects caravan and RV owners with people looking to rent these vehicles, which was acquired for a cash payment of \$1,750,000.

On 22 February 2017, the Directors declared a fully franked interim dividend for the half year ended 31 December 2016 of 0.5 cents per ordinary share with a record date of 28 February, to be paid on 14 March 2017, a total estimated distribution of \$725,589.14 based on the number of ordinary shares on issue at 28 February 2017, representing 21% of statutory NPAT. The dividend has not been provided for in the 31 December 2016 financial statements.

Other than the above transactions, there are no significant events which have occurred after the Balance Date.

# Directors' Declaration

In accordance with a resolution of the directors of Apollo Tourism & Leisure Ltd, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of Apollo Tourism & Leisure Ltd for the half-year ended 31 December 2016 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

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

(b) there are reasonable grounds in accordance with note 2.1 to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



\_\_\_\_\_  
Managing Director

22 February 2017