



**Aquis Entertainment Limited – Preliminary Final Report**  
**Appendix 4E**

**1. Company details**

Name of entity: **Aquis Entertainment Limited**

ABN: 48 147 411 881

Reporting period: For the year ended 31 December 2018

Previous period: For the year ended 31 December 2017

**2. Results for announcement to the market**

		\$000			\$000
Revenues from ordinary activities	Down	118	0.5%	to	26,033
Loss from ordinary activities after tax attributable to the owners of Aquis Entertainment Limited	Down	(10,415)	-75.4%	to	(3,397)
Loss for the year attributable to the owners of Aquis Entertainment Limited	Down	(10,415)	-75.4%	to	(3,397)

( ) = Loss

**Comments on Results**

The operating result for the consolidated entity for the year to 31 December 2018 was a loss of \$3,396,832 (2017: loss \$13,811,804). Operating revenue for the year amounted to \$26,032,797 an 0.45% increase over the 2017 result (\$26,150,567).

Earnings before Interest Tax Depreciation and Amortisation (EBITDA) for the year was a profit of \$625,885 (2017: loss \$4,702,327) an improvement (reduction in loss) of 113% on the prior year result.

**Strategy**

Aquis has a clear strategy to develop and manage quality destination integrated resorts in underserved areas of Australia. Casino Canberra is the first such investment and has been used to demonstrate the Company's ability to significantly improve an underperforming operation by a combination of leadership and targeted investment in the business.

- Aquis advanced its strategy during the year by:
- Focused marketing activities to capitalise on the refurbishment of the Casino Canberra property in 2016;



- Continuing to improve the operations of Casino Canberra by engaging experienced management who are focussed on improving revenue and customer service standards;
- Implementation of a cost control program to reduce expenditure and streamline efficiencies in business processes to improve economies of scale;
- Ongoing consideration of alternative and complementary business lines; and
- Ongoing liaison with the ACT Government, in relation to the proposal for the development of a world-class integrated entertainment precinct in the heart of Canberra's CBD. The current status of this proposal is discussed further in the Future Developments, Prospects and Business Strategies section of this report.

## **Operations**

Revenue from operations for the year decreased 0.45% from the prior year to \$26,032,797 in 2018 compared to \$26,150,567 in 2017. The result was driven by a 0.87% increase in gaming revenue and a 12% decrease in food and beverage and other sales. Operating expenses including payroll related expenses decreased by 17.7% for the year, with the major decreases being in payroll and marketing expenses. The reduction in payroll expenditure was a result of more efficient use of the workforce, combined with inter-departmental restructuring to better align teams to leaders. The marketing reduction was a result of refinement of the operation of our VIP program expenses.

2017 saw the first full year of operation of the refurbished gaming floor. Throughout the year, Casino Canberra maintained its focus on improving awareness the brand to increase visitation, improving VIP offerings to increase market share, together with a cost reduction program to increase profitability.

Toward the end of the year, the increase in visitation rates as a result of the marketing efforts reduced volatility and produced an overall improvement in hold rates, which is expected to continue and stabilise over the coming year as record visitation rates are maintained via new and continuing marketing initiatives.

## **Financial Position**

At 31 December 2018, the Group had cash reserves of \$4,676,086 (2017: \$4,658,166) and unused borrowing facilities of \$3,071,317. Following the end of the financial year no further drawdowns have been made and the group has forecast a positive net cashflow for the financial year. The balance sheet at 31 December 2018 shows a net asset deficit of \$16,651,690 (2017: \$13,254,858 deficit) as a result of the loss incurred during the financial year and the de-recognition of the deferred tax asset representing carry forward tax losses.

## **Outlook**

Directors are confident of the outlook for Aquis. The completion of the refurbishment of Casino Canberra has proven the ability to attract new and existing customers. The casino's highly experienced operations leadership team continue to execute the vision of attracting and servicing quality players from Australia and overseas. Several internal restructures to improve the alignment of teams within the group has resulted in better efficiency in our workforce. Our Business Development team have focused on mining of the existing customer database over the year, solidifying the efforts of the past several years which were



spent building its size and quality. This focus allowed for a decrease in expenditure, resulting in a profitable VIP sector for the year.

Legislation has been enacted to allow 200 electronic gaming machines (EGM's) to operate within the casino; planning continues for the redevelopment of Casino Canberra discussions with the Government will continue throughout 2019 surrounding the details of the legislated requirements for the EGM's to enable planning for the future.

The Board has agreed to and recommended to shareholders a transaction for the major shareholder to sell the majority of their shares to a new investor; this is discussed in further detail in the Future Developments, Prospects and Business Strategies section of this report. The Board will work together with the proposed new shareholder to progress the transaction, which will bring great opportunities to the business, particularly in the VIP sector.

### 3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	(0.09)	(0.07)

### 4. Control gained over entities

Not applicable

### 5. Loss of control over entities

Not applicable

### 6. Dividends

No dividends were paid or declared during the financial year.

### 7. Dividend reinvestment plans

Not applicable.

### 8. Details of associates and joint venture entities

Other than wholly owned subsidiaries, the company had no associates or joint ventures.

### 9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.



**10. Audit qualification or review**

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

**11. Attachments**

Details of attachments (if any):

The Annual Financial Statements of Aquis Entertainment Limited for the year ended 31 December 2018 are attached.

**12. Signed**

A handwritten signature in black ink, appearing to read "Allison Gallagher". The signature is written in a cursive style and is positioned above a horizontal line.

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**Allison Gallagher**  
**Director**  
Canberra  
27 February 2019