



## Aquis Entertainment Limited Unreviewed Appendix 4D and Half Year Financial Report

**31 August 2020**

Aquis Entertainment Limited ACN 147 411 881 (**Aquis** or the **Company**) (ASX: AQS) today submitted its unreviewed Appendix 4D and Half year Financial Report for the period ended 30 June 2020. The Company advises that, in connection with the Covid-19 pandemic and the government mandated closure of the business operations from 23 March 2020 to 10 August 2020:

- It is relying on ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451 to extend the lodgment due date to 14 October 2020 for its reviewed financial statements for the period ended 30 June 2020 and other documents required to be lodged with ASIC under section 320 of the Corporations Act, and
- That the Company will immediately make a further announcement to the market if it becomes aware that there will be a material difference between the unreviewed financial statements for the period ended 30 June 2020 and the reviewed financial statements for the period ended 30 June 2020.

Authorised for release to the ASX by the Board of Directors

Enquiries please contact:

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## Aquis Entertainment Limited – Half Year Report Appendix 4D – unreviewed

### 1. Company Details

Name of entity: Aquis Entertainment Limited  
 ABN: 48 147 411 881  
 Reporting period: For the six months ended 30 June 2020  
 Previous period: For the six months ended 30 June 2019

### 2. Results for announcement to the market- unreviewed

#### Results in accordance with Australian Accounting Standards

\$

Revenue from operations	decreased	50.7%	to	5,903,381
Loss from ordinary activities after tax attributable to the owners of Aquis Entertainment Limited	increased	5.1%	to	(2,683,052)
Loss for the year attributable to the owners of Aquis Entertainment Limited	increased	5.1%	to	(2,683,052)

( ) = Loss

#### Actual Results

	\$	% Movement
Revenue from ordinary activities	5,903,381	-50.7%
Earnings before interest, tax, depreciation and amortisation	(591,807)	-6.2%
Earnings before interest and tax	(1,500,068)	-3.1%
Loss for the year attributable to the owners of Aquis Entertainment Limited	(2,683,052)	-5.1%

### **Comments on Results**

Comments on the results are included in the Aquis Entertainment Limited announcement made to the ASX and in the unreviewed financial statements which accompany this report.

### **3. Net tangible assets**

	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>Cents</b>	<b>Cents</b>
Net tangible assets per ordinary security	(13.57)	(11.38)

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### **4. Control gained over entities**

No entities were acquired during the period

### **5. Loss of control over entities**

Not applicable

### **6. Dividends**

No dividends were paid or declared during the period

### **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):

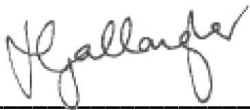
The financial statements for the half year to 30 June 2020 are unreviewed, in accordance with *ASIC Corporations (Extended Reporting and Lodgment Deadlines – Listed Entities) Instrument 2020/451*.

## 11. Attachments

Details of attachments (if any):

The unreviewed financial statements of Aquis Entertainment Limited for the half year ended 30 June 2020 are attached.

## 12. Signed



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**Allison Gallagher**

**Director**



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**Russell Shields**

**Director**



**AQUIS ENTERTAINMENT LIMITED**

**ABN 48 147 411 881**

**UNREVIEWED**

**Financial Statements  
for the Half Year Ended 30 June 2020**

**AQUIS ENTERTAINMENT LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the half year ended 30 June 2020 - UNREVIEWED**

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Revenue and other income</b>			
Revenue	2	5,845,751	11,848,606
Other income	2	57,630	136,588
<b>Total revenue and other income</b>		<b>5,903,381</b>	<b>11,985,194</b>
<b>Expenses from continuing operations:</b>			
Casino taxes		(516,392)	(1,288,965)
Employee benefit expenses		(4,267,119)	(8,040,317)
Other operating expenses	3	(1,711,677)	(3,213,154)
Finance charges	3	(1,182,984)	(1,098,218)
Depreciation	3	(895,443)	(885,494)
Amortisation	3	(12,818)	(12,818)
<b>Loss before income tax expense</b>		<b>(2,683,052)</b>	<b>(2,553,772)</b>
Income tax expense / (benefit)		-	-
<b>Loss attributable to members of the consolidated entity</b>		<b>(2,683,052)</b>	<b>(2,553,772)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the members of the consolidated entity</b>		<b>(2,683,052)</b>	<b>(2,553,772)</b>
Basic and diluted earnings per share (cents per share)	4	(1.45)	(1.38)

The accompanying notes form part of these unreviewed financial statements.

**AQUIS ENTERTAINMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2020 - UNREVIEWED**

	Note	Consolidated	
		30 June 2020	31 December 2019
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,325,399	5,105,943
Trade and other receivables		705,120	132,548
Inventories		333,505	166,723
Other current assets		533,487	341,929
<b>Total current assets</b>		<b>4,897,511</b>	<b>5,747,143</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		9,607,968	10,423,463
Right of use assets	6	27,199	66,032
Intangible assets		1,829,724	1,842,542
Financial assets at fair value through other comprehensive income		4,730	4,730
<b>Total non-current assets</b>		<b>11,469,621</b>	<b>12,336,767</b>
<b>TOTAL ASSETS</b>		<b>16,367,132</b>	<b>18,083,910</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,929,920	3,021,044
Lease liabilities	7	18,133	18,133
Employee benefit provisions		1,412,160	1,553,950
<b>Total current liabilities</b>		<b>4,360,213</b>	<b>4,593,127</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	7	9,066	47,899
Employee benefit provisions		194,282	139,245
Loans and borrowings	8	35,094,882	33,911,898
<b>Total non-current liabilities</b>		<b>35,298,230</b>	<b>34,099,042</b>
<b>TOTAL LIABILITIES</b>		<b>39,658,443</b>	<b>38,692,169</b>
<b>NET ASSETS</b>		<b>(23,291,311)</b>	<b>(20,608,259)</b>
<b>EQUITY</b>			
Contributed equity		4,167,952	4,167,952
Reserve		6,678,349	6,678,349
Accumulated losses		(34,137,612)	(31,454,560)
<b>TOTAL EQUITY</b>		<b>(23,291,311)</b>	<b>(20,608,259)</b>

The accompanying notes form part of these unreviewed financial statements

**AQUIS ENTERTAINMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the half year ended 30 June 2020 - UNREVIEWED**

	Share Capital	Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>2019</b>				
Balance at 1 January 2019	4,167,952	6,677,725	(27,497,367)	(16,651,690)
Equity component of convertible debt	-	-	-	-
Loss attributable to members of the company	-	-	(2,553,772)	(2,553,772)
<b>Balance at 30 June 2019</b>	<b>4,167,952</b>	<b>6,677,725</b>	<b>(30,051,139)</b>	<b>(19,205,462)</b>
<b>2020</b>				
Balance at 1 January 2020	4,167,952	6,678,349	(31,454,560)	(20,608,259)
Equity component of convertible debt	-	-	-	-
Loss attributable to members of the company	-	-	(2,683,052)	(2,683,052)
<b>Balance at 30 June 2020</b>	<b>4,167,952</b>	<b>6,678,349</b>	<b>(34,137,612)</b>	<b>(23,291,311)</b>

The accompanying notes form part of these unreviewed financial statements



**AQUIS ENTERTAINMENT LIMITED**  
**STATEMENT OF CASH FLOWS**  
for the half year ended 30 June 2020 - UNREVIEWED

	Note	Consolidated	
		2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,774,360	13,082,358
Payments to suppliers and employees		(7,440,575)	(13,369,131)
Interest received		10,082	23,348
Interest and other costs of finance paid		-	(24)
		<b>(1,656,133)</b>	<b>(263,449)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Plant and equipment		(111,862)	(107,353)
Proceeds from sale of assets		182	- 900
Dividend received		101	101
		<b>(111,579)</b>	<b>(106,352)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of lease liabilities		(12,832)	(14,715)
		<b>(12,832)</b>	<b>(14,715)</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,780,544)</b>	<b>(384,516)</b>
<b>Cash at beginning of the period</b>		<b>5,105,943</b>	<b>4,676,086</b>
<b>Cash at end of the period</b>	5	<b>3,325,399</b>	<b>4,291,570</b>

The accompanying notes form part of these unreviewed financial statements

# AQUIS ENTERTAINMENT LIMITED

## 1. Statement of significant accounting policies

The financial report covers the consolidated group of Aquis Entertainment Limited (“Aquis” or “Company”) and its controlled entities (together referred to as the “Consolidated Entity” or “Group”). Aquis is a for-profit company limited by shares incorporated and domiciled in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange (ASX: AQS).

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### ***Basis of preparation***

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

These general purpose financial statements are unreviewed and are lodged with the ASX in accordance with ***ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451***.

### ***Going concern***

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,683,052 and had net cash outflows from operating activities of \$1,656,133 for the half year ended 30 June 2020. This is primarily due to the Casino business being closed by government direction from 23 March 2020 through to 10 August 2020 as a result of the Covid-19 pandemic.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The consolidated entity has unused financing facilities of \$3.07 million in addition to its cash holding of \$3.3 million at balance date. The current loan facilities are sufficient to meet the consolidated entity’s obligations until the consolidated entity becomes cash positive following reopening from 10 August 2020.
- The majority of the wages paid throughout shutdown were subsidised through the Federal Government’s JobKeeper scheme.
- Going forward, it is expected that the company will continue to be eligible to receive JobKeeper subsidies through to the end of the scheme.
- Expenses have been decreased as a result of restricted operating capacity due to Covid-19.

# AQUIS ENTERTAINMENT LIMITED

## 1. Statement of significant accounting policies (continued)

Accordingly, the Directors believe that the going concern basis is the appropriate basis for the preparation of the financial report. If for any reason the consolidated entity is unable to continue as a going concern, it would impact on the consolidated entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

### ***New or amended accounting standards and interpretations adopted***

The consolidated entity has adopted all of the new or amended accounting standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended accounting standards or Interpretations that are not yet mandatory have not been early adopted.

The following accounting standards and Interpretations are most relevant to the consolidated entity:

#### *AASB 16 Leases*

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

The impact of adoption on opening retained profits as at 1 January 2019 was calculated and was not material.

# AQUIS ENTERTAINMENT LIMITED

## 1. Statement of significant accounting policies (continued)

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## AQUIS ENTERTAINMENT LIMITED

	Consolidated	
	2020	2019
	\$	\$
<b>2. Revenue and other income</b>		
<b>Revenue</b>		
Revenue from services	5,393,008	10,787,474
Revenue from sale of goods	452,743	1,061,132
<b>Total revenue</b>	<b>5,845,751</b>	<b>11,848,606</b>
<b>Other income</b>		
Interest	10,082	23,348
Other revenue	47,548	113,240
<b>Total other income</b>	<b>57,630</b>	<b>136,588</b>
<b>3. Expenses from continuing operations</b>		
<b>(a) Other operating expenses</b>		
Cost of sales	150,291	315,291
Casino licence fee	74,323	445,938
Business development	-	9
Repairs & maintenance	116,708	167,343
Utilities	180,876	265,957
Insurance	128,013	101,717
Marketing, promotion and associated costs	376,563	708,483
Legal, accounting and consultants	214,133	419,343
Other administration expenses	210,376	348,561
Other expenses	260,394	440,512
<b>Total other operating expenses</b>	<b>1,711,677</b>	<b>3,213,154</b>
<b>(b) Finance charges</b>		
Interest – unrelated parties	-	24
Interest – related parties	1,182,984	1,098,194
<b>Total finance charges</b>	<b>1,182,984</b>	<b>1,098,218</b>
<b>(c) Depreciation</b>		
Buildings	508,913	508,145
Plant and equipment	386,530	377,349
<b>Total depreciation</b>	<b>895,443</b>	<b>885,494</b>
<b>(d) Amortisation</b>		
Casino licence and fees	12,818	12,818
<b>Total expenses</b>	<b>3,802,922</b>	<b>5,209,684</b>

## AQUIS ENTERTAINMENT LIMITED

4. Earnings per share	2020	2019
Basic and diluted earnings per share (cents per share)	(1.45)	(1.38)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	185,141,050	185,141,050

Options and loans convertible to ordinary shares are considered potential ordinary shares. The average market price of ordinary shares during the six months ended 30 June 2020 did not exceed the exercise price of the options or the price at which the loans would be converted. Further the conversion of the options or the loan to ordinary shares would have had the effect of reducing the loss per share from continuing operations. Accordingly the options and the convertible loan were not included in the determination of diluted earnings per share for that period.

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>5. Cash and cash equivalents</b>		
Cash at bank and on hand	<b>3,325,399</b>	<b>5,105,943</b>

Pursuant to the Deed between the ACT Gambling and Racing Commission, the Company and the Australian Capital Territory dated 23 December 2014, the Company is required to maintain at all times a minimum of \$3 million in liquid assets that are not, unless with the prior written consent of the Commission, otherwise used in the day to day operations of the business.

### 6. Non-current assets – right-of-use assets

Plant and equipment – right-of-use	54,399	95,462
Less: accumulated depreciation	(27,200)	(29,430)
	<b>27,199</b>	<b>66,032</b>

The consolidated entity lease plant and equipment under agreements of between one to three years. There are also office equipment under agreements either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

### 7. Lease liabilities

Current liabilities	18,133	18,133
Non-current liabilities	9,066	47,899
	<b>27,199</b>	<b>66,032</b>

## AQUIS ENTERTAINMENT LIMITED

### 8. Loans and borrowings

#### Consolidated

	30 June 2020	31 December 2019
	\$	\$
Interest bearing loans from related party (unsecured)	35,094,882	33,911,898

The fair value of the loan has been divided into its debt and equity component as follows:

Presented in the statement of financial position as:

Borrowings	35,094,882	33,911,898
Equity	6,677,725	6,677,725
	<b>41,772,607</b>	<b>40,589,623</b>

The fair value of the Loan has been divided into its debt and equity components as follows:

#### Breakdown of the financing facilities:

Principal (limit \$36,450,000)	33,378,683	33,378,683
Interest capitalised	8,655,470	7,472,486
	<b>42,034,153</b>	<b>40,851,169</b>

#### Movement during the year:

Balance at the beginning of the year	40,851,169	38,597,523
Drawdowns	-	-
Repayments	-	-
Interest	1,182,984	2,253,646
<b>Balance at the end of the year</b>	<b>42,034,153</b>	<b>40,851,169</b>

### 9. Subsequent events

As part of the global response to the Covid-19 pandemic, the ACT Government issued a direction that all gaming establishments including Casino Canberra be closed from 23 March 2020. For the duration of the shutdown, the consolidated entity operated on a minimum staffing level with majority of the wages paid subsidised by the Federal Government's JobKeeper scheme. On 10 August 2020, Casino Canberra recommenced trading under Covid-19 restrictions. As at the date of this report, Casino Canberra is operating under the same trading restrictions.

Other than as disclosed in this report, there has not arisen in the between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely to significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.