Apollo Tourism & Leisure Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Apollo Tourism & Leisure Ltd
ABN:	67 614 714 742
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	107.3%	to	355,553
Profit from ordinary activities after tax attributable to the owners of Apollo Tourism & Leisure Ltd	up	122.1%	to	19,203
Profit for the year attributable to the owners of Apollo Tourism & Leisure Ltd	up	122.1%	to	19,203

	2018 Cents	2017 Cents
Basic earnings per share	10.63	8.89
Diluted earnings per share	10.63	8.89

Dividends

	Amount per security Cents	Franked amount per security Cents
Dividend paid March 14 2018	2.00	2.00
Final dividend declared	3.00	-

The record date for determining entitlements to the dividend is 29 August 2018.

Whilst the interim dividend was fully franked, the final dividend will be totally unfranked, with the total dividend for the year being 40% franked.

Comments
The profit for the Consolidated Entity after providing for income tax amounted to $19,203,000 (30 June 2017: $8,646,000).

An explanation of these figures is contained in ‘Review of operations’ included within the Directors’ report in the attached Annual Financial Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	42.14	51.48

4. Control gained over entities

Name of entities (or group of entities)	Refer to note 32 'Business Combinations' in the attached Annual Financial report for details.
Date control gained	Refer to note 32 'Business Combinations' in the attached Annual Financial report for details.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Dividend paid March 14 2018	2.00	2.00
Final dividend declared	3.00	-

The record date for determining entitlements to the dividend is 29 August 2018.

Whilst the interim dividend was fully franked, the final dividend will be totally unfranked, with the total dividend for the year being 40% franked.

Previous period

	Amount per security Cents	Franked amount per security Cents
Dividend paid March 14 2017	0.50	0.50
Final dividend declared	2.00	2.00

7. Dividend reinvestment plans

The Company's Dividend Reinvestment Plan ("DRP") is new in operation, a copy of which can be downloaded from the Apollo website at http://apollotourism.com/.

The last date(s) for receipt of election notices for the dividend or distribution plans:	30 August 2018.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
CanaDream Corporation*	100.00%	20.22%	315	644
Camplify Co (Australia) Pty Ltd	24.95%	24.95%	(215)	(61)
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			100	583

* The remaining shares in CanaDream Corporation were acquired on 11 July 2017. See note 32 - 'Business Combinations' for further details.

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9. Foreign entities

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

Results for all international operations have been calculated using International Financial Reporting Standards.

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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.

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11. Attachments

Details of attachments (if any):

The Annual Report of Apollo Tourism & Leisure Ltd for the year ended 30 June 2018 is attached.

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12. Signed

Signed ____________________________ Date: 22 August 2018

Peter Jans
Company Secretary
Brisbane

Apollo Tourism & Leisure Ltd

ABN 67 614 714 742

Annual Report - 30 June 2018

Apollo Tourism & Leisure Ltd
Corporate directory
30 June 2018

Directors	Stephen Lonie, Non-executive Chairman. Sophie Mitchell, Non-executive Director. Luke Trouchet, Managing Director and Chief Executive Officer. Karl Trouchet, Executive Director and Chief Financial Officer.
Company secretary	Peter Jans.
Registered office	698 Nudgee Rd, Northgate QLD 4013.
Principal place of business	698 Nudgee Rd, Northgate QLD 4013.
Share register	Computershare Investor Services Ltd.
Auditor	Ernst & Young.
Solicitors	Jones Day.
Bankers	National Australia Bank Limited. Commonwealth Bank of Australia.
Stock exchange listing	Apollo Tourism & Leisure Ltd shares are listed on the Australian Securities Exchange (ASX code: ATL).
Website	http://www.apollotourism.com/.
Corporate Governance Statement	http://www.apollotourism.com/corporate-governance/.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity', 'Apollo', or 'the Group') consisting of Apollo Tourism & Leisure Ltd (referred to hereafter as the 'Company', or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

- Stephen Lonie, Non-executive Chairman.
- Sophie Mitchell, Non-executive Director.
- Luke Trouchet, Managing Director and Chief Executive Officer.
- Karl Trouchet, Executive Director and Chief Financial Officer.

Principal activities

Apollo is an ASX listed, multinational, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs, including motorhomes, campervans and caravans.

Apollo's rental activities are generated from 33 central location outlets across Australia, New Zealand, North America (United States of America and Canada) and Europe (United Kingdom and Ireland). Sales of new and used motorhomes and caravans are made through a combination of established dealer networks and retail shopfronts. The Australian and New Zealand manufacturing entities produce the majority of the units used by the rental operations in those countries. All North American and European rental vehicles are purchased directly from third party vehicle manufacturers. 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.

During the period, Apollo increased its rental and retail sales presence through the following acquisitions:

- The acquisition of the remaining 79.78% of voting shares in CanaDream Corporation (CanaDream), a leading Canadian RV rental and ex-fleet sales company, having previously held 20.22%.
- The acquisition of the assets and the brand name of the business known as George Day Caravans & Motorhomes, a prominent Western Australian RV retailer.
- The acquisition of Camperco Group Limited (Camperco), a leading motorhome rental, retail and manufacturing company in the United Kingdom and Ireland.
- A conditional agreement to purchase the brands Fleetwood RV, Coromal and Windsor and associated intellectual property from Fleetwood Corporation Limited, which was subsequently completed post balance date.

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

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2018 $'000	**2017 $'000**
Final dividend for the year ended 30 June 2017 of 2.0 cents per ordinary share (fully franked)	3,599	-
Interim dividend for the year ended 30 June 2018 of 2.0 cents (2017: 0.5 cents) per ordinary share (fully franked)	3,599	726
	7,198	726

At the date of signing the financial report, the Directors have recommended a final unfranked dividend of 3.0 cents per share at a record date of 29 August 2018, which is expected to be paid on 13 September 2018.

The final dividend for the period ended 30 June 2018 will be subject to the Company's recently implemented dividend reinvestment plan ('DRP'). Eligible shareholders will be able to participate in the DRP with shares expected to be issued at a 2% discount to the volume weighted average price ('VWAP') of the Company's shares over the 5 days following the record date and will rank equally with all other shares.

Review of operations

Group Financial Results

Statutory Net Profit After Tax increased by 122.1% with a result of $19,203,000 (30 June 2017: $8,646,000).

For the year ended 30 June 2018, the result includes a one-off revaluation of the Consolidated Entity's pre-acquisition shareholding in CanaDream of $2,533,000. In the financial year ended 30 June 2017, the Group implemented a corporate restructure and entered into a Tax Consolidation Group covering all Australian entities, which resulted in a one-off gain of $2,323,000 from a tax uplift on formation of the Tax Consolidation Group.

Acquisitions

Acquisition of CanaDream Corporation

On 11 July 2017, the Group acquired the remainder of the shares that it did not own in CanaDream Corporation, a publicly listed Canadian RV rental and ex-fleet sales company, in which the Company had previously held 20.22% of the ordinary shares, for $28,084,000. The acquisition also required a revaluation of the previously owned 20.22% of CanaDream shares. The one-off gain on revaluation amounted to $2,533,000, which is recorded in the operating result for the financial year, as noted previously.

Acquisition of George Day Caravans & Motorhomes
On 31 August 2017, the Group acquired the assets, including the brand names, of George Day Caravans and Motorhomes, a Perth based RV retail business for a total consideration of $10,624,000.

Acquisition of Camperco Group Limited
On 26 March 2018, the Group acquired 100% of the shares in Camperco Group Limited, one of the largest independent motorhome rental and sales operators in the United Kingdom and Ireland. The total consideration was $11,586,000, which included upfront payment of cash of $4,120,000, a share issue of $4,120,000, which is escrowed for two years, and contingent consideration of $3,346,000, dependent upon the business' performance for the calendar year ended 31 December 2018 and 31 December 2019.

Acquisition of Fleetwood RV, Coromal and Windsor brands and intellectual property
On 21 June 2018, the Group announced that it had entered into a conditional agreement to acquire the brands Fleetwood RV, Coromal and Windsor and associated intellectual property for $1,000,000. As all the sale conditions were not met at year end, this transaction has been included as a commitment in the Financial Statements (refer to note 33 'Commitments). Settlement occurred on 10 August 2018, when the purchase price of $1,000,000 was paid.

Operating results by segment

In addition to using profit as a measure of the Group and its segments financial performance, Apollo uses statutory EBIT and statutory EBITDA. These measures are not defined under IFRS and are, therefore, termed "Non-IFRS" measures. Statutory EBIT is defined as earnings before net interest and tax, while statutory EBITDA is earnings before interest, tax, depreciation and amortisation. These non-IFRS measures are commonly used by management, investors and financial analysts to evaluate companies' performance.

Australia
The Australian segment experienced significant earnings growth during the financial year, with an increase in Earnings Before Interest and Tax (EBIT) of 57.1% over the prior corresponding period. Segment revenue increased by 94.8% to $208,156,000 (2017: $106,855,000), due both to organic growth and the impact of acquisitions in the financial year ended 30 June 2018. The one-off revaluation of the Consolidated Entity's pre-acquisition shareholding in CanaDream of $2,533,000 is also included in the Australian segment result.

Rental demand grew in the year ended 30 June 2018, with rental days (unaudited) increasing by 3.1% to 425,945 days (2017: 413,114 days). Current forward booking numbers indicate continued growth in the year ending 30 June 2019. Rental fleet numbers were increased slightly to cater for demand, with 1,777 units being held as at 30 June 2018 (2017: 1,718 units). Dynamic fleet management, which is the process whereby Apollo leases a number of vehicles over short periods to increase fleet numbers over peak periods, was again a key revenue driver for rental income and the dynamic fleet process will be expanded further in the year ended 30 June 2019, with new models to be introduced.

Retail RV sales revenue grew significantly to $145,057,000, representing 193.6% growth on the prior period (2017: $49,401,000), due to the inclusion of full 12 months trading of Sydney RV and Kratzmann Caravans, which were acquired in February 2017 and May 2017 respectively, and 10 months contribution from the acquisition of Western Australian caravan and motorhome retailer, George Day, from August 2017. Following the introduction of these new retailers to the existing Apollo distribution network, a national retail sales strategy was implemented, to streamline operations and leverage stock, logistics and distribution channel synergies. This dealer network has established a solid foundation for further expected retail sales growth for the year ending 30 June 2019.

Record manufacturing production numbers were achieved during the year as a result of the relocation of the Brisbane manufacturing facility to a new 12-acre site and the efficiency improvements generated from investment in technology, equipment and design aides. A further ramp-up of production is expected in the 2019 financial year as a result of these infrastructure improvements and the addition of the Fleetwood RV, Coromal and Windsor brands to the Company’s retail product offerings.

New Zealand
Growth in New Zealand was solid due to the underpinning strong performance of the tourism industry within New Zealand. Rental days (unaudited) increased by 4.3% to 174,222 (2017: 166,979 days), with segment EBIT increasing by 15.3% over the prior corresponding period and revenue increasing by 10.2% to $31,120,000 (2017: $28,251,000). A 14.4% increase in fleet size took place during the year, with 843 units being held as at 30 June 2018, compared to 737 units as at 30 June 2017. Booking numbers for the first half of 2019 are proving to be strong and circa 100 additional vehicles are to be acquired to cater for the growth in demand.

While retail RV sales revenue remains a smaller portion of total New Zealand revenue (17.0%), retail RV sales will be a focus for growth in the year ending 30 June 2019. The Auckland rental branch will move to a new, larger facility, in the middle of the year ending 30 June 2019, to support increased rental demand and improve customer experience. The facility will also incorporate a flagship retail sales store, to enhance the Company’s retail sales offering in New Zealand.

North America

The 2018 financial year was a year of consolidation, with the principal objective being the integration of CanaDream into the Consolidated Entity's operations through the successful transition of the Company's existing United States of America (USA) operations and administration to CanaDream's senior management team. The end result has been a significant enhancement in the Consolidated Entity's North American RV offerings, from both a revenue generation and customer experience perspective.

Segment EBIT improved to $13,711,000 for the year ended 30 June 2018, compared to a loss of $2,164,000 for the prior corresponding period, which included the USA's results from October 2016 due to the corporate restructure which excluded the seasonally strongest September 2016 quarter earnings. Rental revenue increased by 935.8% to $49,520,000 (2017: $4,781,000) and sale of ex-rental fleet revenue increased by 96.3% to $63,834,000 as a result of both the CanaDream acquisition and the inclusion of full 12 months earnings of the existing USA operations. Ex-fleet RV sales in the USA were lower than expected as a result of a prolonged winter, which shortened the primary sales window that leads into the peak summer period. However, this delay allowed for an additional number of vehicles to be retained on fleet for the 2018 summer period, to help satisfy increased rental demand. Current forward bookings for the year ending 30 June 2019 indicate further growth in rental demand.

A key focus for the financial year ending 30 June 2019 will be to increase the Company's North American retail footprint and expand the avenues through which to sell the ex-rental fleet, particularly through the incorporation of retail sales offerings within rental branches, to leverage existing infrastructure, as already occurs in Canada.

Progress is also being made on two new rental locations within the USA, which are planned to be open in time for the 2019 summer tourist season.

Europe and United Kingdom (UK)

The acquisition of Camperco in March 2018 represented a significant milestone for the Company in its journey towards becoming the global RV solution, providing a crucial platform for further expansion into greater Europe. Based in Belfast, Northern Ireland, and with a number of rental and sales sites located throughout Ireland and the United Kingdom, the Company will be able to build upon Camperco's existing logistical and operational infrastructure and commence its entry into mainland Europe with increased confidence. The Company is currently pursuing the opportunity to open a rental branch in Hamburg, Germany by April 2019, in preparation for the 2019 peak summer season and will utilise the experience of Camperco staff who have previously operated in Germany.

Camperco has also been undergoing a period of significant growth with a new flagship retail RV sales site opened in Birmingham, England in April 2018, to expand its RV sales infrastructure and generate increased sales volumes. The United Kingdom and Ireland rental fleet is to be increased by a further 25% in the financial year ended 30 June 2019, to meet anticipated demand, with current forward rental bookings demonstrating solid growth on the prior corresponding period.

Entry into Europe presents a significant opportunity for the Company, with numerous operators being present in a fragmented rental market, allowing the Company to leverage its existing brand strength and agency relationships to create an immediate impact. The retail sales landscape presents a similar opportunity, with new leisure-vehicle sales in Europe increasing by 12.1% for the 12 months ended 31 December 2017, the highest sales growth in the sector's history (source: "Outstanding year for the European leisure-vehicle industry", European Caravan Federation, 15 January 2018).

Camperco contributed revenue of $2,828,000 and EBIT of $372,000 for the period since acquisition on 26 March 2018, with the expectation for the year ending 30 June 2019 of further growth.

Net current liability position

Due to the terms and conditions of the facilities, certain Group finance facilities are treated as current liabilities resulting in a net current liability position of $104,557,000 as at 30 June 2018. The Directors consider that the Group will generate sufficient operating cash flows to finance its ongoing operations and meet its financial obligations. Accordingly, the financial report has been prepared on a going concern basis. Refer to Note 1 - Significant accounting policies for further information.

Strategy and future performance

The Group remains focused on its key value drivers to deliver future growth, being:

Rental Operations:

- To continue to explore opportunities to expand the Company’s global footprint with the opening of additional rental branches in North America and Europe/UK, with expanded rental fleet sized to cater for increased demand;
- To expand the 'Dynamic Fleet' offering, comprising new rental units on short leases designed to expand fleet capacity during peak periods;
- To accelerate investment in customer experience technology, with the ApolloConnect app, launched in April 2018, to be continually enhanced to boost customer experience and support data analysis; and
- To continue to implement and develop technologies that improve performance, fleet logistics and yield, such as the CSIRO’s development of the DVASS scheduling system, the implementation of the Sage ERP system and use of telemetry systems in rental vehicles.

Retail Operations:

- To introduce new retail sites in key locations throughout Australia, including Adelaide, Newcastle and Geelong;
- To expand the Group's product offerings across the retail network, assisted by the recent acquisition of the Fleetwood RV, Coromal and Windsor brands and associated intellectual property, helping to bring consolidation to a fragmented caravan industry;
- To expand retail offerings in New Zealand through the opening of a flagship retail sales store, in parallel with the new Auckland rental branch; and
- To grow wholesale partnerships in North America for ex-fleet sales and leverage existing rental branch infrastructure, to expand the retail footprint.

Global Operations:

- To capitalise on global synergies and leverage logistics, systems and people infrastructure, to generate operational efficiencies; and
- To continue to attract high performing personnel, to further strengthen the Company’s existing senior management team.

Review of operations (continued)

Material business risks

Apollo's business is subject to a range of risk factors, both specific to its business activities, and risks of a more general nature. The Board remains focused on monitoring and mitigating, where possible, the following key risks:

- Political, Economic and Business Conditions:
  Apollo may be exposed to a deterioration in general political, economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to consumer credit, government fiscal, monetary and regulatory policies, oil prices and other disruptions to international travel. Any such deterioration may result in a reduction of leisure travel and retail spending from Apollo's customers, which could have an effect on Apollo's financial performance and position.
- Foreign Exchange Risk:
  Apollo manages its international foreign exchange risk by funding regional debt in the currency of operation. However, the effect of foreign currency translation on operating results from offshore operations remains inherent in Apollo's business.
- Competition and Market Risk:
  The Group operates in a competitive market, and current competitors, new competitors or technological disruptions could impact its performance.
- Key Personnel:
  Apollo is reliant on the talent and experience of its people to run its business. The Group's ability to retain and attract key people is critical to its continued success.
- Digital Ecosystem:
  Apollo is highly dependent upon the performance of its digital ecosystem, which includes both internal systems and third party systems and services. The reliable performance of this digital ecosystem is critical to Apollo's business operations.
- Scale and Integration risk:
  Apollo has recently undertaken significant growth and change through several acquisitions. Successfully integrating and extracting synergies from acquisitions and managing growth is critical to Apollo's continued performance.
- Relationships with manufacturers:
  Apollo's right to manufacture and sell certain RVs derive exclusively from the rights granted to it under distribution and licence agreements with key suppliers. A failure by Apollo to renew any of these agreements, or to renew them on favourable terms, could adversely impact on Apollo's financial performance.
- Dependence on Key Suppliers:
  Apollo depends upon certain suppliers providing reliable products and services that compare favourably with competing products in terms of quality, performance, safety and advanced features. Any adverse change in the product quality, production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of its key suppliers or any product recall could have an adverse impact on the financial performance of Apollo.
- Availability and Cost of Finance:
  Apollo's business is affected by the availability of financing to Apollo, its dealers and its customers. A decrease in the availability of financing facilities or an increase in the cost of financing could prevent Apollo from carrying adequate levels of inventory, which may limit product offerings and have an adverse impact on Apollo's financial performance.
- Insurance Coverage:
  Apollo currently has what it considers are adequate levels of insurance for property, travel, RV fleet cover, cybersecurity liability, directors and officers liability, key man cover, marine cargo, third party personal and property liability and worker's compensation to cover Apollo from potential losses and liabilities. The occurrence of events which are not adequately covered by existing insurance policies, or an increase in the cost of insurance to the Group, could restrict the ability of Apollo to conduct its business which could have a negative impact on the financial results of Apollo.

Significant changes in the state of affairs
On 11 July 2017, the Group acquired the remainder of the shares in CanaDream Corporation, a publicly listed Canadian RV rental and ex-fleet sales company, in which the Company had previously held 20.22% of the ordinary shares. Refer to Note 32 'Business Combinations' for further information.

On 31 August 2017, the Group acquired the assets, including the brand names, of George Day Caravans, a Perth based RV retail business. Refer to Note 32 'Business Combinations' for further information.

On 26 March 2018, the Group acquired 100% of the shares in Camperco Group Limited, one of the largest independent motorhome operators in the United Kingdom and Ireland. Refer to Note 32 'Business Combinations' for further information.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year
On 2 July 2018, the Group entered into an agreement to lease a premises at 583 Grand Junction Road, Gepps Cross, South Australia. The lease commenced on 1 August 2018 for a period of 3 years. The total lease commitment for this lease is $818,000, which includes a three month lease incentive.

On 15 August 2018, the Group entered into a Heads of Agreement to lease a premises at 9 Richard Pearse Drive, Airport Oaks, Auckland, New Zealand. The proposed lease will commence on 1 February 2019 for a period of 10 years, with early access granted from 20 December 2018. The total lease commitment for this lease is $888,560 p.a., with fixed annual increases of 2.5%.

On 10 August 2018, the Group paid $1,000,000 for the purchase of the brands Fleetwood RV, Coromal and Windsor and associated intellectual property. At the date of this financial report, fair value calculations are under consideration, making it impracticable to provide details of the fair value of the assets and liabilities acquired in the transaction.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2018 that has 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.

Likely developments and expected results of operations
The Company anticipates consistent incremental growth within its existing Australian, New Zealand, North American and European rental operations. Retail vehicle sales are forecast to increase as new locations are added. Australian manufacturing operations are expanding to meet this increased retail demand.

Corporate governance
Apollo Tourism & Leisure Ltd is committed to achieving and demonstrating the effective standards of corporate governance. The Group has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The 2018 corporate governance statement is dated 30 June 2018 and reflects the corporate governance practices in place throughout the financial year. The 2018 corporate governance statement was approved by the Board on 22 August 2018. A description of Apollo Tourism & Leisure Ltd’s current corporate governance practices is set out in the Apollo Tourism & Leisure Ltd’s corporate governance statement which can be viewed on the Apollo website at www.apollotourism.com/corporate-governance/.

Environmental regulation
The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Inclusion and diversity
Apollo values inclusion and diversity across all sections of its business and wants to ensure that team members feel valued, respected and empowered. Management is working to attract and retain an inclusive, motivated workforce with a positive customer focus by providing a safe, equitable and engaging working environment. Management continually review Apollo's strategies and goals to ensure that they support a culture of inclusion and diversity.

Apollo’s Diversity Policy is disclosed on the Company’s website and sets out Apollo's objectives and reporting practices regarding diversity. The Board and the Remuneration Committee continues to review and report to the Board on Apollo’s diversity profile, with a view to setting meaningful targets for the advancement of diversity within the Company.

Item	Men	Women
Number of employees	517	293
Percentage of total	64%	36%
Number of senior executives	9	5
Percentage of senior executives	64%	36%
Number of Directors	3	1
Percentage of Directors*	75%	25%

*Of the four Directors, two Directors are Executive Directors (Managing Director /Chief Executive Officer (CEO) and Chief Financial Officer (CFO)). Of the two Non-executive Directors, the percentages are 50% for each gender.

Apollo continues to foster an inclusive and diverse workplace, with gender diversity a clear priority.

Information on Directors

Name:	Stephen Lonie.
Title:	Independent, Non-executive Chairman.
Qualifications:	BCom, MBA, FCA, FAICD, SF Fin, FIMC.
Experience and expertise:	Stephen Lonie is a Chartered Accountant, with more than 38 years' industry experience, and a former managing partner of the international accounting and consulting firm KPMG.
Other current directorships:	Corporate Travel Management Limited (ASX: CTD), Retail Food Group Limited (ASX: RFG) and MyState Limited (ASX: MYS).
Former directorships (last 3 years):	
Special responsibilities:	Member of Audit and Risk Committee, Chair of Nomination and Remuneration Committee.
Interests in shares:	247,059 Ordinary shares.
Interests in options:	None.
Interests in rights:	None.
Contractual rights to shares:	None.

Name:	Sophie Mitchell.
Title:	Independent, Non-executive Director.
Qualifications:	BEc, GAICD, SF Fin.
Experience and expertise:	Sophie Mitchell is an experienced financial services professional and a director of Morgans Holdings (Australia) Limited. She is also a member of the Queensland Advisory Board for AustralianSuper, and a board member of the Australia Council for the Arts.
Other current directorships:	Silver Chef Limited (ASX: SIV) and Flagship Investments Limited (ASX: FSI).
Former directorships (last 3 years):	None.
Special responsibilities:	Chair of Audit and Risk Committee, Member of Nomination and Remuneration Committee.
Interests in shares:	123,530 Ordinary shares.
Interests in options:	None.
Interests in rights:	None.
Contractual rights to shares:	None.

Name:	Luke Trouchet.
Title:	Managing Director and Chief Executive Officer.
Qualifications:	LLB
Experience and expertise:	After completing a Bachelor of Laws in 1996, Luke Trouchet joined Apollo full time as sales and marketing manager. Luke Trouchet was appointed CEO and Managing Director of Apollo in 2001.
Other current directorships:	None.
Former directorships (last 3 years):	CanaDream Corporation (TSXV: CDN).
Special responsibilities:	None.
Interests in shares:	95,807,458 ordinary shares via directorship of Barmil Enterprises Pty Ltd which holds the shares on trust for Lurk Investment Trust.
Interests in options:	None.
Interests in rights:	None.
Contractual rights to shares:	None.

Name:	Karl Trouchet.
Title:	Executive Director and Chief Financial Officer.
Qualifications:	BBus, MAICD.
Experience and expertise:	After completing a Bachelor of Business majoring in Accounting in 1997, Karl Trouchet joined Apollo full time managing finance and strategic business planning. Karl Trouchet is actively involved in developing and managing new initiatives across all divisions of Apollo.
Other current directorships:	None.
Former directorships (last 3 years):	None.
Special responsibilities:	None.
Interests in shares:	95,807,458 ordinary shares via directorship of Barmil Enterprises Pty Ltd which holds the shares on trust for Lurk Investment Trust.
Interests in options:	None.
Interests in rights:	None.
Contractual rights to shares:	None.

Name:	Peter Jans.
Title:	Company Secretary.
Qualifications:	LLB (Hons), Grad. Dip (Ancient History), MA.
Experience and expertise:	Peter Jans is an experienced legal professional and has over a decade of ASX listed board experience.
Other current directorships:	None.
Former directorships (last 3 years):	None.
Special responsibilities:	None.
Interests in shares:	None.
Interests in options:	None.
Interests in rights:	None.
Contractual rights to shares:	None.

'Other current directorships' quoted are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Interests in shares' refers to shareholdings as at the date of the financial report.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Stephen Lonie	13	14	4	4	10	10
Sophie Mitchell	14	14	4	4	10	10
Luke Trouchet	14	14	-	-	-	-
Karl Trouchet	14	14	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic goals and the creation of value for shareholders.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria:
- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage / alignment of executive compensation; and
- Transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Consolidated Entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- Having economic profit as a core component of plan design; and
- Attracting and retaining high calibre executives.

Additionally, the reward framework seeks to enhance executives' interests by:
- Rewarding capability and experience;
- Reflecting competitive reward for contribution to growth in shareholder wealth; and
- Providing a clear structure for earning rewards.

In accordance with established corporate governance principles, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors' remuneration
Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-executive Directors do not receive share options or other incentives.

Non-executive Directors are remunerated for their services in fixed fees drawn from the Directors' fee pool which, in line with the Company's constitution, stands at $450,000. The current non-executive Director fees are $130,000 per annum for the Chair and $65,000 per annum for other non-executive Directors (inclusive of superannuation where applicable). Directors may also be reimbursed for all travelling and other expenses incurred in connection with their Company duties.

Fees for Non-executive Directors are not linked to the performance of the consolidated entity or the Company and no portion of their remuneration is at risk.

Executive remuneration
The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework for the year ended 30 June 2018 had two components:
- Base pay, non-monetary benefits, superannuation and long service leave, defined as Total Fixed Remuneration (TFR); and
- Short-term performance incentives (STIs).

The combination of these two elements comprised the executive's total remuneration.

TFR, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remuneration.

Executives may receive their TFR in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The STI program is designed to align the targets of the business units with the performance hurdles of executives in order to deliver short-term growth. STI payments are granted to executives based on specific annual targets and both financial and non-financial key performance indicators ('KPI's') being achieved. The STI plan is made up of the following components.

<u>Part 1 – Operational, customer and people KPIs</u>

The amount payable under Part 1 is discretionary and is not contingent on the financial performance of the business.
It is determined by the achievement of specific KPIs by the individual executive, including, but not limited, to:
(a) Performance against KPIs specific to the executive's role;
(b) Behaviours and key personal business milestones outlined in business plans; and
(c) Staff performance reviews throughout the year.

Over-achievement incentives do not apply to this component. Payment is capped at the nominal at-risk amount of 10% of TFR, multiplied by the achievement percentage allocated to this component. The at-risk amount is discretionary and is set by the Nomination and Remuneration Committee at the commencement of the financial year. The Nomination and Remuneration Committee determines what portion of the eligible incentive will be paid. All, none or part of this amount may be awarded at the absolute discretion of the Nomination and Remuneration Committee. Achievement is assessed and amounts are payable after the end of the financial year under review.

Executive Directors were not eligible for Part 1 of the STI plan for the year ended 30 June 2018.

Part 2 – Company financial performance (commencing 2017 financial year)

Financial performance for the 2018 financial year is measured on the achievement of an internal stretch target Net Profit After Tax (NPAT) for the Company. A minimum achievement of greater than 100% of target NPAT must be achieved for the incentive to be payable. Payments increase on a sliding scale designed to encourage superior performance that exceeds established targets, up to a maximum cap of 10% above the targeted amount set by the Nomination and Remuneration Committee. Participants can earn up to 10% of their TFR under Part 2 of the STI program.

Any amount that may be awarded for Part 2 is self-funding out of the target NPAT. However, there are circumstances where it may not be self-funding out of statutory NPAT. No payment is provided unless the Company achieves above the target NPAT. Eligible amounts will be payable upon finalisation of financial results for the 2018 financial year.

Participants eligible for Part 1 had to achieve at least 50% of Part 1 of the STI Plan in order to be eligible for any incentive payment under Part 2 of the STI Plan. Luke Trouchet and Karl Trouchet were not eligible for Part 1 of the STI Plan for the year ended 30 June 2018, however, remained eligible for Part 2 of the STI plan.

Long Term Incentive Program
The Company will implement a Share Appreciation Rights Plan as a long term incentive ('LTI') program. This program was approved at the 2017 AGM. The Nomination and Remuneration Committee intends to execute this plan during the 2019 financial year. Senior management personnel, including Executive Directors, will be eligible to participate in the plan. Non-executive Directors are not eligible. The purpose of the plan is to:

- Assist in the reward, retention and motivation of eligible senior management personnel;
- Link the reward of eligible senior management personnel to Shareholder value creation; and
- Align the interests of eligible personnel with Stakeholders by providing opportunity to receive an equity interest in the Company.

Participation in the plan will give the right to receive an award from the Company which may be settled by cash or the issue of shares. The award will be calculated by reference to an increase in the price of the Shares from a base price determined by the Board, or, otherwise, the market value, as at the date of invitation to the participant and the volume-weighted average price per share traded on the ASX over the 30 trading days preceding the time that the performance hurdles and/or other conditions are satisfied. Upon invitation, the Board will determine:

- The number of Share Appreciation Rights for which the person may apply;
- The grant date;
- The amount payable for the grant of each Share Appreciation Right or how such amount is calculated;
- The vesting conditions (if any);
- The performance hurdles (if any);
- If the rights will be equity settled, cash settled or a combination of both, or determined at a later date when performance hurdles have been satisfied and the vesting has occurred;
- Disposal restrictions attaching to the Shares under the plan (if any); and
- Any other supplementary terms and conditions.

In considering the impact of the Group's performance on shareholder wealth, the Directors have regard to various factors including the following metrics:

Measure	2018	2017
NPAT ($'000)	19,203	8,646
Share price ($) as at 30 June	1.65	1.49
Basic EPS (cents)	10.63	8.89
Total dividend (cents per share)	5.0	2.5

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel and Directors of the Consolidated Entity are set out in the following tables.

The Directors and key management personnel of the Consolidated Entity consisted of the following Directors and senior executives of Apollo Tourism & Leisure Ltd:

Independent Non-executive Directors:
- Stephen Lonie - Non-executive Chair; and
- Sophie Mitchell - Non-executive Director.

Key Management Personnel:
- Luke Trouchet – Chief Executive Officer (CEO) and Managing Director;
- Karl Trouchet – Chief Financial Officer (CFO) and Executive Director;
- Scott Fahey – Chief Operating Officer (commenced 1 April 2018), previously Executive General Manager - Commercial and Operations; and
- Paul Truman – Executive General Manager - Product.

	Short-term benefits			Post-employment benefits	Long-term benefits	
2018	Cash salary and fees $	Cash bonus $	Non-monetary* $	Super-annuation $	Long service leave $	Total $
Non-Executive Directors:						
Stephen Lonie	130,000	-	-	12,350	-	142,350
Sophie Mitchell	65,000	-	-	6,175	-	71,175
Executive Directors:						
Luke Trouchet	529,551	-	-	22,420	8,835	560,806
Karl Trouchet	388,134	-	-	23,132	5,679	416,945
Other Key Management Personnel:						
Scott Fahey	289,884	25,350	-	22,245	12,991	350,470
Paul Truman	266,384	11,250	-	22,363	14,231	314,228
	1,668,953	36,600	-	108,685	41,736	1,855,974

	Short-term benefits			Post-employment benefits	Long-term benefits	
2017	Cash salary and fees $	Cash bonus $	Non-monetary* $	Super-annuation $	Long service leave $	Total $
Non-Executive Directors:						
Stephen Lonie	106,816	-	-	9,118	-	115,934
Sophie Mitchell	53,191	-	-	4,539	-	57,730
Executive Directors:						
Luke Trouchet	511,639	110,000	4,796	28,074	8,835	663,344
Karl Trouchet	380,786	46,000	13,176	26,528	7,336	473,826
Other Key Management Personnel:						
Scott Fahey	259,443	54,700	-	19,595	6,081	339,819
Paul Truman	202,103	43,600	31,937	28,792	7,078	313,510
	1,513,978	254,300	49,909	116,646	29,330	1,964,163

* Non-monetary benefits relate to motor vehicle leases.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2018	Fixed remuneration 2017	At risk - STI 2018	At risk - STI 2017
Non-Executive Directors:				
Stephen Lonie	100%	100%	-	-
Sophie Mitchell	100%	100%	-	-
Executive Directors:				
Luke Trouchet	80%	83%	20%	17%
Karl Trouchet	90%	90%	10%	10%
Other Key Management Personnel:				
Scott Fahey	84%	84%	16%	16%
Paul Truman	86%	86%	14%	14%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2018	Cash bonus paid/payable 2017	Cash bonus forfeited 2018	Cash bonus forfeited 2017
Executive Directors:				
Luke Trouchet	-	100%	100%	-
Karl Trouchet	-	100%	100%	-
Other Key Management Personnel:				
Scott Fahey	45%	92%	55%	8%
Paul Truman	26%	76%	74%	24%

Luke Trouchet and Karl Trouchet were not eligible for Part 1 the STI program for the year ended 30 June 2018, though they were eligible for Part 2.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Luke Trouchet.
Title:	Managing Director and Chief Executive Officer.
Agreement commenced:	28 September 2016.
Term of agreement:	No fixed term.
Details:	Base salary for the year ending 30 June 2018 of $550,000, including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six (6) month termination notice by either party, non-solicitation and non-compete clauses. Eligible to participate in Part 2 of the short-term incentive plan (Company financial performance) only, at a rate of 20% of base salary.

Name:	Karl Trouchet.
Title:	Executive Director and Chief Financial Officer.
Agreement commenced:	23 September 2016.
Term of agreement:	No fixed term.
Details:	Base salary for the year ending 30 June 2018 of $410,000, including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Six (6) month termination notice by either party, non-solicitation and non-compete clauses. Eligible to participate in Part 2 of the short-term incentive plan (Company financial performance) only, at a rate of 10% of base salary.

Name:	Scott Fahey.
Title:	Chief Operating Officer.
Agreement commenced:	19 September 2016.
Term of agreement:	No fixed term.
Details:	Base salary for the year ending 30 June 2018 of $347,000, including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Three (3) month termination notice by either party, non-solicitation and non-compete clauses. Eligible to participate in Part 1 and Part 2 of the short-term incentive plan at a combined maximum rate of 20% of base salary, at the discretion of the Board.

Name:	Paul Truman.
Title:	Executive General Manager, Product.
Agreement commenced:	23 September 2016.
Term of agreement:	No fixed term.
Details:	Base salary for the year ending 30 June 2018 of $286,000, including superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Three (3) month termination notice by either party, non-solicitation and non-compete clauses. Eligible to participate in Part 1 and Part 2 of the short-term incentive plan at a combined maximum rate of 20% of base salary, at the discretion of the Board.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct. Termination payment is an amount of salary in lieu of all or part of the notice period (plus any superannuation).

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Options
There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration **	Additions - other **	Balance at the end of the year
Ordinary shares				
Karl Trouchet & Luke Trouchet*	95,807,458	-	-	95,807,458
Stephen Lonie	247,059	-	-	247,059
Sophie Mitchell	123,530	-	-	123,530
Scott Fahey	19,395	-	-	19,395
Paul Truman	21,464	-	-	21,464
	96,218,906	-	-	96,218,906

* Held as directors of Barmil Pty Ltd holding shares on trust for Lurk Investment Trust. The shareholding of 94,960,000 received in the corporate reorganisation are held in escrow until 3 November 2018.

** All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Other transactions with key management personnel and their related parties

Eastglo Pty Ltd

During the year, rental payments totalling $168,000 at market prices have been made for the rental of business premises by Group companies to Eastglo Pty Ltd, of which Luke Trouchet and Karl Trouchet are Directors and controlling shareholders. $54,120 was outstanding at 30 June 2018 and is included within current trade payables. The lease expires on 5 October 2019 and contains two option periods of three years each.

KL One Trust

During the year, rental payments totalling $66,973 at market prices have been made for rental of business premises by Group companies to KL One Trust, a trust associated with Luke Trouchet and Karl Trouchet. $27,626 was outstanding at 30 June 2018 and is included within current trade payables. The lease expires on 20 October 2020 and contains two option periods of three years each.

Campstay Pty Ltd

During the year, the Group received administration fees from Campstay Pty Ltd, a Director-related entity of Luke Trouchet. Total fees of $46,000 were received during the year. There were no amounts outstanding at year end.

This point marks the conclusion of the Remuneration Report, which has been audited.

Shares under option

There were no unissued ordinary shares of Apollo Tourism & Leisure Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Apollo Tourism & Leisure Ltd issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Indemnity and insurance of officers

The Company's constitution provides that, to the extent permitted by law, the Company must indemnify each Director and officer against all losses, liabilities, costs, charges and expenses incurred in performance of their duties for the company and its related bodies corporate. The indemnity continues post-employment and operates without the officer having to incur any expense or make payment.

During the financial year and at the start of the following year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The Directors have not disclosed details of the nature of the liabilities covered or the amount of the premiums paid in respect of the insurance contracts as such disclosure is prohibited under the terms of the contract.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss in respect of matters which are determined to be a result from the auditor's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

The Directors are of the opinion that the additional services, as disclosed in note 36 to the financial statements, do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Luke Trouchet
Director

22 August 2018
Brisbane

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

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

As lead auditor for the audit of Apollo Tourism & Leisure Ltd for the financial year ended 30 June 2018, 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 audit; and

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

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

Ernst & Young

Mike Reid
Partner
22 August 2018

General information

The financial statements cover Apollo Tourism & Leisure Ltd as a Consolidated Entity consisting of Apollo Tourism & Leisure Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Apollo Tourism & Leisure Ltd's functional and presentation currency.

Apollo Tourism & Leisure Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 698 Nudgee Rd, Northgate QLD 4013, Australia.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 22 August 2018. The Directors have the power to amend and reissue the financial statements.

Apollo Tourism & Leisure Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Revenue			
Sales of services		136,743	82,368
Sales of goods		214,917	86,531
Other revenue	4	3,893	2,580
Total revenue		355,553	171,479
Expenses			
Revaluation of investment	32	2,533	-
Cost of goods sold		(190,511)	(76,475)
Motor vehicle running expenses		(35,042)	(24,323)
Advertising, promotions and commissions paid		(3,580)	(2,304)
External acquisition costs		(1,006)	(1,664)
Employee benefits expense		(35,204)	(18,467)
Depreciation and amortisation expense	5	(28,489)	(21,055)
Rental costs on land and buildings		(7,700)	(3,962)
Share of profit/(loss) in associates		100	583
Other expenses		(16,231)	(8,054)
Profit before tax and finance costs		40,423	15,758
Finance costs		(13,559)	(7,753)
Profit before income tax (expense)/benefit		26,864	8,005
Income tax (expense)/benefit	6	(7,661)	641
Profit after income tax (expense)/benefit for the year attributable to the owners of Apollo Tourism & Leisure Ltd	27	19,203	8,646
Other comprehensive loss			
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation		(500)	(515)
Other comprehensive loss for the year, net of tax		(500)	(515)
Total comprehensive income for the year attributable to the owners of Apollo Tourism & Leisure Ltd		18,703	8,131
		Cents	**Cents**
Basic earnings per share	7	10.63	8.89
Diluted earnings per share	7	10.63	8.89

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $'000	2017 $'000
Assets			
Current assets			
Cash and cash equivalents	8	36,637	48,599
Trade and other receivables	9	7,568	6,166
Inventories	10	90,249	47,097
Income tax refund receivable	6	-	1,452
Prepayments and other current assets	11	10,601	8,513
Total current assets		145,055	111,827
Non-current assets			
Investments accounted for using the equity method	12	1,474	5,953
Property, plant and equipment	13	318,954	188,162
Intangibles	14	40,129	8,782
Deferred tax asset	6	-	296
Other non-current assets	15	3,020	1,742
Total non-current assets		363,577	204,935
Total assets		508,632	316,762
Liabilities			
Current liabilities			
Trade and other payables	16	27,569	16,488
Borrowings - current	17	184,513	111,894
Income tax payable	6	2,580	1,005
Provisions - current	19	4,570	1,734
Unearned income - current	21	28,989	15,197
Other liabilities - current	22	1,391	1,459
Total current liabilities		249,612	147,777
Non-current liabilities			
Borrowings - non-current	18	115,917	56,787
Deferred tax liability	6	21,721	7,321
Provisions - non-current	20	2,583	181
Other liabilities - non current	23	1,758	3,280
Total non-current liabilities		141,979	67,569
Total liabilities		391,591	215,346
Net assets		117,041	101,416
Equity			
Issued capital	24	79,799	75,679
Reserves	25	(13,601)	(13,101)
Retained profits	27	50,843	38,838
Total equity		117,041	101,416

The above statement of financial position should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital $'000	Common Control Reserve $'000	Foreign Currency Translation Reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2016	1	-	631	30,918	31,550
Profit after income tax benefit for the year	-	-	-	8,646	8,646
Other comprehensive loss for the year, net of tax	-	-	(515)	-	(515)
Total comprehensive income/(loss) for the year	-	-	(515)	8,646	8,131
Issue of shares to acquire Apollo Motorhome Holidays LLC	16,000	-	-	-	16,000
Issue of shares to acquire Apollo Finance Pty Ltd	465	-	-	-	465
Changes arising from investment in acquired Apollo Motorhome Holidays LLC	-	(13,399)	604	-	(12,795)
Changes arising from investment in acquired Apollo Finance Pty Ltd	-	(422)	-	-	(422)
Issue of shares in Public Offering	50,000	-	-	-	50,000
Vendor payment	(30,000)	-	-	-	(30,000)
Shares issued as consideration for business acquisitions	1,123	-	-	-	1,123
Issue of shares in rights issue	40,293	-	-	-	40,293
Transaction costs for IPO and Rights Issue	(2,203)	-	-	-	(2,203)
Transactions with owners in their capacity as owners:					
Dividends paid (note 26)	-	-	-	(726)	(726)
Balance at 30 June 2017	75,679	(13,821)	720	38,838	101,416

Consolidated	Issued capital $'000	Common Control Reserve $'000	Foreign Currency Translation Reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2017	75,679	(13,821)	720	38,838	101,416
Profit after income tax expense for the year	-	-	-	19,203	19,203
Other comprehensive loss for the year, net of tax	-	-	(500)	-	(500)
Total comprehensive income/(loss) for the year	-	-	(500)	19,203	18,703
Shares issued as consideration for business acquisitions	4,120	-	-	-	4,120
Transactions with owners in their capacity as owners:					
Dividends paid (note 26)	-	-	-	(7,198)	(7,198)
Balance at 30 June 2018	79,799	(13,821)	220	50,843	117,041

The above statement of changes in equity should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		349,820	181,748
Payments to suppliers and employees (inclusive of GST)		(300,865)	(149,264)
Interest paid		(13,559)	(7,754)
Proceeds from sale of rental fleet		75,047	45,965
Interest received		421	117
Income taxes paid		(910)	(4,655)
Net cash from operating activities	30	109,954	66,157
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired	32	(13,106)	(14,467)
Payments for investments		-	(1,750)
Payments for property, plant and equipment	13	(15,461)	(968)
Payments for intangibles	14	(211)	-
Proceeds from disposal of property, plant and equipment		4	-
Acquisition of common controlled entities - cash acquired	32	-	6,169
Payment for purchase of rental fleet		(126,392)	(79,706)
Net cash used in investing activities		(155,166)	(90,722)
Cash flows from financing activities			
Proceeds from issue of shares	24	-	90,293
Related entity loans		-	5,786
Payment to founding shareholders		-	(30,000)
Transaction costs capital raising		-	(2,240)
Dividends paid	26	(7,198)	(726)
Proceeds from borrowings		278,457	143,039
Repayment of borrowings/finance lease principal		(238,175)	(138,443)
Net cash from financing activities		33,084	67,709
Net increase/(decrease) in cash and cash equivalents		(12,128)	43,144
Cash and cash equivalents at the beginning of the financial year		48,599	5,535
Effects of exchange rate changes on cash and cash equivalents		166	(80)
Cash and cash equivalents at the end of the financial year	8	36,637	48,599

The above statement of cash flows should be read in conjunction with the accompanying notes

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or in the following section. These policies have been consistently applied to all the years presented, unless otherwise stated.

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. The impacts to the financial statements are not considered to be material.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The Group has a consolidated net current liability position as at 30 June 2018 of $104,557,000 (current assets of $145,055,000 and current liabilities of $249,612,000), primarily as a result of liabilities due under finance leases and hire purchase contracts of $155,563,000 and unearned income of $28,989,000 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 30 June 2018. 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 30 June 2018. 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.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 37.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Apollo Tourism & Leisure Ltd ('Company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Apollo Tourism & Leisure Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

1. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary, together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Apollo Tourism & Leisure Ltd's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Service revenue is measured by reference to the degree of completion over the period for which the service is provided. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This method calculates the amortised cost of a financial asset and the allocation of the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

1. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principal market, or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers in the current year.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Associates
Associates are entities over which the Consolidated Entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Consolidated Entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1. Significant accounting policies (continued)

The Consolidated Entity discontinues the use of the equity method upon obtaining control over the associate and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon gaining control and the fair value of the retained investment is recognised in profit and loss. From the date that control has been gained, the entity becomes a subsidiary, is included in the Consolidated Entity and becomes subject to the principles of consolidation.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or, if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. The finance lease asset is classified as non-current in the statement of financial position unless transferred to inventory and ready for sale and the lease liability is classified as current and non-current portions in the statement of financial position depending on timing of lease payments.

Leased assets acquired under a finance lease are depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Consolidated Entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently, if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

1. Significant accounting policies (continued)

Rounding of amounts
The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2018. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out in the following sections.

AASB 9 Financial Instruments
In December 2014, the Australian Accounting Standards Board (AASB) issued the final version of AASB 9 Financial Instruments that replaces AASB 139 Financial Instruments: Recognition and Measurement and all previous versions of AASB 9. AASB 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During the year, the Group has performed a detailed impact assessment of all three aspects of AASB 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group. Overall, the Group expects no significant impact on its statement of financial position and equity. The Group expects a change in the loss allowance which will impact equity, as discussed further under impairment.

<u>Classification and measurement</u>
The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of AASB 9.

The equity shares in Camplify (a non-listed company) are accounted for under AASB 128 Investments in Associates and Joint Ventures using the equity method. Therefore, this investment is not included in the scope of AASB 9.

Loans, as well as trade receivables, are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristic of those instruments and concluded that they meet the criteria for amortised cost measurements under AASB 9. Therefore, reclassification for these instruments is not required.

<u>Impairment</u>
AASB 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has determined that, due to the historical low level of debt written off, the probability of default is extremely low. The Group has determined a loss allowance equal to 0.5% of certain trade receivables will be recognised. The preliminary analysis has been based on the 30 June 2018 balances, which would result in an increase in the loss allowance of $35,000 with, a corresponding related decrease in the deferred tax liability of $10,500. The net impact on equity will be a decrease of $24,500.

<u>Hedge Accounting</u>
The Group does not currently participate in any hedging arrangements. The accounting treatment for any new hedge relationships will be consistent with AASB 9.

1. Significant accounting policies (continued)

AASB 16 Leases
AASB 16 was issued in February 2016 and it replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (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 will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16.

AASB 16 also requires lessees and lessors to make more extensive disclosures than under AASB 117.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in the future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

AASB 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity has applied AASB 15. The Group has not chosen to early adopt AASB 16. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group will adopt this standard from 1 July 2019. A initial analysis of the right-to-use asset and lease liability has been performed. In 2019, a scenario analysis will be presented to the Board to determine if the Group will adopt the full retrospective or modified retrospective approach by considering the potential impact of AASB 16 and both adoption methods on its consolidated financial statements.

AASB 15 Revenue from Contracts with Customers
AASB 15 was issued in December 2014, and amended in May 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Australian Accounting Standards. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on 1 July 2018 using the full retrospective method. During 2018, the Group performed a detailed analysis of AASB 15. The Group's assessment of the impacts of AASB 15 is ongoing and consideration of any relevant new information will occur as and when it becomes available.

The Group is in the business of RV (motorhome, campervan and caravan) rental, sales and manufacturing.

1. Significant accounting policies (continued)

a) Sale of goods
For contracts with customers in which the sale of vehicles is generally expected to be the only performance obligation, adoption of AASB 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the vehicle is transferred to the customer, generally on delivery of the vehicle.

In preparing to adopt AASB 15, the Group has considered the following particular issues:

Consideration	Revenue is recognised from the sale of goods at a value that is equal to the transaction price included in the terms of the contract. The Group does not have any contracts with customers that provide a right of return, trade discount or volume rebate. A customer can trade in a vehicle when entering into the sale of a vehicle to reduce the cash payable. The fair value of the vehicle is included in the contract as a method of payment. The Group has no additional performance obligation when this method is chosen. The purchase price of the vehicle and, therefore, the transaction price for revenue recognition is not altered by a trade in. Therefore, there is no need to adjust the consideration value under AASB 15.
Warranty Obligations	The sale of vehicles is subject to a statutory warranty. A statutory warranty is deemed to be an assurance-type warranty under AASB 15, which will continue to be accounted for under AASB 137 Provisions, Contingent Liabilities and Contingent Assets, consistent with current practice. Any additional warranties in excess of the statutory requirements are arranged by a third-party provider and are, therefore, not a performance obligation for the Group.

b) Rendering of services
For contracts with a customer to rent a vehicle (including any extras). Revenue is currently recognised on a straight-line basis over the rental period. The customer simultaneously receives and consumes the benefit as the Group performs the obligation to provide a vehicle for hire. Consequently, under AASB 15, the Group will continue to recognise revenue for these service contracts over time rather than at a point in time. The impacts of rental agreement modifications are still under review, however, all other aspects of AASB 15 have been analysed and is not expected to have a significant impact on the Group's revenue and profit and loss.

c) Advances received from customer
The Group will receive an advance from customers for the deposit on the hire or purchase of a vehicle. Historically, the majority of the Group's revenue is received before the good or service is provided. Under the current accounting policy, the Group presents such prepayments as unearned income under the current liabilities heading in the statement of financial position.

Under AASB 15, the Group must determine whether there is a significant financing component in its contracts. Regardless of this, the Group decided to use the practical expedient provided in AASB 15 and will not adjust the promised amount of the consideration for the effects of a significant financing component in the contracts, where the Group expects, at contract inception, that the period between the Group transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. As all advances are current and meet this definition, the Group will not account for a financing component.

1. Significant accounting policies (continued)

d) Principal versus agent considerations
The Group has a number of contracts with third parties that are accounted for as if it is an agent. Under AASB 15, a principal will provide the good or service to the customer whilst an agent arranges for another party to provide the good or service. This assessment will impact revenue recognition as a principal will recognise the gross consideration whilst an agent will recognise the fee or commission to which it expects to be entitled.

After-Market Sales	The Group arranges after-market sales through a third-party provider. The third-party is responsible for fulfilling the contract and providing the good or service to the customer. The Group has no discretion in establishing the price for these sales. Under both the current accounting policy and AASB 15 the Group is acting as an agent in this transaction.
Vehicles sold on consignment	From time to time, the Group will sell vehicles on behalf of a third party which has been assessed as an agency transaction as the Group does not take on any inventory risk associated with the transaction, cannot set the sale price for the vehicle and does not have any credit risk associated with the sale. Under both the current accounting policy and AASB 15, the Group is acting as an agent in this transaction.
Booking Agent	The Group has been appointed as a sales agent for rental car hire and will purchase the rental service on behalf of the customer. A third-party is responsible for fulfilling this contract and takes on any risk associated with damage to the vehicle. The Group is paid a referral fee on all completed rentals. Under both the current accounting policy and AASB 15, the Group is acting as an agent in this transaction.
Associate Dealers	The Group has one location in Canada with an associate dealer, that is a business not within the Apollo Group that operates using one of the Group's trading names, systems and software. The associate is responsible for fulfilling rental contracts with the customer and bears all inventory and credit risk. The associate will pay a royalty to the Group. Under both the current accounting policy and AASB 15, the Group is acting as an agent in this transaction.

e) Presentation and disclosure requirements
The presentation and disclosure requirements in AASB 15 are more detailed than under current Australian Accounting Standards. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in AASB 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made. In addition, extended disclosures are expected as a result of the significant judgement made when assessing the contracts where the Group has concluded that it acts as an agent instead of a principal. In addition, as required by AASB 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. In 2018, the Group continued testing internal controls, policies and procedures necessary to collect and disclose the required information.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management considers to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed in the relevant notes to the financial statements.

2. Critical accounting judgements, estimates and assumptions (continued)

Business combinations
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated Entity, taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Fair value measurement hierarchy
The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models, which include discounted cash flow analysis or the use of observable inputs that may require significant adjustments based on unobservable inputs. Refer to note 29.

Estimation of useful lives of assets
The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful life is determined when the asset is purchased however the useful life could change significantly as a result of technical innovations or some other event which would impact future depreciation charged.

Goodwill and other indefinite life intangible assets
The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset (or group of assets) that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset (or group of assets) is determined, and which involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Fleet depreciation rates
The Group estimates residual values of fleet in order to depreciate motorhome assets using the straight line method. The Group has considered the appropriateness of the residual values that have been used by reviewing the gains/losses made on recent sales of similar motorhomes.

Income tax
The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax and related deferred tax amounts.

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The Consolidated Entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

3. Operating segments

Identification of reportable operating segments
The Consolidated Entity is organised into geographical operating segments: Australia, New Zealand, North America and Europe. These operating segments are based on the internal reports that are reviewed and used by the Senior Management group (which is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The North America segment includes Apollo's United States of America operations, as well as the operating results of CanaDream Corporations, located in Canada, which was acquired on 11 July 2017. Previously, the investment in CanaDream, prior to acquisition, was included in the Others and Eliminations segment.

The Australia segment includes the acquisitions of George Day Caravans (acquired 31 August 2017), Sydney RV (acquired 8 February 2017) and Kratzmann Caravans (acquired 26 May 2017), which were not included for a full 12 months of trading in the 30 June 2017 segment results.

The Europe segment includes the operating results of Camperco Group Limited, located in the United Kingdom and Ireland, which was acquired on 26 March 2018. This additional segment is a result of this acquisition.

Given the manufacturing entities in each of Australia, New Zealand and Europe operate on a cost recovery basis in order to break even and manufacture only to order for the respective Australia, New Zealand and Europe operating entities, the Directors do not consider the manufacturing entities to be separate operating segments so that non-operating segments are amalgamated.

The CODM monitor the operating results of the geographical segments 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, as follows:

- The Australian segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet, manufactures motorhomes and caravans for sale direct to the public and operates vehicle sales activities for the sale of new units direct to the public and through a dealer network, as well as the sale of ex-rental fleet vehicles direct to the public and through a dealer network.

- The New Zealand segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet and operates vehicle sales activities for the sale of ex-rental fleet vehicles through a dealer network.

- The North America segment provides short term hire of motorhomes and operates vehicle sales activities for the sale of ex-rental fleet vehicles through a dealer network.

- The Europe segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet and operates vehicles sales activities for the sale of new and ex-rental fleet units direct to the public.

- The Other / Elimination segment represents intersegment eliminations.

Intersegment transactions
As transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties, the CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments. Intersegment transactions were made at market rates and are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

3. Operating segments (continued)

Operating segment information

Consolidated - 2018	Australia $'000	New Zealand $'000	North America $'000	Europe $'000	Others and Eliminations $'000	Total $'000
Revenue						
Sales of services	60,741	24,568	49,520	1,914	-	136,743
Sales of goods	145,057	5,299	63,834	727	-	214,917
Total sales revenue	205,798	29,867	113,354	2,641	-	351,660
Other revenue	2,358	1,253	480	187	(385)	3,893
Total revenue	208,156	31,120	113,834	2,828	(385)	355,553
EBIT	18,152	8,907	13,711	372	(719)	40,423
Finance costs	(4,978)	(1,787)	(7,006)	(173)	385	(13,559)
Profit/(loss) before income tax expense	13,174	7,120	6,705	199	(334)	26,864
Income tax expense						(7,661)
Profit after income tax expense						19,203
Material items include:						
Manufacturing costs	(27,985)	(4,616)	-	(248)	-	(32,849)
Cost of goods sold	(126,339)	(4,755)	(58,793)	(624)	-	(190,511)
Other expenses	(31,952)	(10,177)	(20,654)	(777)	-	(63,560)
Depreciation and amortisation	(13,253)	(5,991)	(8,469)	(442)	(334)	(28,489)
Revaluation of investment	2,533	-	-	-	-	2,533
Employee benefits expenses	(21,094)	(1,290)	(12,207)	(613)	-	(35,204)
Assets						
Segment assets	254,166	57,834	215,526	26,872	(45,766)	508,632
Total assets						508,632
Total assets includes:						
Investments in associates	1,474	-	-	-	-	1,474
Acquisition of non-current assets	36,828	13,337	202,335	23,723	-	276,223
Liabilities						
Segment liabilities	132,190	38,137	179,646	17,317	-	367,290
Unallocated liabilities:						
Provision for income tax						2,580
Deferred tax liability						21,721
Total liabilities						391,591

3. Operating segments (continued)

Consolidated - 2017	Australia $'000	New Zealand $'000	North America $'000	Others and Eliminations $'000	Total $'000
Revenue					
Sales of services	55,084	22,503	4,781	-	82,368
Sales of goods	49,401	4,606	32,524	-	86,531
Total sales revenue	104,485	27,109	37,305	-	168,899
Other revenue	2,370	1,142	98	(1,030)	2,580
Total revenue	106,855	28,251	37,403	(1,030)	171,479
EBIT	11,552	7,726	(2,164)	(1,356)	15,758
Finance costs	(4,548)	(2,069)	(2,573)	1,437	(7,753)
Profit/(loss) before income tax benefit	7,004	5,657	(4,737)	81	8,005
Income tax benefit					641
Profit after income tax benefit					8,646
Material items include:					
Manufacturing costs	(20,526)	(4,362)	-	-	(24,888)
Cost of goods sold	(41,383)	(4,142)	(30,950)	-	(76,475)
Other expenses	(25,441)	(8,820)	(5,628)	(418)	(40,307)
Depreciation and amortisation	(13,494)	(6,254)	(1,307)	-	(21,055)
Employee benefits expenses	(15,486)	(1,309)	(1,672)	-	(18,467)
Assets					
Segment assets	223,389	52,757	56,881	(16,561)	316,466
Unallocated assets:					
Deferred tax asset					296
Total assets					316,762
Total assets includes:					
Investments in associates	5,953	-	-	-	5,953
Acquisition of non-current assets	34,345	11,958	91,503	-	137,806
Liabilities					
Segment liabilities	112,420	38,666	57,497	(558)	208,025
Unallocated liabilities:					
Deferred tax liability					7,321
Total liabilities					215,346

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

4. Revenue

	Consolidated	
	2018 $'000	**2017 $'000**
Other Revenue		
Revenue from deferred gain on sale and leaseback transactions	1,568	1,602
Retail parts sales	222	167
Repairs income	58	82
Miscellaneous	2,045	729
Total other revenue	3,893	2,580

5. Expenses

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Depreciation expense	(27,776)	(20,918)
Amortisation expenses	(713)	(137)
Total depreciation and amortisation expense	(28,489)	(21,055)
Finance costs		
Finance charges payable under finance leases and hire purchase contracts	(11,361)	(7,059)
Other finance charges	(2,198)	(695)
Finance costs expensed	(13,559)	(7,754)
Net foreign exchange loss		
Net foreign exchange loss	(334)	(668)
Employee benefits expense includes		
Wages and salaries	(31,649)	(15,141)
Workers' compensation costs	(756)	(260)
Superannuation costs	(2,799)	(1,178)

6. Income tax

The major components of income tax expense are:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Income tax expense/(benefit)		
Current tax	3,405	2,630
Deferred tax - origination and reversal of temporary differences	11,646	6,256
Tax losses recognised	(7,704)	(7,559)
Tax uplift on formation of tax consolidated group	-	(2,311)
Non-deductible acquisition costs	314	343
Aggregate income tax expense/(benefit)	7,661	(641)
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	716	(3,456)
Increase in deferred tax liabilities	10,930	9,712
Deferred tax - origination and reversal of temporary differences	11,646	6,256
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit before income tax (expense)/benefit	26,864	8,005
Tax at the statutory tax rate of 30%	8,059	2,402
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income on associates	(788)	(175)
Variance due to differing corporate tax rates in offshore entities	(240)	(411)
Tax uplift on formation of tax consolidated group	-	(2,311)
Prior year tax adjustment	280	(36)
Non-assessable interest income	-	(420)
Non-deductible acquisition costs	314	343
Adjustment due to future tax rates	(16)	-
Other	52	(33)
Income tax expense/(benefit)	7,661	(641)

6. Income tax (continued)

	Consolidated 2018 $'000	Consolidated 2017 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	16,437	7,615
Unearned income	617	2,257
Provisions	1,048	557
Capital raising costs	732	925
Unearned profits on leaseback	945	1,374
Other	1,583	226
Deferred interest	-	533
Property, plant and equipment	-	946
Inventories	130	148
Set off against deferred tax liability based on jurisdiction	(21,492)	(14,285)
Deferred tax asset	-	296
Movements:		
Opening balance	296	2,635
Credited/(charged) to profit or loss	(716)	3,456
Additions through business combinations (note 32)	114	115
Tax losses recognised / (utilised)	7,704	7,559
Capital raising costs	(191)	816
Set off against deferred tax liability based on jurisdiction	(7,207)	(14,285)
Closing balance	-	296

	Consolidated 2018 $'000	Consolidated 2017 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	27,364	20,470
Inventories	9,930	11
Prepayments	380	386
Intangible assets	5,534	739
Set off deferred tax asset based on jurisdiction	(21,492)	(14,285)
Other	5	-
Deferred tax liability	21,721	7,321
Movements:		
Opening balance	7,321	11,155
Charged to profit or loss	10,930	9,712
Additions through business combinations (note 32)	10,677	739
Set off deferred tax asset based on jurisdiction	(7,207)	(14,285)
Closing balance	21,721	7,321

6. Income tax (continued)

Note: deferred tax assets and deferred tax liabilities have been offset in each tax jurisdiction on the statement of financial position.

	Consolidated	
	2018 $'000	2017 $'000
Income tax refund due	-	1,452

	Consolidated	
	2018 $'000	2017 $'000
Income tax payable	2,580	1,005

Deferred tax assets are recognised in relation to carried forward tax losses to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has elected to recognise deferred tax assets on tax losses as it expects to generate future taxable profits to utilise the deferred tax assets. At 30 June 2018, tax entities within the Group cumulatively have $nil (2017: nil) of tax effected unrecognised tax losses available to respective entities which generated them. The Group has losses that arose in USA of $13,207,000 and Canada of $3,108,000. The tax losses in USA are available indefinitely whereas in Canada can be utilised in 20 years.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously, unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Apollo Tourism & Leisure Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Australian Tax Group consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

6. Income tax (continued)

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

7. Earnings per share

	Consolidated	
	2018 $'000	2017 $'000
Profit after income tax attributable to the owners of Apollo Tourism & Leisure Ltd	19,203	8,646
	Cents	Cents
Basic earnings per share	10.63	8.89
Diluted earnings per share	10.63	8.89
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	180,621,581	97,201,915
Weighted average number of ordinary shares used in calculating diluted earnings per share	180,621,581	97,201,915

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Apollo Tourism & Leisure Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

8. Cash and cash equivalents

	Consolidated	
	2018 $'000	2017 $'000
Cash at bank and in hand	36,637	48,599

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Trade and other receivables

	Consolidated 2018 $'000	Consolidated 2017 $'000
Trade receivables	6,982	6,151
Less: Provision for impairment of receivables	-	(12)
	6,982	6,139
Other receivables	586	27
	7,568	6,166

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $2,198,000 as at 30 June 2018 ($3,810,000 as at 30 June 2017).

The Consolidated Entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
0 to 30 days overdue	1,785	2,102
31 to 60 days overdue	338	855
Over 60 days overdue	75	853
	2,198	3,810

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

10. Inventories

	Consolidated 2018 $'000	Consolidated 2017 $'000
Raw materials	6,840	4,370
Work in progress	782	596
Retail vehicles for sale	47,964	29,958
Used rental vehicles for sale	26,785	10,048
Stock in transit and spare parts	7,878	2,125
	90,249	47,097

Accounting policy for inventories
Raw materials, work in progress and vehicles for sale are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials, purchase and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit and spare parts are stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

11. Prepayments and other current assets

	Consolidated 2018 $'000	Consolidated 2017 $'000
Prepayments	5,342	3,878
Deposits	5,259	4,635
	10,601	8,513

12. Investments accounted for using the equity method

	Consolidated 2018 $'000	Consolidated 2017 $'000
Investment in CanaDream Corporation	-	4,264
Investment in Camplify Co (Australia) Pty Ltd	1,474	1,689
	1,474	5,953

Refer to note 32 - 'Business Combinations' for further information regarding the investment in Canadream Corporation as the remaining 79.78% of the shares were acquired on 11 July 2017.

12. Investments accounted for using the equity method (continued)

Interests in associates

During October 2009, the Group acquired an initial shareholding in CanaDream Corporation for $2.274m. CanaDream Corporation was, until July 2017, a publicly listed Canadian RV rental and ex-fleet sales company. The Group was able to exert significant influence through its representation on the Board of CanaDream Corporation. The investment was previously equity accounted for as an investment in an associate, and the Group's share of associates profits were recognised within the share of profit/(loss) of associate's in the consolidated profit and loss statement. The financial statements of CanaDream Corporation were prepared for a different reporting period as the Group, being the year ended 30 April 2017. When necessary, adjustments have been made to bring the accounting policies in line with those accounting policies of the Group.

On 11 July 2017, the Consolidated Entity acquired the remaining shares of CanaDream Corporation. Please refer to note 32 for more information.

On 8 February 2017, the Group acquired a 24.95% shareholding in Camplify Co (Australia) Pty Ltd ("Camplify"), a peer to peer RV and caravan sharing company, for cash consideration of $1,750,000.

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Consolidated Entity are set out as follows:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2018 %**	**2017 %**
CanaDream Corporation*	Canada	100.00%	20.22%
Camplify Co (Australia) Pty Ltd	Australia	24.95%	24.95%

* Refer to note 31, Interest in subsidiaries.

12. Investments accounted for using the equity method (continued)

Summarised financial information

	CanaDream Corporation* 2018 $'000	CanaDream Corporation 2017 $'000	Camplify Co (Australia) Pty Ltd 2018 $'000	Camplify Co (Australia) Pty Ltd 2017 $'000
Summarised statement of financial position				
Current assets	-	20,255	1,231	1,854
Non-current assets	-	55,673	237	189
Total assets	-	75,928	1,468	2,043
Current liabilities	-	19,271	692	198
Non-current liabilities	-	35,063	58	-
Total liabilities	-	54,334	750	198
Net assets	-	21,594	718	1,845
Summarised statement of profit or loss and other comprehensive income				
Revenue	5,501	57,820	669	129
Cost of sales	(3,160)	(50,604)	(65)	-
Administrative expenses	-	-	(1,839)	(623)
Finance costs	(186)	(1,533)	-	-
Profit/(loss) before income tax	2,155	5,683	(1,235)	(494)
Income tax (expense)/benefit	(594)	(1,428)	370	-
Profit/(loss) after income tax	1,561	4,255	(865)	(494)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	1,561	4,255	(865)	(494)
Reconciliation of the Consolidated Entity's carrying amount				
Opening carrying amount	4,264	3,032	1,689	1,750
Share of profit/(loss) after income tax	315	644	(215)	(61)
Additional shares acquired through common control transaction	-	588	-	-
Fair Value Adjustment prior to acquisition	2,533	-	-	-
De-recognition on consolidation	(7,112)	-	-	-
Closing carrying amount	-	4,264	1,474	1,689
Quoted fair value	-	7,205	-	-

CanaDream Corporation values are presented in Australian Dollars. The fair value of the Group's investment in CanaDream Corporation was revalued at the time of acquisition at a share price of CAD$1.77 (2017: CAD$1.84), converted into Australian Dollars.

Given that Camplify Co (Australia) Pty Ltd is not a listed entity, there is no quoted fair value.

Camplify Co (Australia) Pty Ltd is presented in Australian Dollars.

*CanaDream Corporation includes results for the period before control was gained, 11 July 2017.

12. Investments accounted for using the equity method (continued)

The associates had no contingent liabilities or capital commitments as at 30 June 2018 or 2017.

13. Property, plant and equipment

	Consolidated 2018 $'000	Consolidated 2017 $'000
Land and buildings - at cost	35,788	-
Less: Accumulated depreciation	(1,356)	-
	34,432	-
Plant and equipment - at cost	31,346	25,550
Less: Accumulated depreciation	(17,942)	(17,849)
	13,404	7,701
Motor vehicles under finance lease	329,223	232,971
Less: Accumulated depreciation	(58,085)	(52,490)
Less: Impairment	(20)	(20)
	271,118	180,461
	318,954	188,162

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out in the following table:

Consolidated	Motor vehicles under finance leases $'000	Property, plant and equipment $'000	Land and buildings $'000	Total $'000
Balance at 1 July 2016	123,087	6,538	-	129,625
Additions	83,116	2,317	-	85,433
Additions through business combinations (note 32)	40,372	1,052	-	41,424
Disposals	-	(15)	-	(15)
Exchange differences	(428)	43	-	(385)
Impairment of assets	(20)	-	-	(20)
Transfers in/(out)	(46,743)	-	-	(46,743)
Depreciation expense*	(18,923)	(2,234)	-	(21,157)
Balance at 30 June 2017	180,461	7,701	-	188,162
Additions	128,889	7,985	7,676	144,550
Additions through business combinations (note 32)	69,070	3,079	27,125	99,274
Disposals	(51,016)	(1,380)	-	(52,396)
Exchange differences	3,687	46	140	3,873
Transfers in/(out)	(36,343)	-	-	(36,343)
Depreciation expense*	(23,630)	(4,027)	(509)	(28,166)
Balance at 30 June 2018	271,118	13,404	34,432	318,954

* (i) Depreciation charged to profit and loss for the year comprises depreciation expense of $28,166,000 (2017: $21,157,000) and $390,407 (2017: $259,399) capitalised as part of the cost of motor vehicle manufacture.

13. Property, plant and equipment (continued)

During the period, the Group acquired property, plant and equipment with an aggregate cost of $128,889,000 (2017: $83,116,000) 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.

Property, plant and equipment secured under finance leases
Refer to note 33 for further information on property, plant and equipment secured under finance leases.

Accounting policy for land and buildings
Buildings are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land has an unlimited useful life and is therefore not depreciated.

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is primarily calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. Certain assets are depreciated on a diminishing value basis.

Useful lives and diminishing value rates for each class of asset are as follows:

Buildings	40 years.
Leasehold improvements	3-10 years.
Plant and equipment	3-7 years (7% - 50% diminishing value).
Plant and equipment under lease	2-5 years.
Motor vehicles	5-13 years (18% - 25% diminishing value).

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

14. Intangibles

	Consolidated 2018 $'000	Consolidated 2017 $'000
Goodwill - at cost	20,033	6,365
Customer relationships - at cost	4,488	-
Less: Accumulated amortisation	(344)	-
	4,144	-
Software - at cost	1,144	10
Less: Accumulated amortisation	(125)	(9)
	1,019	1
Brand names	14,933	2,250
Customer deposits	443	303
Less: Accumulated amortisation	(443)	(137)
	-	166
	40,129	8,782

Reconciliations
Reconciliations of the written down values of intangibles at the beginning and end of the current and previous financial year are set out in the following table:

Consolidated	Goodwill $'000	Customer Relationships $'000	Software $'000	Brand Names $'000	Customer Deposits $'000	Total $'000
Balance at 1 July 2016	-	-	-	87	-	87
Additions through business combinations (note 32)	6,365	-	1	2,163	303	8,832
Amortisation expense	-	-	-	-	(137)	(137)
Balance at 30 June 2017	6,365	-	1	2,250	166	8,782
Additions	-	-	211	-	-	211
Additions through business combinations (note 32)	13,921	4,509	915	12,760	140	32,245
Exchange differences	(253)	(73)	7	(77)	-	(396)
Amortisation expense	-	(292)	(115)	-	(306)	(713)
Balance at 30 June 2018	20,033	4,144	1,019	14,933	-	40,129

Goodwill and intangible assets with indefinite lives
For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the consolidated entity’s cash generating units (CGU), or group of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or groups of units to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes which is also an operating segment. Therefore goodwill is allocated to the Australia, North America and Europe groups of CGUs. Brand names are allocated to the CGUs that use the brand names.

14. Intangibles (continued)

Carrying amount of goodwill and brand names allocated to each of the CGU's or groups of CGUs:

	Goodwill 2018 $'000	Brand Names 2018 $'000	Goodwill 2017 $'000	Brand Names 2017 $'000
Australia	8,344	-	6,365	-
Apollo Investments Pty Ltd	-	1,508	-	1,508
Sydney RV Group Pty Ltd	-	742	-	742
Apollo RV West Pty Ltd	-	1,261	-	-
North America	3,725	-	-	-
Canadream Corporation	-	9,017	-	-
Europe	7,964	-	-	-
Camperco Ltd	-	2,405	-	-
	20,033	14,933	6,365	2,250

Key assumptions used in value in use calculations and sensitivity to changes in assumptions for goodwill
The recoverable amount of the CGU's is determined based on value-in-use calculations, which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board covering one year. Cash flows beyond the one year period are extrapolated using the following estimated growth rates stated. These growth rates do not exceed the long-term average growth rates for the industry in which each CGU operates. Capital expenditure and disposal proceeds are estimated based on current costs of manufacture or purchase cost and realisable recoverable value.

Significant assumptions used for the purposes of the goodwill value in use calculation include:

	Australia	North America	Europe
Period of cash flows	5 years	5 years	5 years
Average revenue and variable cost growth rate	5%	5%	5%
Fixed cost growth rate	2.5%	2.5%	2.5%
Pre-tax discount rate	14.6%	11.9%	11.4%
Terminal value growth	2.5%	2.5%	2.5%

Foreign exchange is accounted for using spot rate at year end.

These assumptions have been used for the analysis of each CGU. The Board budgeted EBITDA is based on past performance and its expectations for the future. The discount rates used reflect specific risks relating to the relevant CGU and the countries in which they operate.

Impact of possible changes in key assumptions -
As disclosed in note 2, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

A reasonably possible change in the most sensitive assumptions have the following impact:

- Discount rate - A 0.5% increase in the discount rate, in isolation, would result in the excess of recoverable amounts for Australia CGU of $23,220,000, North America CGU of $43,566,000 and Europe CGU of $8,951,000.
- Revenue and variable cost growth rate - A decrease greater than 1.6% for Australia, 2.8% for North America and 3.7% for Europe would result in an impairment.
- Terminal growth rate - a 0.5% reduction, in isolation, would result in the excess of recoverable amounts for Australia CGU of $28,087,000, North America CGU of $46,767,000 and Europe CGU of $9,272,000.

The re-testing of value in use using these sensitised assumptions confirmed no impairment charge.

14. Intangibles (continued)

The Group performed its annual impairment test in June 2018, which was the first year that the Group performed detailed value in use impairment testing as a fair value less cost of disposal method was applied in the prior year, given the proximity of the acquisitions made to the prior year end. The fair value less costs to dispose at 30 June 2017 was determined based on the actual statutory EBIT (historical performance) which was presented to the Board as part of the financial review process and calculated using an applicable multiple range.

Key assumptions used in assessment of brand name intangibles:
The recoverable value of brand names has been determined with reference to the relief from royalty method used to determine fair values. There have been no significant changes to the events and circumstances, which would suggest the fair value of brand names would be less than the asset's carrying amount at 30 June 2018.

Significant assumptions used for the purposes of assessing brand names for impairment include:

	Apollo RV West Pty Ltd	Apollo Investments Pty Ltd	Sydney RV Group Pty Ltd	Canadream Corporation
Period of cash flows	20 years	20 years	20 years	20 years
Average revenue growth rate	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rate	16.6%	16.6%	16.6%	13.9%
Terminal value growth	2.0%	2.0%	2.0%	2.0%
Royalty rate	0.5%	0.6%	0.5%	4.4%

Foreign exchange is accounted for using spot rates at year end.

A reasonably possible change in the assumptions applied will not result in an impairment of brand names.

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Deferred tax liabilities are recognised in relation to indefinite life intangible assets where the carrying value will be recovered through use. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The amortisation method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Brand Names
Brand names are identified and primarily recognised at the time of a business combination and recorded at their fair value, if their fair value can be measured reliably. Brand names are not amortised on the basis that they have an indefinite life and are reviewed annually. Expenditure incurred in maintaining brand names is expensed in the period in which it is occurred.

Customer deposits
Customer deposits acquired in a business combination represent the outstanding forward orders at the date of acquisition. Customer deposits are amortised on a straight-line basis over the period of their expected benefit of 3-6 months.

14. Intangibles (continued)

Customer relationships
Customer relationships are identified and primarily recognised at the time of a business combination and recorded at their fair value, if their fair value can be measured reliably. Customer relationships are amortised over the expected lie of the customer.

Impairment Charge
For the period ended 30 June 2018 there has been no impairment charge (2017: nil).

15. Other non-current assets

	Consolidated	
	2018 $'000	2017 $'000
Prepayments	-	298
Security deposits	3,020	1,444
	3,020	1,742

Security deposits relate primarily to deposits over leased properties.

16. Trade and other payables

	Consolidated	
	2018 $'000	2017 $'000
Trade payables	18,480	11,064
Sundry accruals	9,089	5,424
	27,569	16,488

Refer to note 28 for further information on financial risk management objectives and policies.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

17. Borrowings - current

	Consolidated	
	2018 $'000	2017 $'000
Bank loans (i)	840	-
Floor Plan (ii)	28,110	20,014
Hire purchase (iii)	155,563	91,880
	184,513	111,894

Refer to note 28 for further information on financial risk management objectives and policies.

(i) Bank loans
Bank loans relates to the current portion of mortgages over land and buildings. Interest rates applicable at 30 June 2018 range from 4.15% to 4.20% p.a.

17. Borrowings - current (continued)

(ii) Floor plan
Floor plan facilities are maintained to fund the inventory of new motorhomes and caravans held for resale at Apollo's retail sales outlets. Terms are interest only for the first six months and then interest plus principal of between 5% to 10% p.a. (2017: 5% to 15% p.a.). For some lenders, balances are secured through retention of title until point of sale.

(iii) Obligations under finance leases and hire purchase contracts
The Group's obligations under finance leases and hire purchase contracts are secured by the lessor's title to the leased assets. Interest rates applicable at 30 June 2018 on term loans to finance the rental fleet and Australian capitalised lease obligations range from 5% to 8% p.a. (2017: 5% to 8% p.a.).

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2018 $'000	2017 $'000
Total facilities		
Bank overdraft	19	19
Bank loans	16,628	-
Floor plan	39,100	26,000
Hire purchase contracts	300,620	210,577
	356,367	236,596
Used at the reporting date		
Bank overdraft	-	-
Bank loans	16,628	-
Floor plan	28,110	20,014
Hire purchase contracts	255,692	148,667
	300,430	168,681
Unused at the reporting date		
Bank overdraft	19	19
Bank loans	-	-
Floor plan	10,990	5,986
Hire purchase contracts	44,928	61,910
	55,937	67,915

18. Borrowings - non-current

	Consolidated	
	2018 $'000	2017 $'000
Bank loans	15,788	-
Obligations under finance leases and hire purchase contracts	100,129	56,787
	115,917	56,787

Refer to note 28 for further information on financial risk management objectives and policies.

18. Borrowings - non-current (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2018 $'000	2017 $'000
Bank loans	16,628	-
Floor plan	28,110	20,014
Obligations under finance leases and hire purchase contracts	255,692	148,667
	300,430	168,681

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

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right at balance date to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

19. Provisions - current

	Consolidated	
	2018 $'000	2017 $'000
Long service leave	313	228
Employee benefits	2,195	1,251
Warranties	294	207
Lease straight lining provision	116	48
Contingent consideration	1,652	-
	4,570	1,734

Contingent consideration
The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

Warranties
The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Accounting policy for provisions
Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

19. Provisions - current (continued)

Accounting policy for employee benefits

Short-term employee benefits and long service leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

20. Provisions - non-current

	Consolidated	
	2018 **$'000**	**2017** **$'000**
Long service leave	207	181
Lease straight lining provision	779	-
Contingent consideration	1,597	-
	2,583	181

Contingent consideration
The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

21. Unearned income - current

	Consolidated	
	2018 **$'000**	**2017** **$'000**
Other unearned income - current	3,094	275
Rental income in advance	22,448	10,261
Customer bonds held	3,447	4,661
	28,989	15,197

Rental income in advance relates to booking fees paid by rental customers in advance of service delivery.

Customer bonds are security deposits held by the Company during rentals and deposits held for retail vehicle sales.

22. Other liabilities - current

	Consolidated	
	2018	2017
	$'000	$'000
Deferred gain relating to sale and lease back transactions - current	1,391	1,459

The sale and lease back arrangement is between the Australian and New Zealand manufacturing entities which produce all units purchased by the rental operations in those countries through financiers. The gain reflects the adjustment for internalised profits which is deferred over the lease period for rental vehicles.

23. Other liabilities - non current

	Consolidated	
	2018	2017
	$'000	$'000
Deferred gain relating to sale and lease back transactions - non current	1,758	3,120
Other non-current liabilities	-	160
	1,758	3,280

The sale and lease back arrangement is between the Australian and New Zealand manufacturing entities which produce all units purchased by the rental operations in those countries through financiers. The gain reflects the adjustment for internalised profits which is deferred over the lease period for rental vehicles.

24. Issued capital

	Consolidated			
	2018	2017	2018	2017
	Shares	Shares	$'000	$'000
Ordinary shares - fully paid	182,519,479	179,944,265	79,799	75,679

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2016	13,320		1
Shares transferred out - Apollo Ultimate Holdings Pty Ltd:		(13,320)	$0.00	-
- Founding Shareholders		94,960,000	$0.17	16,465
- The Public	4 November 2016	50,000,000	$1.00	50,000
Payment to founding shareholders	4 November 2016	-	$0.00	(30,000)
Costs associated with Public Offering		-	$0.00	(809)
Shares issued as partial consideration of Sydney RV Group Pty Ltd acquisition	8 February 2017	157,829	$1.39	219
Shares issued as partial consideration of Kratzmann acquisition	26 May 2017	680,082	$1.33	905
Shares issued in rights issue	7 June 2017	34,146,354	$1.18	40,293
Costs associated with rights issue		-	$0.00	(1,395)
Balance	30 June 2017	179,944,265		75,679
Shares issued as partial consideration of Camper Co acquisition	26 March 2018	2,575,214	$1.60	4,120
Balance	30 June 2018	182,519,479		79,799

24. Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Dividend reinvestment plan
The legal parent company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price, as the Directors may determine.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Consolidated Entity's goals, when managing capital, is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these covenants is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Other than the availability of public equity capital following the Consolidated Entity's admission to the Australian Securities Exchange, the Group's overall capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

25. Reserves

	Consolidated	
	2018	**2017**
	$'000	**$'000**
Foreign currency translation reserve	220	720
Common control reserve	(13,821)	(13,821)
	(13,601)	(13,101)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

25. Reserves (continued)

Common control reserve
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, which represented fair value of the net assets, was determined by the Directors of Apollo Tourism & Leisure Ltd at $16.464 million . The consideration was paid through the issue of shares in Apollo Tourism & Leisure Ltd. As this transaction involved entities under common control, the Directors 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 did 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.

26. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2018 $'000	2017 $'000
Final dividend for the year ended 30 June 2017 of 2.0 cents per ordinary share (fully franked)	3,599	-
Interim dividend for the year ended 30 June 2018 of 2.0 cents (2017: 0.5 cents) per ordinary share (fully franked)	3,599	726
	7,198	726

At the date of signing the financial report, the Directors have recommended a final unfranked dividend of 3.0 cents per share at a record date of 29 August 2018, which is expected to be paid on 13 September 2018.

The final dividend for the period ended 30 June 2018 will be subject to the Company's recently implemented dividend reinvestment plan ('DRP'). Eligible shareholders will be able to participate in the DRP with shares expected to be issued at a 2% discount to the volume weighted average price ('VWAP') of the Company's shares over the 5 days following the record date and will rank equally with all other shares.

Franking credits

	Consolidated	
	2018 $'000	2017 $'000
Franking credits available at the reporting date based on a tax rate of 30% (2017: 30%)	(533)	1,787
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	903	1,843
Franking credits available for subsequent financial years based on a tax rate of 30%	370	3,630

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

27. Retained profits

	Consolidated 2018 $'000	Consolidated 2017 $'000
Retained profits at the beginning of the financial year	38,838	30,918
Profit after income tax (expense)/benefit for the year	19,203	8,646
Dividends paid (note 26)	(7,198)	(726)
Retained profits at the end of the financial year	50,843	38,838

28. Financial risk management objectives and policies

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks including market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is performed by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity has investments in foreign operations in New Zealand, United States of America, Canada and Europe whose net assets are exposed to foreign currency translation risk. This risk is managed primarily through borrowing denominated in the relevant foreign currencies.

The following tables demonstrate the sensitivity to a reasonably possibly change in New Zealand Dollar, United States Dollar and Canadian Dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	AUD strengthened			AUD weakened		
Consolidated - 2018	**% change**	**Effect on profit before tax $'000**	**Effect on pre-tax equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on pre-tax equity $'000**
New Zealand Dollar	5%	(1,568)	(1,568)	5%	1,732	1,732
United States Dollar	5%	(3,173)	(3,173)	5%	3,507	3,507
Canadian Dollar	5%	(3,318)	(3,318)	5%	3,667	3,667
		(8,059)	(8,059)		8,906	8,906

28. Financial risk management objectives and policies (continued)

	AUD strengthened			AUD weakened		
Consolidated - 2017	**% change**	**Effect on profit before tax $'000**	**Effect on pre-tax equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on pre-tax equity $'000**
New Zealand Dollar	5%	(1,539)	(1,539)	5%	1,701	1,701
United States Dollar	5%	(1,976)	(1,976)	5%	2,184	2,184
		(3,515)	(3,515)		3,885	3,885

Price risk
The Consolidated Entity does not have any financial instruments subject to any significant price risk.

Interest rate risk
The Consolidated Entity's main interest rate risk arises from long-term borrowings, cash and cash equivalents and advances to subsidiaries. Borrowings obtained at variable rates expose the Consolidated Entity to interest rate risk. Borrowings obtained at fixed rates expose the Consolidated Entity to fair value interest rate risk. Approximately 80% (2017: 90%) of the Group's borrowings are at fixed rates, which minimises any short term downside impact of interest rate increases but limits any benefit from interest rate reductions.

The following table shows the impact of a 1 percent interest rates movement up or down in long-term borrowings, cash and cash equivalents and advances to subsidiaries and the impact that this interest rates change has on reported net profit before tax. A 1 percent change is considered a reasonable possible change based on prior year movements.

	Basis points increase			Basis points decrease		
Consolidated - 2018	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Variable rate borrowings	100	(528)	370	100	528	(370)

	Basis points increase			Basis points decrease		
Consolidated - 2017	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**Basis points change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Variable rate borrowings	100	(292)	205	100	292	(205)

Credit risk
The Group has no significant concentrations of credit risk. Policies are in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or through major credit cards.

The Group has numerous credit terms for various customers. The terms vary from pre-payment, cash, monthly terms and longer depending on the service and goods provided and the customer relationship. Collateral is not normally required beyond credit card imprints for rental bonds. All trade receivables are individually reviewed regularly for impairment as part of normal operating procedures and, where appropriate, provision is made. Trade receivables less than three months old are not considered impaired. Overdue amounts that have not been provided for relate to customers that have a reliable trading credit history and no recent history of default.

Liquidity risk
Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

28. Financial risk management objectives and policies (continued)

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2018 $'000	2017 $'000
Bank overdraft	19	19
Floor plan	10,990	5,986
Hire purchase contracts	44,928	61,910
	55,937	67,915

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements. These covenants are calculated monthly and reported to banks quarterly. The most significant covenants relating to capital management are Net Interest Bearing Debt to EBITDA ratio, an equity to total assets ratio (net of intangible assets) and minimum shareholders' equity. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or procedures for managing capital during the years ended 30 June 2018 and 2017.

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and, therefore, these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	More than 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	27,569	-	-	-	27,569
Contingent consideration liability	-	-	1,662	1,622	-	3,284
Interest-bearing						
Bank loans	-	363	1,087	4,131	13,727	19,308
Hire purchase	30	10,008	154,197	105,488	874	270,597
Floorplan	28,110	-	-	-	-	28,110
Total non-derivatives	28,140	37,940	156,946	111,241	14,601	348,868

28. Financial risk management objectives and policies (continued)

Consolidated - 2017	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	-	16,488	-	-	16,488
Interest-bearing					
Hire purchase	43	8,404	88,387	61,167	158,001
Floorplan	20,014	-	-	-	20,014
Total non-derivatives	20,057	24,892	88,387	61,167	194,503

The cash flows in this maturity analysis are not expected to occur significantly earlier than contractually disclosed.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Changes in liabilities arising from financing activities:

	1 July 2017 $'000	Cash flows $'000	Acquisitions $'000	Foreign exchange movements $'000	Fair value changes $'000	30 June 2018 $'000
Bank loans	-	(836)	17,377	87	-	16,628
Floorplan	20,014	1,157	6,939	-	-	28,110
Obligations under finance leases and hire purchase contracts	148,667	39,961	65,119	1,945	-	255,692
	168,681	40,282	89,435	2,032	-	300,430

Seasonality

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 3. New Zealand and Australia's profits are typically generated over the southern hemisphere summer months and North American and European operations experiencing stronger profits over the northern hemisphere summer.

29. Fair value measurement

Fair value hierarchy
The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

29. Fair value measurement (continued)

Consolidated - 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Contingent consideration liability (note 32)	-	-	3,249	3,249
Obligations under finance lease and hire purchase (Australia)	-	76,178	-	76,178
Obligations under finance lease and hire purchase (New Zealand)	-	31,698	-	31,698
Obligations under finance lease and hire purchase (US)	-	69,715	-	69,715
Obligations under finance lease and hire purchase (Canada)	-	68,387	-	68,387
Obligations under finance lease and hire purchase (UK)	-	9,714	-	9,714
Floating rate borrowings (Australia)	-	28,110	-	28,110
Floating rate borrowings (Canada)	-	16,628	-	16,628
Total liabilities	-	300,430	3,249	303,679

Consolidated - 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Obligations under finance lease and hire purchase (Australia)	-	68,094	-	68,094
Obligations under finance lease and hire purchase (New Zealand)	-	30,749	-	30,749
Obligations under finance lease and hire purchase (US)	-	49,824	-	49,824
Floating rate borrowings (Australia)	-	20,014	-	20,014
Total liabilities	-	168,681	-	168,681

There were no transfers between levels during the financial year.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent Consideration $'000	Total $'000
Balance at 1 July 2016	-	-
Balance at 30 June 2017	-	-
Additions	3,346	3,346
Interest	6	6
Exchange differences	(103)	(103)
Balance at 30 June 2018	3,249	3,249

Contingent consideration is valued by determining the weighted-average probability of payment scenarios to calculate the weighted-average payout. The provision is then discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost. A 10% decrease in the assumed probability of achieving the target EBIT of Camperco Group Limited results is a decrease in fair value of the contingent consideration of $695,000. A 5% increase in the assumed probability of achieving the EBIT target of Camperco Group Limited would have a $146,000 increase in the contingent consideration.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or, in the absence of a principal market, in the most advantageous market.

29. Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers in the current year.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

30. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2018 $'000	2017 $'000
Profit after income tax (expense)/benefit for the year	19,203	8,646
Adjustments for:		
Depreciation and amortisation	28,879	21,314
Share of profit - associates	(100)	(583)
Foreign exchange differences	334	530
Rebate adjustments	212	161
Net (profit)/loss on disposal of property, plant and equipment	67	-
Transfer of ex-fleet vehicles to inventory	68,117	42,638
Fair value gain on revaluation of investment	(2,533)	-
Decrease in deferred gain relating to sale and leaseback transactions	(1,430)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	167	(4,687)
Decrease/(increase) in inventories	(14,637)	662
Decrease/(increase) in income tax refund due	1,452	(306)
Decrease/(increase) in deferred tax assets	400	(1,934)
Increase in prepayments	(2,022)	(3,068)
Increase in trade and other payables	5,105	2,180
Increase/(decrease) in provision for income tax	1,090	(643)
Increase/(decrease) in deferred tax liabilities	3,807	(2,505)
Increase in unearned income	583	4,131
Increase/(decrease) in other liabilities	(160)	(655)
Increase in provisions	1,420	276
Net cash from operating activities	109,954	66,157

31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest 2018 %	Parent Ownership interest 2017 %
Apollo Motorhome Ultimate Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%
Apollo Motorhome Holdings (Aus) Pty Ltd	Australia	Holding company	100.00%	100.00%
Cheapa Campa Pty Ltd	Australia	Name holding company, non-trading	100.00%	100.00%
GRL Enterprises Pty Ltd	Australia	Labour hire	100.00%	100.00%
Talvor Motorhomes Pty Ltd	Australia	IP holding company	100.00%	100.00%
Apollo Motorhome Holidays Pty Ltd	Australia	RV rentals and sales	100.00%	100.00%
Apollo Motorhome Industries Pty Ltd	Australia	RV manufacturing	100.00%	100.00%
Hippie Camper Pty Ltd	Australia	Name holding company, non-trading	100.00%	100.00%
Sydney RV Group Pty Ltd	Australia	RV sales	100.00%	100.00%
Apollo Motorhome Holdings (NZ) Pty Ltd	Australia	Holding company	100.00%	100.00%
Apollo Motorhome Holidays Ltd	New Zealand	RV rentals and sales	100.00%	100.00%
Talvor Motorhomes Ltd	New Zealand	RV manufacturing	100.00%	100.00%
Hippie Camper Ltd	New Zealand	Name holding company, non-trading	100.00%	100.00%
Cheapa Campa Ltd	New Zealand	Name holding company, non-trading	100.00%	100.00%
Apollo Car Hire Ltd	New Zealand	Name holding company, non-trading	100.00%	100.00%
Apollo Finance Pty Ltd	Australia	Investment company, non-trading	100.00%	100.00%
Winnebago RV Pty Ltd	Australia	Name holding company, non-trading	100.00%	100.00%
Apollo Motorhome Holidays LLC (USA)	United States of America	RV rentals and sales	100.00%	100.00%
Apollo Investments Pty Ltd	Australia	RV sales	100.00%	100.00%
ATL Canada Ltd	Canada	Holding company	100.00%	100.00%
Canadream Corporation*	Canada	RV rentals and sales	100.00%	20.22%
Apollo RV West Pty Ltd	Australia	RV sales	100.00%	-
Apollo Tourism & Leisure UK Ltd	United Kingdom	Holding company	100.00%	-
Camperco Group Ltd	United Kingdom	Holding company	100.00%	-
Bunk Campers Ltd	United Kingdom	RV rentals and sales	100.00%	-
Nomad Campervans Ltd	United Kingdom	RV manufacturing	100.00%	-
Camperco Ltd	United Kingdom	RV sales	100.00%	-
Camperworks Ltd	United Kingdom	Online accessories sales	100.00%	-
Blue Quadrant Leisure Ltd	United Kingdom	RV rentals and sales	100.00%	-
1032779 BC Ltd	Canada	Property holding company	100.00%	-

*In the prior year, the Group did not have control of Canadream Corporation and, therefore, the assets, liabilities and results were not included in the consolidated financial statements. Canadream Corporation was treated as an associate investment under the equity method, with the Group's share of profit being recognised in the profit of the Group.

32. Business combinations

Completed valuations
On 8 February 2017, the Group acquired 100% of the share capital of Sydney RV Group Pty Ltd, a major new and used caravan and motorhome retailer in New South Wales. In February 2018, the valuation was completed and the acquisition date fair value of the acquired intangibles was $907,000 and corresponding goodwill was $704,000, which remains unchanged from provisional amounts disclosed at 30 June 2017.

On 26 May 2017, the Group acquired 100% of the assets of Kratzmann Caravans and Clint's Caravan Warehouse, a major new and used caravan and motorhome retailer in Queensland. In May 2018, the valuation was completed and the acquisition date fair value of the acquired intangibles was $1,557,000 and corresponding goodwill was $5,660,000, which remains unchanged from provisional amounts disclosed at 30 June 2017.

On 11 July 2017, the Group acquired the remainder of the voting shares in CanaDream Corporation, a Canadian RV rental and ex-fleet sales company, in which the Company had previously held 20.22% of the ordinary voting shares. In July 2018, the valuation was completed and the acquisition date fair value of the acquired intangibles was $12,139,000 and corresponding goodwill was $3,725,000, which remains unchanged from provisional amounts disclosed at 31 December 2017.

Acquisition of businesses
During the 2017 financial year, the Consolidated Entity made the following acquisitions:

- On 11 July 2017, the Group acquired the remaining 79.78% of the voting shares in CanaDream Corporation, having previously held 20.22%.
- On 31 August 2017, the Group acquired 100% of the of assets, including the brand names, of George Day Caravans.
- On 26 March 2018, the Group acquired 100% of the shares in Camperco Group Limited.

<u>CanaDream Corporation</u>

On 11 July 2017, the Group acquired the remainder of the voting shares in CanaDream Corporation, a Canadian RV rental and ex-fleet sales company, in which the Company had previously held 20.22% of the ordinary voting shares (with a fair value of $7,112,000). The additional shares were acquired for $28,084,000 (at fair value), resulting in a total investment value of $35,196,000. The acquired business contributed revenues of $59,177,000 and a profit after tax of $3,846,000 to the Group for the period from 11 July 2017 to 30 June 2018.

<u>George Day Caravans</u>

On 31 August 2017, the Group acquired 100% of the assets of the George Day Caravans business, a Perth based RV retail business, for total consideration of $10,624,000. The acquired business contributed revenues of $31,981,000 and a profit after tax of $397,000 to the Group for the period from 31 August 2017 to 30 June 2018. The values identified in relation to the acquisition are provisional as at 30 June 2018.

<u>Camperco Group Limited</u>
On 26 March 2018, the Group acquired 100% of the shares of Camperco Group Limited, one of the largest independent motorhome rental sales operators in the United Kingdom and Ireland, for total consideration of $11,586,000. The acquired business contributed revenues of $2,829,000 and a profit after tax of $255,000 to the Group for the period from 27 March 2018 to 30 June 2018. The values identified in relation to the acquisition are provisional as at 30 June 2018.

Contingent consideration
As part of the purchase agreement with the previous owner of Camperco Group Limited, an amount of contingent consideration has been agreed, which consists of additional cash and equity payments, in equal amounts, to the previous owners of:

- $1,831,000, if the entity generates up to £1,100,000 of EBIT in the calendar year to 31 December 2018, plus an additional £0.01 for each £100 amount by which the EBIT exceeds £1,100,000. If EBIT is below £825,000, no payment will be made. If EBIT is between £825,000 and £1,100,000, the payment will be pro-rata.
- $1,831,000, if the entity generates up to £2,000,000 of EBIT in the calendar year to 31 December 2019, plus an additional £0.01 for each £100 amount by which the EBIT exceeds £2,000,000. If EBIT is below £1,500,000, no payment will be made. If EBIT is between £1,500,000 and £2,000,000, the payment will be pro-rata.

32. Business combinations (continued)

As at the acquisition date, the fair value of the contingent consideration was estimated to be $3,346,000. Contingent consideration has been valued by determining the weighted-average probability of payment scenarios to calculate the weighted-average payout. The provision was then discounted using a current pre-tax rate specific to the liability. A reconciliation of the fair value measurement of the contingent consideration is provided below:

As at 26 March 2018	
Liability arising on business combination	3,346
Interest	6
Exchange Differences	(103)
As at 30 June 2018	3,249

If the CanaDream Corporation, George Day Caravans and Camperco Group acquisitions had occurred on 1 July 2017 (the beginning of the reporting period), the adjusted Group consolidated revenue for the financial year would have been $371,537,000 and the consolidated Group profit after tax would have been $19,320,000.

32. Business combinations (continued)

Details of the acquisitions are as follows:

	CanaDream Corporation Final	George Day Caravans Provisional	Camperco Group Limited Provisional
	Fair value $'000	Fair value $'000	Fair value $'000
Cash and cash equivalents	21,766	-	1,017
Trade receivables	713	28	39
Other receivables	-	-	748
Inventories	1,602	8,759	2,371
Guest fleet	59,199	-	9,871
Other assets	960	47	213
Land and buildings	27,125	-	-
Property, plant and equipment	2,760	169	150
Brands and trademarks	9,017	1,262	2,481
Customer deposits	-	140	-
Software	907	-	8
Customer relationships	2,215	-	2,294
Deferred tax asset	-	77	37
Trade payables	(2,613)	(138)	(2,371)
Provision for income tax	-	-	(537)
Deferred tax liability	(9,349)	(421)	(907)
Employee benefits	(264)	(258)	(28)
Unearned income	(10,237)	(990)	(1,829)
Interest bearing loans and borrowings	(72,330)	-	(10,166)
Other liabilities	-	(30)	(22)
Net assets acquired	31,471	8,645	3,369
Goodwill	3,725	1,979	8,217
Acquisition-date fair value of the total consideration transferred	35,196	10,624	11,586
Representing:			
Cash paid or payable to vendor	28,084	3,685	4,120
Apollo Tourism & Leisure Ltd shares issued to vendor	-	-	4,120
Contingent consideration	-	-	3,346
Existing equity holding	7,112	-	-
Direct settlement to financier	-	6,939	-
	35,196	10,624	11,586
Acquisition costs expensed to profit or loss (included in Acquisition costs)	(155)	(127)	(633)
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	35,196	10,624	11,586
Less: cash and cash equivalents	(21,766)	-	(1,017)
Less: contingent consideration	-	-	(3,346)
Less: shares issued by Company as part of consideration	-	-	(4,120)
Less: Direct settlement to financier	-	(6,939)	-
Less: existing equity holding	(7,112)	-	-
Net cash used	6,318	3,685	3,103

32. Business combinations (continued)

Goodwill (not expected to be tax deductible) arose in the business combinations because as at the date of acquisition the consideration paid for the combination included amounts in relation to the benefit of expected synergies and future revenue and profit growth from the businesses acquired.

The Group issued 2,575,214 ordinary shares as part consideration for the purchase of Camper Co Group Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was $1.60 per share. The fair value of the consideration given was therefore $4,120,000.

The fair value of the trade receivables amounts to $780,000 across all three acquisitions, which is equal to the gross amount. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

A gain of $2,533,000 was recognised in the profit and loss as a result of remeasuring the fair value of the existing equity interest in CanaDream before control was obtained. This amount is included in the revaluation of investment line item in the statement of profit or loss and other comprehensive income.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated Entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated Entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date.

33. Commitments

	Consolidated	
	2018	2017
	$'000	$'000
Finance lease and hire purchase commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	164,235	62,692
One to five years	105,488	95,309
More than five years	874	-
Total commitment	270,597	158,001
Less: Future finance charges	(14,905)	(9,335)
Net commitment recognised as liabilities	255,692	148,666
Operating lease commitments - where the group company is a lessee		
The Group leases various branches and offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.		
Within one year	7,087	5,949
One to five years	18,488	13,425
More than five years	13,877	2,188
	39,452	21,562
Operating lease commitments - motor vehicles and other		
The Group has entered into operating lease agreements for motor vehicles with Financier on 18 month lease terms in the current year.		
Other commitments relate to IT services.		
Within one year	1,558	532
One to five years	114	20
	1,672	552

On 21 June 2018, the Group announced that it had entered into a conditional agreement to acquire the brands Fleetwood RV, Coromal and Windsor and associated intellectual property for a purchase price of $1,000,000.

34. Related party transactions

Parent entity
Apollo Tourism & Leisure Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Associates
Interests in associates are set out in note 12.

Key management personnel
Disclosures relating to key management personnel are set out in note 35 and the remuneration report included in the Directors' report.

34. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2018 $	Consolidated 2017 $
Other income:		
Administration fees received from Campstay Pty Ltd (Director-related entity of L Trouchet)	46,000	43,222
Payment for other expenses:		
Rental expenses paid to KL One Trust (Director-related entity of L Trouchet and K Trouchet)	66,973	-
Rental expenses paid to Eastglo Pty Ltd (Director-related entity of L Trouchet and K Trouchet)	168,000	158,400
Capital raising fees and paid to Morgans Corporate Limited (a Director-related entity of S Mitchell)	-	2,277,447

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2018 $	Consolidated 2017 $
Current payables:		
Trade payables (rent) Eastglo Pty Ltd (director related entity of L Trouchet and K Trouchet)	54,120	29,040
Trade payables (rent) KL One Trust (director related entity of L Trouchet and K Trouchet)	27,626	-

Loans to/from related parties
All related party receivables balances, including those transactions with entities under common control, were settled as part of the corporate reorganisation on 30 September 2016.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

35. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out in the following table:

	Consolidated 2018 $	Consolidated 2017 $
Short-term employee benefits	1,705,553	1,818,187
Post-employment benefits	108,685	116,646
Long-term benefits	41,736	29,330
	1,855,974	1,964,163

Further details regarding key management personnel remuneration are set out in the Directors' Report.

36. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	Consolidated	
	2018	2017
	$	$
Audit services - Ernst & Young		
Audit or review of the financial statements	629,280	344,110
Other services - Ernst & Young		
Taxation services	103,750	220,840
Due diligence	325,000	383,504
Services in connection with the Initial Public Offering	-	498,727
Other advisory services	137,000	-
	565,750	1,103,071
	1,195,030	1,447,181

37. Parent entity information - supplementary information

Statement of profit or loss and other comprehensive income

	Parent	
	2018	2017
	$'000	$'000
Profit after income tax	7,198	726
Total comprehensive income	7,198	726

Statement of financial position

	Parent	
	2018	2017
	$'000	$'000
Total current assets	-	1,452
Total assets	63,296	59,176
Total current liabilities	-	-
Total liabilities	-	-
Equity		
Issued capital	63,296	59,176
Total equity	63,296	59,176

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity entered into a deed of cross guarantee on 16 June 2017. Please refer to note 38 for further information regarding the deed of cross guarantee. The parent also has guarantees in place for its subsidiary's financiers in New Zealand. The parent has no other guarantees in relation to the debts of its subsidiaries as at 30 June 2018.

37. Parent entity information - supplementary information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent.

38. Deed of cross guarantee

The following entities are party to a deed of cross guarantee, entered into on 16 June 2017, under which each company guarantees the debts of the others:

- Apollo Tourism & Leisure Ltd.
- Apollo Motorhome Ultimate Holdings Pty Ltd.
- Apollo Motorhome Holdings (Aus) Pty Ltd.
- Apollo Motorhome Holdings (NZ) Pty Ltd.
- GRL Enterprises Pty Ltd.
- Talvor Motorhomes Pty Ltd.
- Apollo Motorhome Holidays Pty Ltd.
- Apollo Motorhome Industries Pty Ltd.
- Hippie Camper Pty Ltd.
- Sydney RV Group Pty Limited.
- Apollo Finance Pty Ltd.
- Winnebago RV Pty Ltd.
- Apollo Investments Pty Ltd.
- Apollo RV West Pty Ltd.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' reports under the *Corporations (Wholly-owned Companies) Instrument 2016/785* issued by the Australian Securities and Investments Commission.

These companies represent a 'Closed Group' for the purposes of the Corporations Instrument.

38. Deed of cross guarantee (continued)

A consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group' is set out in the following table:

Statement of profit or loss and other comprehensive income	**2018 $'000**	**2017 $'000**
Sales of services	60,741	55,083
Sales of goods	145,057	49,401
Other revenue	2,358	2,369
Revaluation of investment	2,533	-
Cost of goods sold	(126,339)	(41,383)
Motor vehicle running expenses	(18,570)	(15,461)
Advertising, promotions and commissions paid	(3,018)	(1,960)
External acquisition costs	(1,006)	(1,664)
Employee benefits expense	(21,094)	(16,036)
Depreciation and amortisation expense	(13,253)	(13,494)
Rental costs on land and buildings	(5,539)	(2,751)
Share of profit/(loss) in associates	100	799
Other expenses	(3,818)	(3,054)
Finance costs	(4,978)	(4,549)
Profit before income tax (expense)/benefit	13,174	7,300
Income tax (expense)/benefit	(3,359)	747
Profit after income tax (expense)/benefit	9,815	8,047
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	9,815	8,047

Equity - retained profits	**2018 $'000**	**2017 $'000**
Retained profits at the beginning of the financial year	8,047	-
Profit after income tax (expense)/benefit	9,815	8,047
Retained profits at the end of the financial year	17,862	8,047

38. Deed of cross guarantee (continued)

Statement of financial position	**2018 $'000**	**2017 $'000**
Current assets		
Cash and cash equivalents	8,446	40,744
Trade and other receivables	2,622	2,282
Inventories	68,448	42,378
Income tax refund receivable	-	1,453
Prepayments and other current assets	5,625	4,686
	85,141	91,543
Non-current assets		
Receivables - non-current	-	10,374
Investments accounted for using the equity method	1,474	5,953
Property, plant and equipment	94,928	88,721
Intangibles	11,855	8,780
Other non-current assets	1,972	17,456
	110,229	131,284
Total assets	195,370	222,827
Current liabilities		
Trade and other payables	14,598	12,162
Borrowings - current	56,557	45,674
Income tax payable	903	-
Employee benefits	1,946	1,265
Provisions - current	1,189	256
Unearned income - current	10,000	8,479
Other liabilities - current	256	345
	85,449	68,181
Non-current liabilities		
Borrowings - non-current	47,730	42,433
Deferred tax liability	8,501	6,154
Employee benefits	207	181
Unearned income - non-current	-	160
Other liabilities - non current	-	905
	56,438	49,833
Total liabilities	141,887	118,014
Net assets	53,483	104,813

39. Events after the reporting period

On 2 July 2018, the Group entered into an agreement to lease a premises at 583 Grand Junction Road, Gepps Cross, South Australia. The lease commenced on 1 August 2018 for a period of 3 years. The total lease commitment for this lease is $818,000, which includes a three month lease incentive.

On 15 August 2018, the Group entered into a Heads of Agreement to lease a premises at 9 Richard Pearse Drive, Airport Oaks, Auckland, New Zealand. The proposed lease will commence on 1 February 2019 for a period of 10 years, with early access granted from 20 December 2018. The total lease commitment for this lease is $888,560 p.a., with fixed annual increases of 2.5%.

On 10 August 2018, the Group paid $1,000,000 for the purchase of the brands Fleetwood RV, Coromal and Windsor and associated intellectual property. At the date of this financial report, fair value calculations are under consideration, making it impracticable to provide details of the fair value of the assets and liabilities acquired in the transaction.

39. Events after the reporting period (continued)

Apart from the dividend declared as disclosed in note 26, no other matter or circumstance has arisen since 30 June 2018 that has 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.

Apollo Tourism & Leisure Ltd
Directors' declaration
30 June 2018

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 38 to the financial statements.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Luke Trouchet
Director

22 August 2018
Brisbane

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent Auditor's Report to the Members of Apollo Tourism & Leisure Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Apollo Tourism & Leisure Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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 year then ended, 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 Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards 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 Group 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* (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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Business Acquisitions

Why significant	How our audit addressed the key audit matter
The Group acquired the following businesses in the 2018 financial year: • CanaDream Corporation on 11 July 2018, for consideration of $35.2M • George Day Caravans for consideration of $10.6M on 31 August 2017, and • CamperCo Group Limited on 26 March 2018 for estimated consideration of $11.6M. Australian Accounting Standards require the purchase price for each acquisition to be allocated between the acquired assets and liabilities, which has resulted in the recognition of tangible, intangible assets and goodwill. This purchase price allocation process involved significant judgement by the group related to the valuation of brand names and customer deposit intangibles for the respective businesses. Valuations of intangible assets are inherently complex and judgemental. In addition, consideration for the CamperCo acquisition includes a deferred component which is contingent upon future earnings. These acquisitions are significant to the entity and given the judgements involved in the purchase accounting exercise, this was considered to be a key audit matter. Disclosures related to these acquisitions are contained in Note 32.	Our procedures included consideration of the terms of each purchase agreement, the consideration paid and the Group's allocation of the purchase price to the acquired assets and liabilities, including intangibles. We considered whether the Group correctly identified acquired intangible assets (including brand names and trademarks) and liabilities (including customer deposits, deferred revenue and contingent consideration), and their assessment of fair values. We involved our valuation specialists to assess whether appropriate valuation models were used and to assess underlying assumptions. With respect to the contingent consideration associated with the CamperCo acquisition, we considered the forecast results of the business acquired upon which the contingent consideration recorded has been based. The assumptions underlying those forecasts were compared with historical trading performance, results since the acquisition date, the forward bookings at year end and the Group's planned development of the businesses. The adequacy of the company's disclosures in the financial report regarding these acquisitions was also assessed.

Impairment of goodwill and other intangible assets with indefinite useful lives

Why significant	How our audit addressed the key audit matter
At 30 June 2018, the intangible assets balance was $40.1M, and comprised Goodwill of $20.0M and indefinite life brand names and trademarks of $14.9M. In accordance with Australian Accounting Standards, the Group tests the carrying value of goodwill and other intangible assets with an indefinite life for impairment at least annually. The Group's impairment assessment of goodwill and other identifiable assets involves critical accounting estimates and assumptions, including where applicable using discounted cash flow forecasts to determine value in use of the assets. Based on the annual impairment test, the Board concluded that no impairment was identified. The annual impairment test was significant to our audit because the amounts involved are significant, the extent of judgement made by the Group in identifying cash generating units (CGUs), and the Group's ability to achieve planned growth and forecast cash flows which is based on assumptions that are affected by expected future market and economic conditions. Refer to Note 14 of the financial report.	Our audit procedures included the assessment of key inputs and assumptions used in the valuation models. We considered the underlying cash flow forecasts and the historical reliability of the Group's cash flow forecasts. We compared discount rates and growth rates to externally available industry, economic and financial data and the Group's own historical data and performance. Our valuation specialists were involved in the assessment of the reasonableness of assumptions and the valuation methodologies used. We considered the Group's related disclosures in the notes to the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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 Company 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 17 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Apollo Tourism & Leisure Ltd for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Mike Reid
Partner
Brisbane
22 August 2018