

## Appendix 4E

### Preliminary Final Report to the Australian Stock Exchange

Name of Entity	AIRCruising Australia Limited
ABN	25 010 484 938
Financial Year Ended	30 <sup>th</sup> JUNE 2010
Previous Corresponding Reporting Period	30 <sup>th</sup> JUNE 2009

#### Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	\$5,695,296	+0.84%
Profit / (loss) from ordinary activities after tax attributable to members	(\$435,232)	+ 32.1%
Net profit / (loss) for the period attributable to members	(\$435,232)	+ 32.1%
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
<p><b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b></p> <p>The directors report a consolidated loss of \$435,232 for the year (2009 loss \$640,635). The result includes an adjustment of \$143,057 being write down in the value of prepaid marketing as at 1<sup>st</sup> July 2009 required by accounting standard AASB 138 "Intangibles".</p> <p><b>Touring Division-</b> recovery of sentiment has been gradual resulting in a static turnover with decreased operational costs providing an improved result on the previous year. Various plans have been investigated to grow the touring division beyond its current operation to take advantage of an expected continual improvement in consumer sentiment.</p> <p><b>Select Parks Pty Limited</b> results for the year are again affected by two incidents of flooding at the Bellinger River Tourist Park. We have faced a major hurdle in retaining guests' confidence in the park after the unprecedented occurrences of flooding last year. The trading results of the park over the past four months have been encouraging and we are experiencing substantial growth in both occupancy and revenues over the 2008 (pre flood) levels</p> <p>The directors are confident of an improved result in this financial year.</p>		

### Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

### NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	-10.6 cents	-7.1 cents

### Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Net current liabilities have increased from (\$3,026,738) to (\$3,857,199).

The major causes for the adverse net liabilities is the purchase from cash resources in the year 2003 of the building at Alexandria and purchase of the Repton Riverside Tourist Park in December 2007.

The further movement in the 2010 financial year is a direct result of the trading loss.

### Commentary on the Results for the Period

**The earnings per security and the nature of any dilution aspects :**

	<u>2009</u>	<u>2010</u>
Earnings per security	-5.34 cents	-3.63 cents

**Returns to shareholders including distributions and buy backs :**

None

**Significant features of operating performance :**

Please refer to "other significant information" on page one of this report

**The results of segments that are significant to an understanding of the business as a whole:**

	<u>2009</u>	<u>2010</u>
Profit of Economic Entity pre Caravan Park	(458,242)	(247,933)
Profit from Caravan Park	(182,393)	(187,299)
Net Profit Economic Entity	(\$640,635)	(\$435,232)

**Discussion of trends in performance :**

Indications are since the start of the new financial year that bookings are on the upward trend

**Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:**


Nil

**Audit/Review Status**

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited	Yes	The accounts have been subject to review	N/A
The accounts are in the process of being audited or subject to review	N/A	The accounts have not yet been audited or reviewed	N/A
<b>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</b>			
N/A			
<b>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</b>			
<p>The accounts have been prepared on a departure from accounting standard AASB 136 "Impairment of Assets".</p> <p>The assets of Select Parks Pty Limited have been valued at \$2,000,000 compared to a book written down value of \$2,626,295.</p> <p>The directors are of the view that the recent improved trading conditions are not reflected in the valuation.</p>			

**Attachments Forming Part of Appendix 4E**

Attachment #	Details
	Income Statement
	Balance Sheet
	Changes in Equity Statement of Cash Flows Controlled Entities Notes to the Consolidated Financial Statements

<b>Signed By (Director)</b>	
	
<b>Print Name: Jan Musgrave</b>	
<b>Date: 31st August 2010</b>	

**AIRCruising AUSTRALIA LIMITED & CONTROLLED ENTITIES**  
**A.B.N. 25 010 484 938**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	NOTES	CONSOLIDATED GROUP		PARENT ENTITY	
		2010	2009	2010	2009
SALES REVENUE	2	\$ 5,695,296	\$ 5,647,666	\$ 4,936,212	\$ 5,023,453
COST OF SALES		(4,370,641)	(4,203,153)	(3,896,189)	(3,839,488)
GROSS PROFIT		1,324,655	1,444,513	1,040,023	1,183,965
OTHER INCOME	2	14,980	22,268	138,692	54,701
MARKETING EXPENSE		(895,496)	(1,216,162)	(870,329)	(1,191,491)
ADMINISTRATION EXPENSE		(604,936)	(646,681)	(508,406)	(612,929)
FINANCE COSTS	3	(153,907)	(128,383)	(8,081)	(5,863)
DEPRECIATION AND AMORTISATION EXPENSE	3	(120,528)	(116,190)	(69,545)	(78,420)
PROFIT BEFORE INCOME TAX EXPENSE		(435,232)	(640,635)	(277,646)	(650,037)
INCOME TAX EXPENSE	4	-	-	-	-
PROFIT FOR THE YEAR		(435,232)	(640,635)	(277,646)	(650,037)
OTHER COMPREHENSIVE INCOME:		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR.		(435,232)	(640,635)	(277,646)	(650,037)
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(435,232)	(640,635)	(277,646)	(650,037)

BASIC EARNINGS PER SHARE  
DILUTED EARNINGS PER SHARE

19	(3.63 cents)	(5.34) cents	-	-
19	(3.63 cents)	(5.34) cents	-	-

The accompanying notes form part of these financial statements.

**AIRCRUISING AUSTRALIA LIMITED & CONTROLLED ENTITIES**  
**A.B.N. 25 010 484 938**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	NOTES	CONSOLIDATED GROUP		PARENT ENTITY	
		2010	2009	2010	2009
<b>ASSETS</b>		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	557,445	987,718	355,039	570,232
Trade and other receivables	6	127,616	65,451	2,516,435	2,403,991
Inventories	7	74,577	97,885	71,204	93,996
Other Current Assets	8	294,743	307,130	259,396	286,037
<b>TOTAL CURRENT ASSETS</b>		<b>1,054,381</b>	1,458,184	<b>3,202,074</b>	3,354,256
<b>NON- CURRENT ASSETS</b>					
Other financial assets	9	-	-	18,201	18,201
Property, plant & equipment	10	2,772,891	2,480,371	935,387	1,002,212
Intangible assets	11	1,280,624	1,292,677	96,478	108,531
<b>TOTAL NON CURRENT ASSETS</b>		<b>4,053,515</b>	3,773,048	<b>1,050,066</b>	1,128,944
<b>TOTAL ASSETS</b>		<b>5,107,896</b>	5,231,232	<b>4,252,140</b>	4,483,200
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Advance deposits		784,236	1,189,649	659,879	1,008,000
Trade and other payables	12	1,375,577	1,052,205	4,099,523	3,653,912
Borrowings	13	2,696,817	2,181,162	16,878	37,404
Short term provisions	14	54,950	61,906	48,944	61,163
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,911,580</b>	4,484,922	<b>4,825,224</b>	4,760,479
<b>NON CURRENT LIABILITIES</b>					
Borrowings	13	55,711	161,985	-	-
Other long term provisions	14	35,166	43,654	25,495	43,654
Deferred tax liabilities	15	99,514	99,514	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>190,391</b>	305,153	<b>25,495</b>	43,654
<b>TOTAL LIABILITIES</b>		<b>5,101,971</b>	4,790,075	<b>4,850,719</b>	4,804,133
<b>NET ASSETS</b>		<b>5,925</b>	441,157	<b>(598,579)</b>	(320,933)
<b>EQUITY</b>					
Issued Capital	16	4,800,000	4,800,000	4,800,000	4,800,000
Accumulated Losses		(4,794,075)	(4,358,843)	(5,398,579)	(5,120,933)
<b>TOTAL EQUITY</b>		<b>5,925</b>	441,157	<b>(598,579)</b>	(320,933)

The accompanying notes form part of these financial statements

**AIRCruising AUSTRALIA LIMITED & CONTROLLED ENTITIES**  
**A.B.N. 25 010 484 938**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

	Ordinary Shares	2010 Retained Earnings	Total
<b><u>Consolidated Group</u></b>			
Balance at 1 July 2009	4,800,000	(4,358,843)	441,157
Profit attributable to members of the entity		(435,232)	(435,232)
<b>Balance at 30 June 2010</b>	<b>4,800,000</b>	<b>(4,794,075)</b>	<b>5,925</b>
	Ordinary Shares	2009 Retained Earnings	Total
Balance at 1 July 2008	4,800,000	(3,718,208)	1,081,792
Profit attributable to members of the entity		(640,635)	(640,635)
<b>Balance at 30 June 2009</b>	<b>4,800,000</b>	<b>(4,358,843)</b>	<b>441,157</b>
	Ordinary Shares	2010 Retained Earnings	Total
<b><u>Parent Entity</u></b>			
Balance at 1 July 2009	4,800,000	(5,120,933)	(320,933)
Profit attributable to members of the entity		(277,646)	(277,646)
<b>Balance at 30 June 2010</b>	<b>4,800,000</b>	<b>(5,398,579)</b>	<b>(598,579)</b>
	Ordinary Shares	2009 Retained Earnings	Total
Balance at 1 July 2008	4,800,000	(4,470,896)	329,104
Profit attributable to members of the entity		(650,037)	(650,037)
<b>Balance at 30 June 2009</b>	<b>4,800,000</b>	<b>(5,120,933)</b>	<b>(320,933)</b>

**STATEMENT OF CASHFLOWS  
YEAR ENDED 30 JUNE 2010**

	NOTES	CONSOLIDATED GROUP		PARENT ENTITY	
		2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		5,997,969	7,053,525	5,654,125	5,637,525
Payments to suppliers and employees		(6,282,703)	(8,652,431)	(5,776,047)	(7,298,288)
Finance costs		(167,342)	(128,383)	(8,081)	(5,863)
Interest received		13,418	19,574	4,144	51,887
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>18(a)</b>	<b>(438,658)</b>	<b>(1,707,715)</b>	<b>(125,859)</b>	<b>(1,614,739)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		(400,995)	(289,460)	(3,808)	(950)
Proceeds from sale of property, plant equipment		-	484	-	-
Loans to subsidiary - Net		-	-	(65,000)	1,858,050
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>(400,995)</b>	<b>(288,976)</b>	<b>(68,808)</b>	<b>1,857,100</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowing		578,418	1,727,946	-	-
Repayment of borrowings		(95,953)	(85,770)	(20,526)	(18,264)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>482,465</b>	<b>1,642,176</b>	<b>(20,526)</b>	<b>(18,264)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>(357,188)</b>	<b>(354,515)</b>	<b>(215,193)</b>	<b>224,097</b>
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>		<b>396,847</b>	<b>751,362</b>	<b>570,232</b>	<b>346,135</b>
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>5</b>	<b>39,659</b>	<b>396,847</b>	<b>355,039</b>	<b>570,232</b>

The accompanying notes form part of these financial statements



**AIRCruISING AUSTRALIA LIMITED & CONTROLLED ENTITIES**  
**A.B.N. 25 010 484 938**

**NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 JUNE 2010**

This financial report includes the consolidated financial statements and notes of Aircruising Australia Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Aircruising Australia Limited as an individual entity ('Parent Entity').

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation.**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

**Going Concern**

The financial statements have been prepared on a going concern basis. The economic entity has net current liabilities of \$3,857,199 (2009 (\$3,026,738)), this is mainly due to the purchase of fixed assets in the year 2003 of \$1,017,014 and 2008 of \$2,315,765 funded from cash resources.

It should be noted that current liabilities include an amount of \$784,236 (2009 \$1,189,649) of advance deposits from customers. The consolidated entity earned an operating loss from ordinary activities after tax of \$435,232 for the year ended 30th June 2010, compared with a loss of \$640,635 in the previous financial period.

The cash position of the consolidated entity has decreased in the current financial period with a positive cash of \$39,659 at 30th June 2010 (2009 \$396,847). The reduction is a direct result of the trading loss.

The ability of the consolidated entity to continue to trade as a going concern is dependent on the consolidated entity being able to obtain additional funding either from trading profitability or from continued support of the major shareholders and the bank. If the consolidated entity is unable to obtain such funding, they may be required to realise assets and extinguish liabilities and commitments other than in the ordinary course of business and at amounts which are different from those currently stated in the financial statements.