

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 th JUNE 2012
Previous Corresponding Reporting Period	30 th JUNE 2011

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	\$5,626,139	-8.1%
Profit / (loss) from ordinary activities after tax attributable to members	(\$644,822)	- 7.2%
Net profit / (loss) for the period attributable to members	(\$644,822)	- 7.2%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>The Directors report a consolidated loss of \$644,822 (2011 loss of \$601,646). The financial year continued with lower demand for domestic products, and stronger demand for international products. This has been addressed by the company by introducing increased products for international touring. A major contributor to the year's loss has been the Aircraft supplier walking away from a three year agreement on supply of Aircraft in favour of pursuing more lucrative contracts. We were given 4 week's notice, and have scrambled all year in endeavoring to secure alternate aircraft to operate programmes resulting in some departures being cancelled and higher than budgeted aviation costs.</p> <p>The 2013 financial year will see more emphasis on products with low fixed costs and high variable cost. Reliance on supply of Aircraft will become a smaller part of our business. Costs at the Bellinger River Tourist Park have been brought under control, however, business decreased over the last 6 months of the financial year. We assume due to the uncertain economic conditions and higher than usual rainfall during the Autumn months. January was affected by flooding again, the park being closed from two days before the Australia Day weekend for about 10 days.</p> <p>With lower cost base, as occupancy increases, we will be well placed to return to profit.</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	-20.8 cents	-15.5 cents

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

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Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :		
	<u>2011</u>	<u>2012</u>
Earnings per security	-5.37 cents	-5.00 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>2011</u>	<u>2012</u>
Profit of Economic Entity pre Caravan Park	(391,840)	(440,448)
Profit from Caravan Park	(209,806)	(204,374)
Net Profit Economic Entity	(\$601,646)	(\$644,822)

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

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	No	The accounts have been subject to review	N/A
The accounts are in the process of being audited or subject to review	Yes	The accounts have not yet been audited or reviewed	N/A
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:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
<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 \$1,685,000 (July 2011) compared to a book written down value of \$2,944,496.</p> <p>As mentioned last year, the Directors are still of the view that the increased investment in the Park will take time to return adequate results. The Valuation will be assessed again in the 2013 financial year.</p> <p>It should also be noted that the book figure of the Alexandria property is \$239,188 below the valuation of \$1,100,000. (June 2011)</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
Signed By (Director)	
Print Name: Jan Musgrave	
Date: 31st August 2012	

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	CONSOLIDATED GROUP	
		2012	2011
SALES REVENUE	2	\$ 5,626,139	\$ 6,122,939
COST OF SALES		(4,353,818)	(4,764,280)
GROSS PROFIT		1,272,321	1,358,659
OTHER INCOME	2	14,377	3,172
MARKETING EXPENSE		(1,018,772)	(988,553)
ADMINISTRATION EXPENSE		(585,299)	(689,977)
FINANCE COSTS	3	(221,909)	(175,123)
DEPRECIATION AND AMORTISATION EXPENSE	3	(105,540)	(109,824)
LOSS BEFORE INCOME TAX EXPENSE		(644,822)	(601,646)
INCOME TAX EXPENSE	4	-	-
LOSS FOR THE YEAR		(644,822)	(601,646)
OTHER COMPREHENSIVE INCOME:		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR.		(644,822)	(601,646)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(644,822)	(601,646)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(644,822)	(601,646)
BASIC EARNINGS PER SHARE	20	(5.37 cents)	(5.00 cents)
DILUTED EARNINGS PER SHARE	20	(5.37 cents)	(5.00 cents)

AIRCruising AUSTRALIA LIMITED & CONTROLLED ENTITIES

A.B.N. 25 010 484 938

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	NOTES	CONSOLIDATED GROUP	
		2012	2011
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	283,500	1,028,602
Trade and other receivables	6	48,194	46,912
Inventories	7	49,865	78,867
Other current assets	8	197,290	231,952
TOTAL CURRENT ASSETS		578,849	1,386,333
NON-CURRENT ASSETS			
Other financial assets	9	-	-
Property, plant & equipment	10	2,694,659	2,775,548
Intangible assets	11	1,256,518	1,268,570
TOTAL NON CURRENT ASSETS		3,951,177	4,044,118
TOTAL ASSETS		4,530,026	5,430,451
LIABILITIES			
CURRENT LIABILITIES			
Advance deposits		1,273,496	1,360,725
Trade and other payables	12	936,248	1,633,058
Borrowings	13	1,127,382	2,207,958
Short term provisions	14	35,648	76,908
TOTAL CURRENT LIABILITIES		3,372,774	5,278,649
NON CURRENT LIABILITIES			
Borrowings	13	2,236,723	637,566
Other long term provisions	14	61,558	10,443
Deferred tax liabilities	15	99,514	99,514
TOTAL NON CURRENT LIABILITIES		2,397,795	747,523
TOTAL LIABILITIES		5,770,569	6,026,172
NET ASSETS		(1,240,543)	(595,721)
EQUITY			
Issued Capital	16	4,800,000	4,800,000
Accumulated Losses		(6,040,543)	(5,395,721)
TOTAL EQUITY		(1,240,543)	(595,721)

AIRCruising AUSTRALIA LIMITED & CONTROLLED ENTITIES

A.B.N. 25 010 484 938

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

Consolidated Group	Ordinary Shares	2012 Retained Earnings	Total
Balance at 1 July 2011	4,800,000	(5,395,721)	(595,721)
Loss attributable to members of the entity	-	(644,822)	(644,822)
Balance at 30 June 2012	4,800,000	(6,040,543)	(1,240,543)

	Ordinary Shares	2011 Retained Earnings	Total
Balance at 1 July 2010	4,800,000	(4,794,075)	5,925
Loss attributable to members of the entity	-	(601,646)	(601,646)
Balance at 30 June 2011	4,800,000	(5,395,721)	(595,721)

AIRCruising AUSTRALIA LIMITED & CONTROLLED ENTITIES

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**STATEMENT OF CASHFLOWS
YEAR ENDED 30 JUNE 2012**

	NOTES	CONSOLIDATED GROUP	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,226,898	7,684,997
Payments to suppliers and employees		(6,848,771)	(7,037,954)
Finance costs		(204,898)	(166,220)
Interest received		4,457	2,954
NET CASH PROVIDED BY OPERATING ACTIVITIES	19	(822,314)	483,777
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(56,388)	(202,404)
Proceeds from sale of property, plant and equipment		49,607	96,788
NET CASH PROVIDED BY INVESTING ACTIVITIES		(6,781)	(105,616)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing		2,160,603	947,733
Repayment of borrowings		(1,879,126)	(534,435)
NET CASH USED IN FINANCING ACTIVITIES		281,477	413,298
NET INCREASE IN CASH HELD		(547,618)	791,459
CASH AT BEGINNING OF FINANCIAL YEAR		831,118	39,659
CASH AT END OF FINANCIAL YEAR	5	283,500	831,118