

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 2011
Previous Corresponding Reporting Period	30 th JUNE 2010

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	\$6,122,939	+7.5%
Profit / (loss) from ordinary activities after tax attributable to members	(\$601,646)	+ 38.2%
Net profit / (loss) for the period attributable to members	(\$601,646)	+ 38.2%
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 \$601,646 (2010 loss of \$435,232).</p> <p>Touring: Sales increased by 7.2% in a challenging environment. The strong Australian Dollar impacted upon the traditional domestic tours.</p> <p>Seven departures were achieved on the Lake Eyre programmes which partly offset the decline on other domestic programmes, but at a reduced margin.</p> <p>Reduced margin is also attributable to greater discounting to attract customers.</p> <p>Natural disasters also impacted upon our programmes, most notably Christchurch.</p> <p>Income from International programmes increased by 21%, and the longer term strategy of the company is to have a more balanced portfolio of products.</p> <p>Select Parks: The Bellinger River Tourist Park installed 4 x two bedrooms Villa's between October and December 2010. The full impact on increased revenue will be experienced in the 2012 financial year. Park Management has been restructured in June of this year with significant saving in overheads. Given consistent occupancy rates experienced in 2011 into 2012 year, the Park is planned to break even in 2012.</p>		

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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	-15.5 cents	-10.6 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 :		
Earnings per security	<u>2010</u> -3.63 cents	<u>2011</u> -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>2010</u>	<u>2011</u>
Profit of Economic Entity pre Caravan Park	(247,933)	(391,840)
Profit from Caravan Park	(187,299)	(209,806)
Net Profit Economic Entity	(\$435,232)	(\$601,646)

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:

The accounts have been prepared on a departure from accounting standard AASB 136 "Impairment of Assets".

The assets of Select Parks Pty Limited have been valued at \$1,685,000 compared to a book written down value of \$2,985,204.

The directors are of the view that as the method of valuation only takes into account 7 months income from the new Villa's, it does not reflect a fair assessment on the earning capacity of the Villa's both on an annualised basis and growth of sales over the ensuing 12 months. In addition, cost savings implemented in June of this year will further enhance the valuation.

It should also be noted that the book figure of the Alexandria property is \$213,779 below the valuation of \$1,100,000.

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 2011	

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	CONSOLIDATED GROUP	
		2011	2010
		\$	\$
SALES REVENUE	2	6,122,939	5,695,296
COST OF SALES		(4,764,280)	(4,370,641)
GROSS PROFIT		1,358,659	1,324,655
OTHER INCOME	2	3,172	14,980
MARKETING EXPENSE		(988,553)	(895,496)
ADMINISTRATION EXPENSE		(689,977)	(604,936)
FINANCE COSTS	3	(175,123)	(153,907)
DEPRECIATION AND AMORTISATION EXPENSE	3	(109,824)	(120,528)
LOSS BEFORE INCOME TAX EXPENSE		(601,646)	(435,232)
INCOME TAX EXPENSE	4	-	-
LOSS FOR THE YEAR		(601,646)	(435,232)
OTHER COMPREHENSIVE INCOME:		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR.		(601,646)	(435,232)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(601,646)	(435,232)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(601,646)	(435,232)
BASIC EARNINGS PER SHARE	19	(5.00 cents)	(3.63 cents)
DILUTED EARNINGS PER SHARE	19	(5.00 cents)	(3.63 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 2011

	NOTES	CONSOLIDATED GROUP	
		2011	2010
ASSETS		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	1,028,602	557,445
Trade and other receivables	6	46,912	127,616
Inventories	7	78,867	74,577
Other current assets	8	231,952	294,743
TOTAL CURRENT ASSETS		1,386,333	1,054,381
NON-CURRENT ASSETS			
Other financial assets	9	-	-
Property, plant & equipment	11	2,775,548	2,772,891
Intangible assets	12	1,268,570	1,280,624
TOTAL NON CURRENT ASSETS		4,044,118	4,053,515
TOTAL ASSETS		5,430,451	5,107,896
LIABILITIES			
CURRENT LIABILITIES			
Advance deposits		1,360,725	784,236
Trade and other payables	13	1,633,058	1,375,577
Borrowings	14	2,207,958	2,696,817
Short term provisions	15	76,908	54,950
TOTAL CURRENT LIABILITIES		5,278,649	4,911,580
NON CURRENT LIABILITIES			
Borrowings	14	637,566	55,711
Other long term provisions	15	10,443	35,166
Deferred tax liabilities	16	99,514	99,514
TOTAL NON CURRENT LIABILITIES		747,523	190,391
TOTAL LIABILITIES		6,026,172	5,101,971
NET ASSETS		(595,721)	5,925
EQUITY			
Issued Capital	17	4,800,000	4,800,000
Accumulated Losses		(5,395,721)	(4,794,075)
TOTAL EQUITY		(595,721)	5,925

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 2011

Consolidated Group	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)
	Ordinary Shares	2010 Retained Earnings	Total
Balance at 1 July 2009	4,800,000	(4,358,843)	441,157
Loss attributable to members of the entity		(435,232)	(435,232)
Balance at 30 June 2010	4,800,000	(4,794,075)	5,925

AIRCROSSING AUSTRALIA LIMITED & CONTROLLED ENTITIES
A.B.N. 25 010 484 938
STATEMENT OF CASHFLOWS
YEAR ENDED 30 JUNE 2011

	NOTES	CONSOLIDATED GROUP	
		2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,684,997	5,997,969
Payments to suppliers and employees		(7,037,954)	(6,282,703)
Finance costs		(166,220)	(167,342)
Interest received		2,954	13,418
NET CASH PROVIDED BY OPERATING ACTIVITIES	20	483,777	(438,658)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(202,404)	(400,995)
Proceeds from sale of property, plant and equipment		96,788	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		(105,616)	(400,995)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing		947,733	578,418
Repayment of borrowings		(534,435)	(95,953)
NET CASH USED IN FINANCING ACTIVITIES		413,298	482,465
NET INCREASE IN CASH HELD		791,459	(357,188)
CASH AT BEGINNING OF FINANCIAL YEAR		39,659	396,847
CASH AT END OF FINANCIAL YEAR	5	831,118	39,659