

Skydive the Beach

GROUP LIMITED

ACN 167 320 470



APPENDIX 4D AND HALF YEAR REPORT

For the half-year ended 31 December 2015





Skydive the Beach Group Limited and Controlled Entities
ACN: 167 320 470

Appendix 4D and Half Year Report
For the half year ended 31 December 2015

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Skydive the Beach Group Limited and Controlled Entities
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Appendix 4D
for the half year ended 31 December 2015

Results for announcement to the market

	Half-year ended 31-Dec-15 \$'000	Half-year ended 31-Dec-14 \$'000	Variance %
Revenue from ordinary activities	24,575	10,021	145.2%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)*	4,486	2,180	105.8%
Profit after tax	2,640	770	242.7%
Profit after tax attributable to members of the parent entity	2,640	770	242.7%

Acquisition of NZone Skydive

On 30 October 2015, Skydive (New Zealand) Ltd, a wholly-owned subsidiary, acquired all the shares in Skydive Queenstown Ltd, Skydive Glenorchy Ltd and Parachute Adventure Queenstown Ltd, being companies registered and trading within New Zealand and collectively known and marketed as NZone Skydive, for the consideration of NZ\$17million, including the purchase of loan accounts of NZ\$2,021,902.

Commentary on the Results

Following the acquisition of Australia Skydive Pty Ltd on 31 March 2015, Skydive the Beach Group Limited operated 16 skydiving drop zones across New South Wales, Queensland, Victoria and Western Australia.

Since then, the Group successfully completed an Accelerated Non-Renounceable Entitlement Offer (ANREO), as announced on 14 October 2015, which raised a total of \$19.6 million. These funds were primarily used to finance the acquisition of NZone Skydive, New Zealand's premier skydiving business in Queenstown, with two skydiving drop zones.

Presented in the directors' report is a summary of historical and current operating statistics and financial performance information which shows that actual tandem jumps increased by 128.9% and revenue increased by 145.2% compared to the same period last year. These results are partly due to the acquisition of Australia Skydive Pty Ltd, two months of trading following the acquisition of NZone Skydive, and continued growth of the original Group drop zones.

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity. A reconciliation between EBITDA and profit after income tax for the half year ended 31 December 2015 is included in the directors' report.

Dividends

On 30 October 2015, a fully franked dividend of \$0.01 per share was paid out of retained profits at 30 June 2015, amounting to \$2,937,297.

There have been no other dividends paid or declared during the period.

Net Tangible Assets

	31-Dec-15	30-Jun-15
Net assets per share	0.14	0.11
Net tangible assets per share	0.09	0.09

Half Year Report

The half year report of Skydive the Beach Group Limited for the half year ended 31 December 2015 is attached.

Audit status

The accounts were reviewed by the Group's auditors whose report is attached as part of the half year report for the half year ended 31 December 2015.

Anthony Boucaut
Chief Executive Officer

Anthony Ritter
Chief Financial Officer

29 February 2016

Skydive the Beach Group Limited and Controlled Entities
ACN: 167 320 470

Directors' Report

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Skydive the Beach Group Limited and its controlled entities for the half year ended 31 December 2015.

The following persons were directors of Skydive the Beach Group Limited during or since the end of the period up to the date of this report:

William Beerworth	Non-Executive Director and Chairman
Anthony Boucaut	Executive Director and Chief Executive Officer
Timothy Radford	Executive Director and Chief Operating Officer
Anthony Ritter	Executive Director and Chief Financial Officer
John Diddams	Non-Executive Director
Dr. Nigel Finch	Non-Executive Director (resigned 31/1/2016)

Principal Activities

The principal activity of the consolidated group during the period was the provision of skydiving experiences to the public, including tandem skydiving, night tandem skydiving, helicopter skydiving, learn to skydive courses, and skill development camps.

There were no significant changes in the nature of the consolidated group's principal activities during the period.

Operating Results and Review of Operations

Following the acquisition of Australia Skydive Pty Ltd on 31 March 2015, Skydive the Beach Group Limited operated 16 skydiving drop zones across New South Wales, Queensland, Victoria and Western Australia.

Since then, the Group successfully completed an Accelerated Non-Renounceable Entitlement Offer (ANREO), as announced on 14 October 2015, which raised a total of \$19.6 million. These funds were primarily used to finance the acquisition of NZone Skydive, New Zealand's premier skydiving business in Queenstown, with two skydiving drop zones.

Presented below is a summary of historical and current operating statistics and financial performance information, including a comparison of actual results for the year ended 31 December 2015 against the same period last year and compared to the Group's forecast guidance issued 12 October 2015. The results for the six months to 31 December 2015 include two months contribution from NZone Skydive.

	Half-year ended		%	FY 2016
	31-Dec-15	31-Dec-14		
	Actual	Actual	Variance	Forecast
Tandem Jumps	58,386	25,502	128.9%	130,381
Revenue (\$'000)	24,575	10,021	145.2%	54,900
EBITDA (\$'000)	4,486	2,180	105.8%	13,500
EBITDA (%) *	18.25%	21.75%		24.59%

Actual tandem jumps increased by 128.9% and revenue increased by 145.2%. These results are partly due to the acquisition of Australia Skydive Pty Ltd, two months of trading following the acquisition of NZone Skydive, and continued growth of the original Group drop zones.

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity. A reconciliation between EBITDA and profit after income tax for the half year ended 31 December 2015 is included below.

	Half-year ended	
	31-Dec-15	31-Dec-14
	\$'000	\$'000
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,486	2,180
Plus: Interest received	40	-
Less: Depreciation and amortisation	(1,419)	(511)
Less: Finance costs	(315)	(389)
Profit before tax	2,791	1,279
Income tax expense	(151)	(509)
Profit after tax	2,640	770

Skydive the Beach Group Limited and Controlled Entities
ACN: 167 320 470

Directors' Report

Outlook for the year ending 30 June 2016

	FY 2016 Forecast	FY 2015 Actuals	% Variance
Tandem Jumps	130,381	61,069	113.5%
Turnover (\$'000)	54,900	26,320	108.6%
EBITDA (\$'000)	13,500	6,025	124.1%
EBITDA (%)	24.6%	22.9%	

The Directors consider that tandem jump numbers, revenue and EBITDA expectations for the financial year ending 30 June 2016 are realistic and attainable if weather patterns are normal. Key financial and operational performance information will be reviewed regularly and strategies developed to aid in the achievement of these targets.

Dividends

On 30 October 2015, a fully franked dividend of \$0.01 per share was paid out of retained profits at 30 June 2015, amounting to \$2,937,297.

There have been no other dividends paid or declared during the period.

Significant Changes in State of Affairs

On 30 October 2015, Skydive (New Zealand) Ltd, a wholly-owned subsidiary, acquired all the shares in Skydive Queenstown Ltd, Skydive Glenorchy Ltd and Parachute Adventure Queenstown Ltd, being companies registered and trading within New Zealand and collectively known and marketed as NZone Skydive, for the consideration of NZ\$17million, including the purchase of loan accounts of NZ\$2,021,902.

Events Subsequent to the End of the Reporting Period

On 1 February 2016, Skydive Investments Pty Ltd, a wholly-owned subsidiary, acquired land and buildings for consideration of \$910,000 which is expected to be used solely for the purposes of carrying on business in the Group's skydiving operation at Mission Beach, Queensland.

ASIC Class Order 98/100 Rounding of Amounts

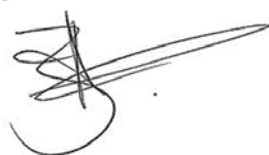
The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Auditor's Independence Declaration

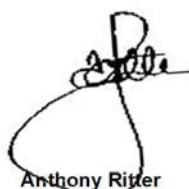
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found at page 18.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the directors



Anthony Boucaut
Chief Executive Officer



Anthony Ritter
Chief Financial Officer

29 February 2016

Skydive the Beach Group Limited and Controlled Entities
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2015

	Consolidated Group	
	Half Year Ended 31 December 2015 \$000	Half Year Ended 31 December 2014 \$000
Revenue	24,575	10,021
Cost of sales	<u>(14,076)</u>	<u>(5,103)</u>
Gross profit	10,499	4,918
Other income	228	295
Administration and corporate expenses	(4,692)	(762)
Occupancy expenses	(815)	(389)
Depreciation and amortisation expenses	(1,419)	(511)
Marketing, advertising and agents commission	(622)	(1,077)
Repairs and maintenance expenses	(67)	(119)
Finance costs	(315)	(389)
Other expenses	<u>(5)</u>	<u>(686)</u>
Profit before income tax	2,791	1,279
Income tax expense	<u>(151)</u>	<u>(509)</u>
Net profit for the period	2,640	770
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Revaluation of property plant and equipment, net of tax	20	-
Exchange differences on translation of foreign operations	<u>50</u>	<u>-</u>
Total other comprehensive income	<u>70</u>	<u>-</u>
Total comprehensive income for the period	<u>2,710</u>	<u>770</u>
 Earnings per share		
From continuing operations:		
Basic earnings per share (cents)	1.65	18.27
Diluted earnings per share (cents)	1.60	18.27

The accompanying notes form part of these financial statements.

Skydive the Beach Group Limited and Controlled Entities
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Consolidated Statement of Financial Position
as at 31 December 2015

	Note	Consolidated Group As at 31 December 2015 \$000	As at 30 June 2015 \$000
ASSETS			
Current assets			
Cash and cash equivalents	2	5,435	9,235
Trade and other receivables		1,925	1,979
Inventories		1,337	1,244
Other current assets		1,121	417
Current tax assets		70	-
Total current assets		<u>9,889</u>	<u>12,875</u>
Non-current assets			
Trade and other receivables		1,681	1,735
Property, plant and equipment	5	39,656	26,883
Intangible assets	6	18,278	7,624
Other financial assets		27	27
Total non-current assets		<u>59,641</u>	<u>36,269</u>
Total assets		<u>69,530</u>	<u>49,144</u>
LIABILITIES			
Current liabilities			
Trade and other payables		3,301	2,297
Deferred revenue		816	668
Borrowings		1,038	1,401
Provisions		472	391
Derivative liability		33	-
Current tax liabilities		1,854	1,021
Total current liabilities		<u>7,514</u>	<u>5,778</u>
Non-current liabilities			
Borrowings		8,806	8,218
Deferred tax liabilities		1,048	1,930
Provisions		47	33
Total non-current liabilities		<u>9,900</u>	<u>10,180</u>
Total liabilities		<u>17,415</u>	<u>15,958</u>
Net assets		<u>52,115</u>	<u>33,185</u>
Equity			
Issued capital	7	51,190	32,039
Retained earnings		2,171	2,468
Reserves		(1,246)	(1,322)
Total equity		<u>52,115</u>	<u>33,185</u>

The accompanying notes form part of these financial statements.

Skydive the Beach Group Limited and Controlled Entities
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Consolidated Statement of Changes in Equity
for the half year ended 31 December 2015

	Note	Issued Capital \$000	Retained Earnings \$000	Asset Revaluation Reserve \$000	Common Control Reserve \$000	Share Option Reserve \$000	Foreign Currency Translation Reserve \$000	Total \$000
Consolidated Group								
Balance at 1 July 2014		27	-	-	-	-	-	27
Comprehensive income								
Profit for the period		-	770	-	-	-	-	770
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	770	-	-	-	-	770
Transactions with owners, in their capacity as owners								
Retained earnings acquired in group reorganisation		-	4,895	-	-	-	-	4,895
Total transactions with owners		-	4,895	-	-	-	-	4,895
Balance as at 31 December 2014		27	5,666	-	-	-	-	5,692
Balance at 1 July 2015		32,039	2,468	2,844	(4,171)	5	-	33,185
Comprehensive income								
Profit for the period		-	2,640	-	-	-	-	2,640
Other comprehensive income		-	-	20	-	-	50	70
Total comprehensive income		-	2,640	20	-	-	50	2,710
Transactions with owners, in their capacity as owners								
Issued shares	7	20,055	-	-	-	-	-	20,055
Transaction costs, net of tax impact		(904)	-	-	-	-	-	(904)
Distributions paid or provided for	3	-	(2,937)	-	-	-	-	(2,937)
Movement in share options reserve		-	-	-	-	6	-	6
Total transactions with owners		19,151	(2,937)	-	-	6	-	16,220
Balance as at 31 December 2015		51,190	2,171	2,864	(4,171)	11	50	52,115

The accompanying notes form part of these financial statements.

Skydive the Beach Group Limited and Controlled Entities
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Consolidated Statement of Cash Flows
for the half year ended 31 December 2015

	Note	Consolidated Group	
		Half Year Ended 31 December 2015 \$000	Half Year Ended 31 December 2014 \$000
Cash flows from operating activities			
Receipts from customers		24,557	7,936
Payments to suppliers and employees		(21,793)	(6,509)
Finance costs		(315)	(389)
Income tax paid		(210)	(274)
		<hr/>	<hr/>
Net cash provided by operating activities		2,239	763
Cash flows from investing activities			
Payments for property, plant and equipment		(8,934)	(1,546)
Payments for other non-current assets		(253)	(400)
Proceeds from disposal of plant and equipment		352	-
Payments for business acquisitions		(13,714)	-
Cash acquired in the group reorganisation		-	1,192
Cash acquired in business acquisitions		243	-
		<hr/>	<hr/>
Net cash used in investing activities		(22,306)	(754)
Cash flows from financing activities			
Proceeds from issued capital		19,582	-
Transaction costs associated with share issue		(903)	-
Dividends paid		(2,937)	-
Loans to related parties		(195)	-
Loan repayments from related parties		495	-
Repayment of borrowings		(1,102)	-
Proceeds from borrowings		1,326	1,419
		<hr/>	<hr/>
Net cash provided by financing activities		16,266	1,419
Net (decrease)/increase in cash held		(3,801)	1,428
Cash at beginning of the period		<hr/>	<hr/>
		9,235	17
Cash at end of the period	2	<hr/> <hr/>	<hr/> <hr/>
		5,435	1,445

The accompanying notes form part of these financial statements.

Skydive the Beach Group Limited and Controlled Entities
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**Notes to the consolidated financial statements
for the half year ended 31 December 2015**

1 Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2015 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Critical Accounting Judgements, Estimates and Assumptions

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. All critical accounting estimates and judgements are consistent with those applied and included in the annual financial report for the year ended 30 June 2015 other than those reflected below:

Useful Lives and Residual Values of Aircraft

The determination of the residual values and useful lives of aircraft requires significant judgement on the part of the directors and is subject to estimation uncertainty. All aircraft were revalued in the 2015 financial year. As a result, management have re-evaluated the accounting estimates in terms of the expected pattern of consumption of the aircraft, the remaining useful lives and their estimated residual values. In contemplation of the above, management have determined that depreciation for aircraft engines should be calculated on an hours flown basis, and aircraft frames and fuselage on a straight line basis over their expected useful lives which are assessed annually. In addition, management has re-estimated the residual values for both aircraft frames and engines. This represents a change in accounting estimate and no retrospective adjustments have been made in this regard.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and did not have any significant impact on the amounts reported for the current or prior periods.

Consolidated Group	
31-Dec-15	31-Dec-14
\$000	\$000

2 Reconciliation of Cash and Cash Equivalents

Cash at the end of the period as shown in the statement of cashflows is reconciled to the items in the statement of financial position as follows:

Cash on hand	13	18
Cash at bank	5,422	1,427
	5,435	1,445

3 Dividends

A final fully franked dividend of \$0.01 per share was paid on 30 October 2015 out of retained profits at 30 June 2015, amounting to \$2,937,297.

No other dividends have been paid or declared.

Skydive the Beach Group Limited and Controlled Entities
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**Notes to the consolidated financial statements
for the half year ended 31 December 2015**

4 Acquisition of Controlled Entities

On 30 October 2015, Skydive (New Zealand) Ltd, a wholly-owned subsidiary, acquired all the shares in Skydive Queenstown Ltd, Skydive Glenorchy Ltd and Parachute Adventure Queenstown Ltd, being companies registered and trading within New Zealand and collectively known and marketed as NZone Skydive, for the consideration of NZ\$17million, including the purchase of loan accounts of NZ\$2,021,902.

(i) Fair value of purchase consideration:

Consisting of:		
- Cash consideration		13,714
- Shares issued		473
Total consideration		<u>14,187</u>
Cash consideration		13,714
Cash outflow		<u>13,714</u>
Assets and liabilities held at acquisition date:		
- Current assets		542
- Non-current assets		11,459
- Current liabilities		(521)
- Non-current liabilities		<u>(1,822)</u>
		<u>9,658</u>
Goodwill on consolidation		4,528
Non-controlling equity interests in acquisition		-
		<u>14,187</u>

5 Property, Plant and Equipment

	Consolidated Group	
	As at 31-Dec-15 \$000	As at 30-Jun-15 \$000
Plant and equipment:		
At cost	7,416	7,168
Accumulated depreciation	<u>(1,740)</u>	<u>(1,127)</u>
	5,676	6,041
Leasehold improvements:		
At cost	1,302	935
Accumulated depreciation	<u>(418)</u>	<u>(299)</u>
	884	636
Aircraft:		
At revalued amounts	33,313	19,239
Accumulated depreciation	<u>(1,649)</u>	<u>(173)</u>
	31,664	19,066
Motor vehicles:		
At cost	1,857	1,248
Accumulated depreciation	<u>(649)</u>	<u>(237)</u>
	1,208	1,011
Office equipment:		
At cost	559	429
Accumulated depreciation	<u>(387)</u>	<u>(300)</u>
	172	129
Land and buildings		
At cost	52	-
Accumulated depreciation	<u>-</u>	<u>-</u>
	52	-
Total property, plant and equipment	<u>39,656</u>	<u>26,883</u>

a) Movements in Carrying Amounts

	Plant & Equipment \$000	Leasehold Improvements \$000	Aircraft \$000	Motor Vehicles \$000	Office Equipment \$000	Land and buildings \$000	Total \$000
Opening balance	6,041	636	19,066	1,011	129	-	26,883
Additions through business combinations	99	242	5,397	55	10	-	5,803
Additions	855	27	7,464	225	64	52	8,688
Revaluations	20	-	-	-	-	-	20
Disposals	-	-	(423)	(18)	-	-	(441)
Transfers between classes	(936)	-	928	-	(1)	-	(8)
Depreciation expense	<u>(403)</u>	<u>(22)</u>	<u>(769)</u>	<u>(66)</u>	<u>(29)</u>	<u>-</u>	<u>(1,289)</u>
Closing balance	5,676	884	31,664	1,208	172	52	39,655

Skydive the Beach Group Limited and Controlled Entities
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**Notes to the consolidated financial statements
for the half year ended 31 December 2015**

6 Intangible Assets

	Consolidated Group	
	As at 31-Dec-15 \$000	As at 30-Jun-15 \$000
Goodwill:		
Cost	8,107	3,569
Accumulated impaired losses	-	-
	8,107	3,569
Trademarks, trade names and licences:		
Cost	5,330	2,000
Accumulated amortisation and impairment losses	-	-
	5,330	2,000
Computer software:		
Cost	427	301
Accumulated amortisation and impairment losses	(118)	(54)
	309	247
Customer relationships and other intangible assets:		
Cost	4,622	1,831
Accumulated amortisation	(90)	(23)
	4,532	1,808
 Total property, plant and equipment	 18,278	 7,624

a) Movements in Carrying Amounts

	Goodwill \$000	Trademarks, trade names & licences \$000	Computer Software \$000	Customer relationships and other \$000	Total \$000
Opening balance	3,569	2,000	247	1,808	7,624
Additions through business combinations	4,538	3,331	-	2,317	10,185
Additions	-	-	125	475	599
Disposals	-	-	-	-	-
Transfers between classes	-	(1)	1	-	-
Amortisation expense	-	-	(64)	(67)	(131)
Closing balance	8,107	5,330	309	4,532	18,278

7 Issued Capital

	Consolidated Group	
	As at 31-Dec-15 \$000	As at 30-Jun-15 \$000
360,579,941 (June 2015: 293,729,700) fully paid ordinary shares	51,190	32,039
	No.	No.
At the beginning of the reporting period	293,729,700	26,618,080
Shares issued during the period	66,850,241	267,111,620
Balance at the end of the reporting period	360,579,941	293,729,700

On 20 October 2015, 62,042,836 shares were issued at \$0.30 each to shareholders and institutional investors on the basis of 2 shares for every 9 shares held.

On 30 October 2015, 1,576,974 shares were issued at \$0.30 each as part of the acquisition of skydiving operations in New Zealand.

On 2 November 2015, 3,230,431 shares were issued at \$0.30 each to retail shareholders on the basis of 2 shares for every 9 shares held.

Skydive the Beach Group Limited and Controlled Entities
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**Notes to the consolidated financial statements
for the half year ended 31 December 2015**

8 Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and in determining the allocation of resources.

The Group's financial performance is examined primarily from a geographical perspective and operating segments have therefore been determined on the same basis.

The Group has identified the following reportable segments:

- Australia
- New Zealand

The following is an analysis of the Group's revenue and results by reportable operating segment for the period under review:

(i) Segment performance

	Australia \$000	New Zealand \$000	Total \$000
31 December 2015			
Revenue			
Sales revenue	22,022	2,553	24,575
Other income	349	2	352
Total segment revenue	22,371	2,555	24,803
Reconciliation of segment result to group net profit/loss before tax			
Segment net profit/(loss) loss before tax	2,105	686	2,791
Inter-segment elimination	(124)	124	-
Net profit/(loss) before tax from continuing operations	1,981	810	2,791
Income tax expense	(187)	36	(151)
Total profit/(loss) after tax	1,794	846	2,640
Finance costs	315	124	439
Inter-segment elimination			(124)
Total finance costs	315	124	315
Depreciation and amortisation expense	1,315	104	1,419
31 December 2014			
Revenue			
Sales revenue	10,021	-	10,021
Other income	295	-	295
Total segment revenue	10,316	-	10,316
Reconciliation of segment result to group net profit/loss before tax			
Segment net profit/(loss) loss before tax	1,279	-	1,279
Income tax expense	(509)	-	-
Total profit/(loss) after tax	(509)	-	-
Finance costs	389	-	389
Depreciation and amortisation expense	511	-	511

(ii) Segment assets

31 December 2015			
Segment assets	58,115	12,217	70,332
30 June 2015			
Segment assets	49,144	-	49,144

(iii) Segment liabilities

31 December 2015			
Segment liabilities	6,398	11,819	18,217
30 June 2015			
Segment liabilities	15,958	-	15,958

Skydive the Beach Group Limited and Controlled Entities
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Notes to the consolidated financial statements
for the half year ended 31 December 2015

9 Contingent Assets and Contingent Liabilities

The Group had no contingent assets or contingent liabilities as at 31 December 2015.

10 Events After the End of the Period

On 1 February 2016, Skydive Investments Pty Ltd, a wholly-owned subsidiary, acquired land and buildings for consideration of \$910,000 which is expected to be used solely for the purposes of carrying on business in the Group's skydiving operation at Mission Beach, Queensland.

11 Company Details

The registered office and principal place of business is:

1/51 Montague Street
NORTH WOLLONGONG NSW 2500

Skydive the Beach Group Limited and Controlled Entities

ACN 167 320 470

Directors' Declaration

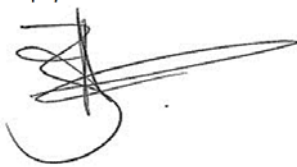
In accordance with a resolution of the directors of Skydive the Beach Group Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the period ended on that date.

2. *In the directors' opinion* there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Anthony Boucaut
Chief Executive Officer



Anthony Ritter
Chief Financial Officer

29th February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SKYDIVE THE BEACH GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Skydive the Beach Group Limited and controlled entities which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Skydive the Beach Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Skydive the Beach Group Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Skydive the Beach Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



G N SHERWOOD
Partner

Sydney NSW
Dated: 29 February 2016

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Skydive the Beach Group Limited for the half year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



G N SHERWOOD

Partner

Sydney NSW

Dated: 29 February 2016

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