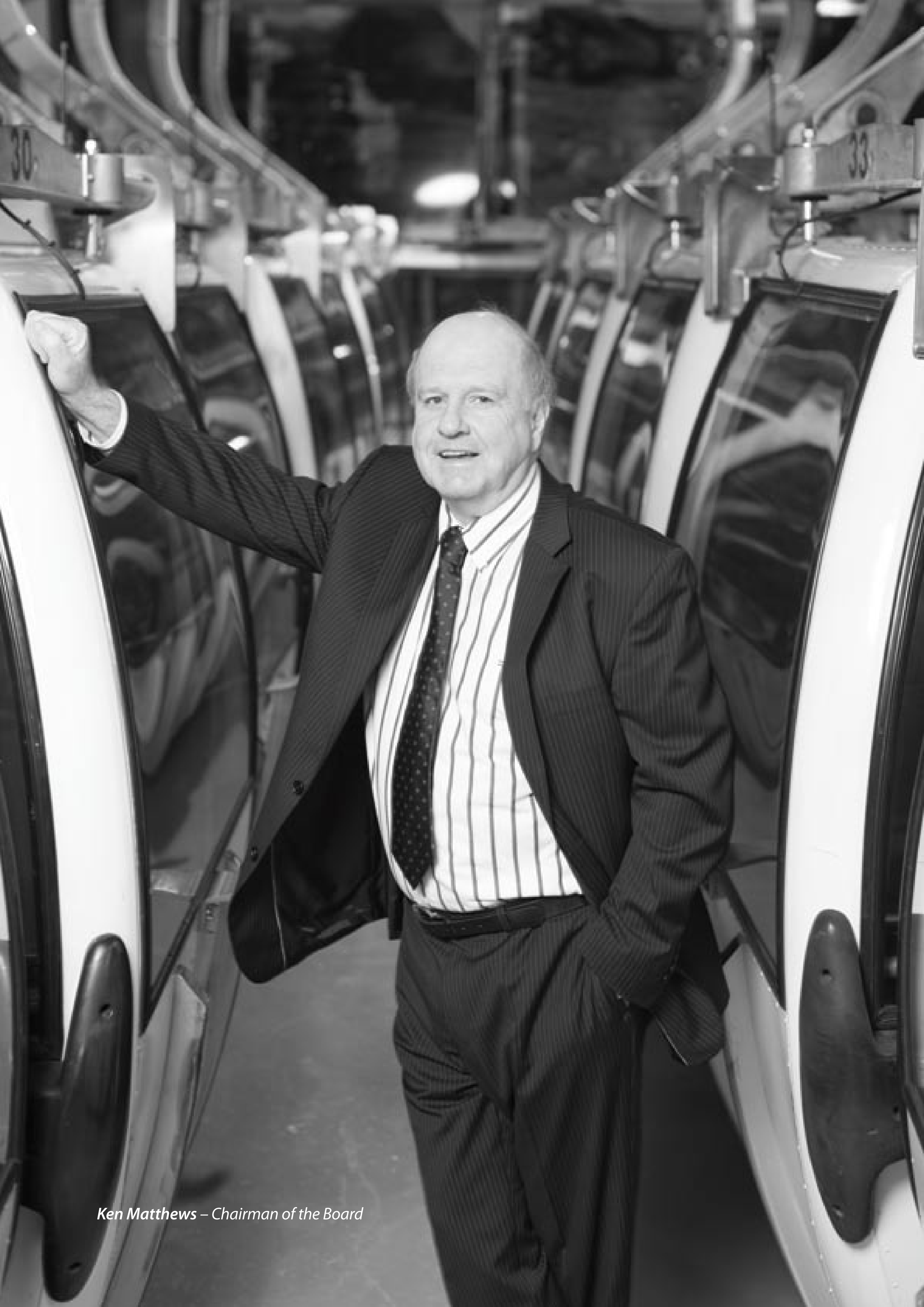
2013

46th Annual Report
and Statement of Accounts

Skyline



***Ken Matthews** – Chairman of the Board*

Directory

Board of Directors:

Ken J Matthews (Chairman)
Phillip J Hensman
Grant H Hensman
Bill Walker
Richard B Thomas
Jan N Hunt
Mark Quickfall

Chartered Accountants:

McCulloch & Partners
Level 2, 11-17 Church Street, Queenstown

Operating Subsidiaries:

Accommodation & Booking Agents (Queenstown) Limited
Leisure Lodge Motor Inn Limited
Skyline Skyrides Limited
Skyline Tours Limited
North Sky Luge (Tremblant) Limited
O'Connells Pavilion Limited
Skyline Investments Limited
Skyline Properties Limited
Sentosa Luge Company Pte Limited
North Sky Luge (Calgary) Limited
Totally Tourism Limited
The Helicopter Line Limited
Glacier Helicopters Limited
Mitre Peak Cruises Limited
Milford Sound Scenic Flights Limited
Air Fiordland Limited
Wanaka Flightseeing (2006) Limited
Christchurch Casinos Limited

Non Operating Subsidiaries:

Queenstown Tourist Company Limited
North Sky Luge Limited
Fairy Springs Holdings Limited
North Sky Luge No 2 Limited
Glacier Helicopters Holdings Limited

Auditors:

Crowe Horwarth New Zealand Audit Partnership

Share Registrar:

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Enquiries: 0064 9 488 8777
www.computershare.co.nz/investor centre

Bankers:

Bank of New Zealand

Solicitors:

Chapman Tripp, Christchurch

Registered Office

McCulloch & Partners
Level 2, 11-17 Church Street, Queenstown

NOTICE OF MEETING

The Directors of Skyline Enterprises Limited request the pleasure of your attendance at the 46th Annual General Meeting of the Company to be held at the Skyline Restaurant, Queenstown, on Saturday 21 September 2013, at 6.00pm and afterwards as their guest for cocktails and hors d'oeuvres.

Ordinary Business

1. To receive, consider and adopt the Report of the Directors and Audited Statement of Accounts for the year ended 31 March 2013.

2. To consider the Directors' resolution to pay a dividend of 37 cents. The dividend will be paid on 27 September 2013.

3. The Election of Directors. In accordance with the Constitution Mr Ken J Matthews and Mr Grant H Hensman retire from the Board by rotation and, being eligible, offer themselves for re-election.

4. Directors' Fees. To approve Directors' Fees of Four Hundred thousand dollars ($400,000) per annum from 1 April 2013.

5. To record the reappointment of the Auditors Messrs Crowe Horwath New Zealand Audit Partnership and to authorise the Board to fix their remuneration for the ensuing year.

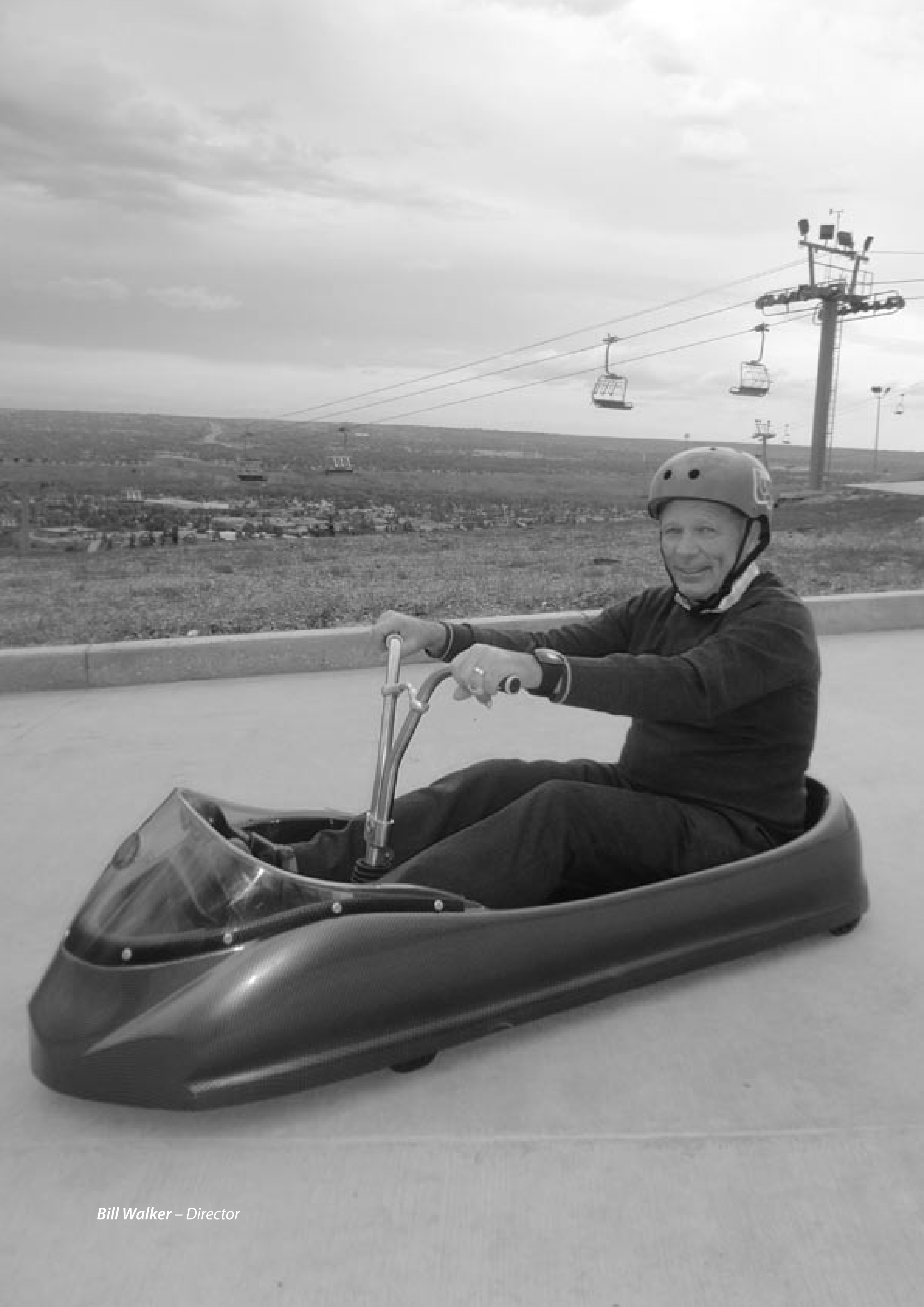
6. To transact any other business that may properly be transacted at the meeting.

By Order of the Board

D.N. Jackson for Secretaries
Queenstown
2 August 2013

Proxies

All shareholders of the Company are entitled to attend and vote at the meeting and are entitled to appoint a proxy to attend and vote for them instead. A proxy need not be a member of the Company. A proxy form is enclosed and, if used, must be lodged at the Registered Office of the Company not less than 48 hours before the time for holding the meeting (i.e. before 6.00pm on Thursday 19 September 2013).



Bill Walker *– Director*

Directors' Report

Your Directors have pleasure in submitting their report together with the financial accounts of the Company for the year ended 31 March 2013.

Results and Distributions

Operating surplus attributable to the Group for the financial year	$65,054,208
From this will be deducted –	
Your Directors' recommendation of the payment of a dividend of 37 cents	$12,597,678
Increase in Group retained earnings to be carried forward to reserves of	$52,456,530

Effect of NZ IFRS Accounting Policies on Reported Results

Your Directors believe the introduction of IFRS accounting policies in 2009 along with the inability of those responsible for overseeing these policies to ensure appropriate and relevant application within New Zealand has resulted in Income Statements that are inconsistent and confusing to most readers.

In an effort to give a more meaningful consolidated result that can be compared year to year to ascertain the Companies true performance, we have restated the main profit and tax results for 2011 to 2013 to remove all revaluation, goodwill, amortisation of intangibles and deferred tax on Building Depreciation entries. Results are then as follows:

	2013	2012	2011
Profit Before Tax	29,218,159	23,765,558	20,622,610
Less Income Tax Expense	7,872,569	7,066,856	5,500,309
Profit for the Year	21,345,590	16,698,702	15,122,301
Plus Share Profit Equity Accounted Investees	4,935,189	4,727,374	4,811,921
'Directors' Profit Attributable to Equity Holders of The Company	$26,280,779	$21,426,076	$19,934,222

Dividend

Having considered the solvency of the Parent Company and Group, the Directors recommend that a dividend of 37 cents per share (imputed at 28%) be paid on the capital of 34,047,779 shares on 27 September 2013 to Shareholders on the register at 5.00pm on 16 September 2013. A solvency certificate has been completed in support of the dividend declaration.

Directors

Mr Ken J Matthews and Mr Grant H Hensman retire by rotation and, being eligible, offer themselves for re-election.

Auditors

The Company's Auditors, Crowe Horwath New Zealand Audit Partnership, are automatically reappointed in terms of Section 200 of the Companies Act 1993.

Share Capital

On 31 March 2013 the Company issued 46,100 ordinary shares to holders of 2010 staff convertible notes.

The issued capital as at 31 March 2013 was 34,093,879 ordinary shares.

Company's State of Affairs and Significant Changes

The Directors consider the state of the Company's affairs to be satisfactory.

Details of the year under review, including any material changes in the nature of the business of the Company or any of its subsidiaries or future prospects, are included in the Chairman's Report and the Financial Statements of the Company published herewith.

Activities

The principal activities of the Company and its subsidiaries remained unchanged during the period. The Company increased its holding in Christchurch Casinos Limited from 50% to 100% in December 2012 costing $80 million and sold its interest in Queenstown Casinos Limited for $5 million. Prior to this sale and purchase Christchurch Hotels Limited and its subsidiary Premier Hotels (Christchurch) Limited were restructured and liquidated. All these companies were equity accounted for the nine months to 31 December 2012. Christchurch Casinos Limited has been fully consolidated in these accounts for the three months to 31 March 2013. Associated company Dunedin Casinos Limited operates predominantly in the Casino Industry and has been equity accounted. Milford Sound Flights Limited and The Station Limited being associated companies of Totally Tourism Limited operate predominantly in the Tourism Industry. These companies have been equity accounted.

This Annual Report has been prepared in accordance with Section 211 of the Companies Act 1993 and is signed on behalf of the Board by:

K J Matthews
Director
Dated this 2 August 2013.

P J Hensman
Director

Chairman's Report

Your Directors are pleased to report on a further year's successful trading with a key development being the acquisition of all of the shares in Christchurch Casinos Ltd in December 2012.

	2013	2012
Profit from trading activity	29,798,285	24,338,906
Add Equity earnings	4,935,189	4,727,374
Property Revaluations	704,706	1,563,891
	35,438,180	30,630,171
Less Amortization and Goodwill written off	13,246,168	285,348
	22,192,012	30,344,823
Less Taxation	7,514,050	10,073,807
	14,677,962	20,271,016
Add Acquisition Gain – Christchurch Casinos	45,127,611	–
Profit on Disposal of Associates	5,248,635	–
Profit to Shareholders	**$65,054,208**	**$20,271,016**
Dividend Proposed 37c	12,597,678	11,566,724
Net Cashflow from Operating Activities	39,117,996	27,953,823
Actual Tax Payments	6,592,109	5,687,663

The Profit from trading and before tax improved by $5.5m over that earned in the previous year, assisted through strong contributions from the gondola properties in particular.

Total ownership of Christchurch Casinos Ltd has initiated a number of entries reflected in the Consolidated Statement of Comprehensive Income some of which are unique to the year under review. The gain on acquisition of $45.1m results from the difference of the deemed value of Christchurch Casinos less the original investment already recorded in the Skyline Accounts. The profit on disposal of Associates of $5.2m arises from the sale of the Groups holding in Queenstown Casinos Limited and the winding up of Christchurch Hotels Limited, a former shareholder in Christchurch Casinos Ltd. Amortisation and goodwill written off occurs from the diminution in the assessed value of the licenses and concessions held by both Christchurch Casinos Ltd and Totally Tourism Ltd over the remainder of the respective terms. Future years write offs will be in the order of $4.2m annually.

The returns from the Christchurch Casino include Skylines share of equity earnings to 24 December 2012 and full inclusion of all trading activity from that date forward. The respective acquisitions and ownership transfers in the jointly held casinos in Christchurch and Queenstown late in 2012, made for good practical sense as Skyline and SkyCity each sought to pursue their own programs and initiatives unfettered by the demands of the other.

Christchurch Casino visitations and overall trading performance continues to improve as the city moves into rebuild mode and limitations of access are a distant memory. Net earnings exceeded that of the previous year while budget projections were maintained.

The casino is increasingly being promoted as an entertainment destination providing for a diverse range of options from live music weekends to quiz nights to dining challenges for those with big appetites, in addition to the wide variety of gaming opportunities available. The initiative to establish additional entertainment zones as well as function facilities within the confines of the complex is in direct response to market demand and furtherance of the concept that casinos can be much more than what they traditionally stand for. Construction has started on the new facilities with completion expected mid to late October.

Newly introduced management systems have enabled the provision of additional benefits and opportunities for casino participants and it is rewarding to record the resultant approval rating. Growth within a high activity region is not without its challenges, especially the maintenance of adequate staffing levels within the food and beverage sectors in particular. Costs associated with and the provision of accommodation is also becoming an area of concern.

A sense of optimism prevails as the city embarks on its rebuild program. Population levels are now increasing, further hotel rooms will become available by year end and the extent of new hospitality venues within Victoria Street should all have a positive and accumulative effect on casino activities. Government's leadership on funding the Convention Centre in Armagh Street is to be applauded and we await the city's determination as to the future of the present Town Hall facility.

The Company's acquisition of all of the shares in the casino was a significant move and represented its largest single transaction to date. We have confidence in the industry and in our management team in particular. The importance of maintaining a pre-eminent position within the Christchurch entertainment industry is an ideal upheld by Directors and management alike.

Dunedin Casino, 33% owned by Christchurch Casinos Ltd, reported a slight decline in trading activity over the year. The initiative to attract further visitor interest to the area through the establishment of a new bar and café on the ground floor is now expected to be completed by late 2013.

Directors and Management

The management team has performed particularly well over the past year with those seconded to the installation of the luge in Calgary deserved of special mention. Unforeseen site difficulties, extreme climatic conditions and the challenge of installing new technology have demanded a level of commitment and perseverance not earlier anticipated. The team's efforts are sincerely appreciated.

The Directors of Christchurch Casino's Ltd have appointed Alistair Ryan as an independent Director. Alistair is a former senior executive at SkyCity Casino and his experience and commercial acumen will be eagerly sought in the years ahead.

Bill Walker will retire from the Skyline Board after 29 years of excellent service to the Company. Bill's innovative thinking, excellent practical advice, especially on matters of an engineering nature and his challenging and thought provoking approach will be greatly missed. We wish him all the best in his retirement.

Dividend

It is the Directors recommendation to increase the dividend to 37c per share from last year's 32c. This will require $12.6m and after taking into account the effects of revaluations, amortisations and acquisition gains, represents a distribution of some 48% of the adjusted profit to shareholders.

Forward Review

As we predicted last year the growth in international visitations hasn't been that strong with numbers plateauing somewhat when compared to 2012. The visitor mix is certainly changing with China now becoming our second biggest market in terms of arrivals. With some slowdown in route development, mainly out of western economies, then growth from such markets is obviously constrained. Accordingly our reliance as a destination is moving towards the developing markets of Asia, to maintaining the momentum with our Australian visitors and to establishing new and innovative reasons for visiting our country where the primary purpose may not be that of having a holiday.

Whilst the Company's trading results for the year are satisfactory we do need to ensure that we continue to build for the future. A concentration on growth initiatives where we have some competencies is a key focus for the Board. Similarly our expanding international activities are providing a level of confidence that we can capably and profitably operate in foreign jurisdictions, whilst at the same time not forgetting the absolute importance of the domestic visitor. Essential to all such endeavours is the imperative that we must continue to develop and retain a management team of the highest calibre.

The visitor industry is an exciting one and recognized as integral to the economy. Greater levels of cohesion, participation and professionalism will be required if we are to take full advantage of all opportunities.

Ken Matthews
Chairman
2 August 2013

CEO's Report

Overview of the year

Last year's operational environment was one of subtle differences reflective of the dynamic nature of our industry, competitors and customers. While I would characterise business as generally positive it was overlaid by some surprising divergence both geographically and among products. This can best be seen in the Queenstown region where we experienced record gondola passengers at Skyline Queenstown while at the same time saw a continued decline in visitation to Milford Sound and a reduction in sales of "adventure" type products such as white water rafting. These results suggest a change in visitor behaviour whereby they are staying longer in one location and perhaps a greater emphasis on value for money.

Looking at our other domestic businesses Rotorua has seen revenue growth from both product refresh activities and new initiatives. The accommodation sector remained competitive as ever with a hint of demand growth.

The Totally Tourism group of companies performed positively under our first full year of ownership.

Offshore there has been a distinct slowing of demand in Singapore in contrast to the past few years' healthy growth while Tremblant maintained its steady performance.

From a group financial perspective it is pleasing to be able to report another year of growth and strong operational performance.

Skyline Queenstown

As already noted we hosted a record number of gondola passengers which was in turn reflected in revenue growth across all departments. This combined with management's sterling efforts in containing costs produced higher margins across the board.

This strength can be attributed to visitors flying direct to Queenstown both domestically and from Australia rather than arriving by land transport. The implications being both higher visitor numbers and more time spent in the region. This supposition is confirmed by Queenstown Airport reporting an 18% increase in both domestic and international arrivals for the year to March 2013.

Management have in train the development of a number of potential new products to add to what has proven to be an already compelling offering.

Skyline Queenstown's pre-eminence within New Zealand tourism was recently highlighted when it was named number one landmark in New Zealand by Trip Advisor.

Totally Tourism

Considerable attention was given to this group of businesses during the year. Structure, staffing, assets, information technology, sales and marketing were all reviewed and where appropriate changed or updated. This process will continue for some time as opportunities remain to maximise operational efficiency such as in the helicopter fleet. These initiatives have ensured the group is in a strong competitive position and in good shape to grow both revenue and profit.

The overall financial performance of this group of companies was a solid improvement over the previous year.

Skyline Rotorua

It was a busy year under dynamic new management. Initiatives included the re-branding of the restaurant under the "Art of the Grill" banner, the café being refurbished and re-launched as "The Market Kitchen", the establishment of a third party operated winery at bottom terminal, a wine tasting facility at the top terminal and the opening of the "Jelly Belly" store. Together these boosted revenue and the bottom line. Unsurprisingly we have been presented with a list of more development ideas which are being considered, though our focus remains firmly on complementing our core gondola and luge businesses.

Skyline Luge Sentosa

For the first time in the history of this business we have seen a small year on year decrease in visitation. We are not alone in this experience with some operators reporting much more significant declines. The drop off in sales is predominantly of a domestic nature and can be attributed to a slowing economy and a number of significant new entertainment offerings both domestically and nearby in Malaysia. These influences have been further compounded by the constraints we have put on our own operation from the upgrade works we are carrying out.

As signalled last year we commenced the upgrade and expansion of all our buildings at both the top and bottom stations. These are anticipated to be completed in the third quarter of this year. Once the upgrades are completed we will take the opportunity to re-launch the property to our domestic customer base.

The strong position and appeal of this business was recently confirmed by the fact that it was named as the 7th most popular amusement park in Asia, just one place below Disneyland Hong Kong.

Skyline Luge Tremblant
Located in the heart of a purpose built resort our results are to a large extent a function of visitation to the resort. The operation remained the number one attraction on the resort with results consistent with the previous year.

Skyline Luge Calgary
Operations commenced at the end of June 2013. This was later than anticipated due to external factors which delayed issuing of consents and extreme climatic conditions, including a one in hundred year flood event. The installation and commissioning of this facility has been a large and complex project which has required a huge effort on the part of a dedicated team of staff who's commitment and hard work are acknowledged.

Blue Peaks Lodge
The Queenstown accommodation market remained tough during the year. More recently the industry has reported small improvements in occupancy as demand finally catches up with supply. Against this back drop our strategy is to provide a competitive yet quality offering. We are fortunate to have a management team and staff at Blue Peaks who go the extra mile for their guests providing a point of difference in this competitive market place.

Mercure Leisure Lodge
There was speculation during the year that new supply would be coming to the Dunedin accommodation market. To date none of this has materialised which is fortunate as current occupancy levels are already sub-optimal. Management has been tasked with identifying and attracting guests from new sources. Results for the year were consistent with prior years when last year's Rugby World Cup is excluded.

Skyline Properties
The portfolio of properties is now substantially fully let. Rent reviews are resulting in real increases in rents which are now returning to levels last seen before the global financial crisis. No major works were undertaken during the year.

Business Development
The consenting process for Skyline Luge Tongyeong is progressing steadily. Our resource consent application was recently lodged with the City of Tongyeong. We estimate that the full consenting process will be completed during the first quarter of next year.

Work on other potential luge sites continues though none are currently close to the contractual phase.

During the year a number of potential acquisitions were considered though none were progressed due to due diligence findings or price.

Next 12 Months
For the first time in a number of years the global economy looks more positive. The United States economy is recovering which can only be good for the rest of the world. While Europe remains weak it has, at least, not worsened. Closer to home things are mixed with some softening of the pace of growth in Asia in general and talk of the end of the resource boom in Australia. This latter development is of real concern as Australia remains our single biggest source of visitors and as I write our currency is reaching a 5 year high versus the Australian dollar. Fortunately we are seeing significant growth in visitation from Asia and in particular China which has leap frogged the UK and USA to be the second largest source of international visitors. By comparison domestic tourism has been steady and the economy seems to be fairly strong.

In this environment the group is well positioned for continued growth. Our established businesses will benefit from any system growth. While our company specific and group wide growth initiatives will generate new business.

Jeff Staniland
CEO

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013

	Note	2013	2012
Operating Revenue			
Sales		96,862,195	69,103,765
Cost of Sales		8,599,900	7,262,501
Gross Profit		88,262,295	61,841,264
Other Income			
Rents Received		5,577,328	5,532,215
Government Subsidies		236,040	40,684
Investment Property Revaluation		704,706	1,563,891
		94,780,369	68,978,054
Expenses			
Operating Expenses	1	55,874,293	37,711,403
Directors' Fees		498,000	340,000
Audit Fees	1	112,474	91,161
Fringe Benefit Taxation		50,931	19,841
Depreciation	2	6,185,828	4,589,205
Foreign Currency Translation Losses		376,774	1,157
Amortisation Intangible Assets	23	1,421,168	285,348
Casino Goodwill Written Off	23	11,825,000	0
		76,344,468	43,038,115
Operating Profit Before Financing Costs		18,435,901	25,939,939
Interest Received	3	106,208	163,141
Interest Paid	3	1,285,286	485,631
Net Financing Costs		1,179,078	322,490
Profit Before Tax		17,256,823	25,617,449
Income Tax Expense	4	7,514,050	10,073,807
Profit for the Year	19	9,742,773	15,543,642
Share of Profit of Equity Accounted Investees	21	4,935,189	4,727,374
Profit on Disposal of Associates	21	5,248,635	0
Acquisition Gain Christchurch Casinos	24	45,127,611	0
Profit Attributable to Equity Holders of the Company		65,054,208	20,271,016
Other Comprehensive Income			
Foreign Currency Translation Reserve		-271,000	-449,874
Other Comprehensive Income for the Year		-271,000	-449,874
Total Comprehensive Income for the Year		$64,783,208	$19,821,142
Earnings Per Share – basic	22	$1.91	$0.60
Earnings Per Share – diluted	22	$1.91	$0.60

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Skyline Enterprises Limited And Its Subsidiary Companies

Consolidated Statement of Changes in Equity

For the year ended 31 March 2013

	Share Capital	Translation Reserve	Retained Earnings	Total Equity
Equity as at 1 April 2011	$ 27,714,928	$26,154	$125,132,392	$152,873,474
Total Recognised Income and Expense	0	-449,874	20,271,016	19,821,142
Contributions from Shareholders	686,800	0	0	686,800
Dividends to Shareholders	0	0	-10,844,009	-10,844,009
Equity as at 1 April 2012	$28,401,728	$-423,720	$134,559,399	$162,537,407
Total Recognised Income and Expense	0	-271,000	65,054,208	64,783,208
Contributions from Shareholders	168,265	0	0	168,265
Dividends to Shareholders	0	0	-11,564,093	-11,564,093
Equity as at 31 March 2013	$28,569,993	$-694,720	$188,049,514	$215,924,787

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Consolidated Balance Sheet

As at 31 March 2013

	Note	2013	2012
Equity			
Issued Fully Paid up Capital			
34,093,879 Ordinary Shares		28,569,993	28,401,728
Retained Earnings & Reserves		187,354,794	134,135,679
Total Equity		$215,924,787	$162,537,407
This is Represented by:			
Non Current Assets			
Fixed Assets	10	119,177,669	56,756,788
Investments in Associate and Other Companies	11	11,638,998	36,165,303
Investment Property	20	86,735,000	85,785,000
Deferred Taxation	4	1,237,772	125,242
Intangible Assets	23	93,311,098	3,354,066
Total Non Current Assets		312,100,537	182,186,399
Current Assets			
Inventory		953,099	695,315
Accounts Receivable	6	6,526,731	3,341,322
Bank Accounts	7	14,615,890	6,220,279
Total Current Assets		22,095,720	10,256,916
Total Assets		334,196,257	192,443,315
Non Current Liabilities			
Staff Convertible Notes	12	0	187,698
Provision for Current Share Price	12	184,875	202,396
Deferred Taxation	4	23,730,234	8,407,321
Total Non Current Liabilities		23,915,109	8,797,415
Current Liabilities			
Taxation		3,832,463	2,936,773
Accounts Payable	8	14,642,255	6,432,280
Employee Entitlements	9	3,148,943	1,497,054
Mortgages (secured)	12	72,550,000	10,074,121
Staff Convertible Notes	12	182,700	168,265
Total Current Liabilities		94,356,361	21,108,493
Total Liabilities		118,271,470	29,905,908
Net Assets		$215,924,787	$162,537,407

On behalf of the Board

K J Matthews
2 August 2013

P J Hensman

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Skyline Enterprises Limited And Its Subsidiary Companies

Consolidated Statement of Cash Flows

For the year ended 31 March 2013

	Note	2013	2012
Cash Flows From Operating Activities			
Cash was provided from:			
Government Subsidies		236,040	40,684
Receipts from Customers		93,676,786	67,445,515
Receipts from Interest		204,259	333,141
Receipts from Rent		5,577,328	5,532,215
Receipts from Dividends		2,799,086	2,971,526
		102,493,499	76,323,081
Cash was disbursed to:			
Payments to Suppliers and Employees		55,498,108	42,195,964
Interest Paid on Debt		1,285,286	485,631
Taxation		6,592,109	5,687,663
		63,375,503	48,369,258
Net Cash Flow From Operating Activities	18	$39,117,996	$27,953,823
Cash Flows From Investing Activities			
Cash was provided from:			
The Station Limited		60,000	0
Queenstown Casinos Limited		120,000	0
Proceeds from Sales of Assets		246,952	17,391
Christchurch Hotels Limited		1,530,103	160,000
Sale of Queenstown Casinos Limited		5,000,000	0
		6,957,055	177,391
Cash was applied to:			
Milford Sound Flights Limited		331,500	50,000
Acquisition of Fixed Assets		69,098,954	24,638,292
Acquisition of Interest in Dunedin Casinos Limited		9,400,000	0
Acquisition of Interest in The Station Ltd & Milford Sound Flights Ltd		0	1,825,052
Acquisition of Totally Tourism Group Intangible Assets		0	3,639,414
Acquisition of Christchurch Casinos Intangible Assets		9,070,000	0
Other Investments		38,000	0
		87,938,454	30,152,758
Net Cash Used In Investing Activities		$80,981,399	$-29,975,367

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Consolidated Statement of Cash Flows continued

For the year ended 31 March 2013

	Note	2013	2012
Cash Flows From Financing Activities			
Cash was provided from:			
Foreign Currency Related Movements		0	11,176
Increase in Debt – Mortgages (secured)		62,475,879	10,074,121
Issue 100,000 Ordinary Shares on purchase of Totally Tourism Group		0	600,000
		62,475,879	10,685,297
Cash was applied to:			
Dividend Paid		11,564,093	10,844,009
Foreign Currency Related Movements		611,415	0
Decrease in Debt – Convertible Notes		4,998	16,800
		12,180,506	10,860,809
Net Cash From Financing Activities		$50,295,373	$-175,512
Net Increase in Cash Held		$8,431,970	$-2,197,056
Add Effect of Exchange Rate Fluctuations on Cash Held		$-36,359	$-73,350
Add Opening Cash		$6,220,279	$8,490,684
Ending Cash Carried Forward	7	$14,615,890	$6,220,279

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Skyline Enterprises Limited

Statement of Comprehensive Income

For the year ended 31 March 2013

	Note	2013	2012
Operating Revenue			
Sales		25,981,147	22,483,408
Cost of Sales		3,892,025	3,417,203
Gross Profit		22,089,122	19,066,205
Other Income			
Rents Received		240,500	258,384
Government Subsidies		87,950	0
		22,417,572	19,324,589
Expenses			
Operating Expenses	1	10,754,826	10,300,642
Directors' Fees		398,000	340,000
Audit Fees	1	75,000	34,671
Fringe Benefit Taxation		22,481	18,034
Depreciation	2	963,430	1,178,837
		12,213,737	11,872,184
Operating Profit Before Financing Costs		10,203,835	7,452,405
Interest Received	3	20,244	103,981
Interest Paid	3	1,242,734	475,423
Net Financing Costs		1,222,490	371,442
Profit Before Tax		8,981,345	7,080,963
Income Tax Expense	4	2,207,811	1,954,820
Profit for the Year		6,773,534	5,126,143
Dividends Received Christchurch Casinos Limited		11,348,813	2,949,504
Share of Profit of Equity Accounted Investees	21	373,654	571,566
Profit on Disposal of Associates	21	3,791,359	0
Profit Attributable to Equity Holders of the Company		22,287,360	8,647,213
Total Comprehensive Income for the Year		$22,287,360	$8,647,213

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Statement of Changes in Equity

For the year ended 31 March 2013

	Share Capital	Retained Earnings	Total Equity
Equity as at 1 April 2011	$27,714,928	$55,233,289	$82,948,217
Total Recognised Income and Expense	0	8,647,213	8,647,213
Contributions from Shareholders	686,800	0	686,800
Dividends to Shareholders	0	-10,844,009	-10,844,009
Equity as at 1 April 2012	$28,401,728	$53,036,493	$81,438,221
Total Recognised Income and Expense	0	22,287,360	22,287,360
Contributions from Shareholders	168,265	0	168,265
Dividends to Shareholders	0	-11,564,093	-11,564,093
Equity as at 31 March 2013	$28,569,993	$63,759,760	$92,329,753

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Skyline Enterprises Limited

Balance Sheet

As at 31 March 2013

	Note	2013	2012
Equity			
Issued Fully Paid up Capital			
34,093,879 Ordinary Shares		28,569,993	28,401,728
Retained Earnings		63,759,760	53,036,493
Total Equity		$92,329,753	$81,438,221
This is Represented by:			
Non Current Assets			
Fixed Assets	10	9,744,897	10,653,983
Investments in Associate and Other Companies	11	94,866,237	14,019,929
Shares in Subsidiary Companies		5,600,970	5,600,970
Loans to Subsidiary Companies		30,101,191	36,062,687
Deferred Taxation	4	83,773	52,056
Investment Totally Tourism Group		27,724,326	27,724,326
Total Non Current Assets		168,121,394	94,113,951
Current Assets			
Inventory		464,957	524,181
Accounts Receivable	6	907,668	736,974
Bank of New Zealand	7	613,955	629,871
Total Current Assets		1,986,580	1,891,026
Total Assets		170,107,974	96,004,977
Non Current Liabilities			
Staff Convertible Notes	12	0	187,698
Provision for Current Share Price	12	184,875	202,396
Deferred Taxation	4	808,133	840,624
Total Non Current Liabilities		993,008	1,230,718
Current Liabilities			
Taxation		873,206	618,937
Accounts Payable	8	2,632,159	2,067,813
Employee Entitlements	9	547,148	406,902
Mortgages (secured)	12	72,550,000	10,074,121
Staff Convertible Notes	12	182,700	168,265
Total Current Liabilities		76,785,213	13,336,038
Total Liabilities		77,778,221	14,566,756
Net Assets		$92,329,753	$81,438,221

On behalf of the Board

K J Matthews
2 August 2013

P J Hensman

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Statement of Cash Flows

For the year ended 31 March 2013

	Note	2013	2012
Cash Flows From Operating Activities			
Cash was provided from:			
Receipts from Customers		25,810,453	22,376,583
Receipts from Interest		44,757	146,481
Receipts from Rent		240,500	258,384
Receipts from Dividends		2,580,816	2,949,504
Receipts from Government Grants		87,950	0
		28,764,476	25,730,952
Cash was disbursed to:			
Payments to Suppliers and Employees		14,373,556	14,065,831
Interest Paid on Debt		1,242,734	475,423
Taxation		2,040,231	2,152,386
		17,656,521	16,693,640
Net Cash Flow From Operating Activities	18	$11,107,955	$9,037,312
Cash Flows From Investing Activities			
Cash was provided from:			
Queenstown Casinos Limited		120,000	0
Advances from Subsidiaries		12,521,159	13,576,323
Christchurch Hotels Limited		382,526	40,000
Proceeds from Sales of Assets		176,121	13,043
Sale of Queenstown Casinos Limited		5,000,000	0
		18,199,806	13,629,366
Cash was applied to:			
Acquisition Christchurch Casinos Limited		80,000,000	0
Acquisition of Fixed Assets		230,465	467,609
Acquisition of Totally Tourism Group		0	27,724,327
		80,230,465	28,191,936
Net Cash Used In Investing Activities		$-62,030,659	$-14,562,570
Cash Flows From Financing Activities			
Cash was provided from:			
Issue 100,000 Ordinary Shares on purchase Totally Tourism Group		0	600,000
Increase in Debt – Mortgages (secured)		62,475,879	10,074,121
		62,475,879	10,674,121
Cash was applied to:			
Dividend Paid		11,564,093	10,844,009
Decrease in Debt – Convertible Notes		4,998	16,800
		11,569,091	10,860,809
Net Cash From Financing Activities		$50,906,788	$-186,688
Net Decrease in Cash Held		$-15,916	$-5,711,946
Add Opening Cash		$629,871	$6,341,817
Ending Cash Carried Forward	7	$613,955	$629,871

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts

Significant Accounting Policies

General Information

Skyline Enterprises Limited (The Company) and its subsidiaries (together the Group) own and operate tourism facilities, primarily cableway, luge, restaurant, aircraft (fixed wing and helicopter), vessel, accommodation, commercial property and casino businesses. The Group has operations in New Zealand, Singapore and Canada.

The Company is a limited liability company incorporated and domiciled in New Zealand.

These Consolidated Financial Statements are for the year ended 31 March 2013 and were authorised for issue by the Board of Directors on 2 August 2013.

Basis of Preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the financial statements also comply with International Financial Reporting Standards (IFRS). The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The financial statements are presented in New Zealand Dollars (NZD) which is the Company's functional and presentation currency. The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property assets and convertible notes. Dunedin Casino Limited shares and Christchurch Casino Land and Buildings are valued at fair value for the purposes of the acquisition but not on an ongoing basis.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following note: Note 20 – valuation of investment property.

Consolidation

The Consolidated Financial Statements have been prepared on the "Purchase Method" and include the audited results of all subsidiaries to 31 March 2013. All significant inter-company advance accounts are eliminated on consolidation.

Associates

Associates are entities in which Skyline Enterprises Group has significant influence over, but not control over, the operating and financial policies.

Associate companies are reflected in the financial statements of the parent and group using the equity method, whereby Skyline's share of post-acquisition net earnings of the associate is included in earnings after income tax. Where the equity accounted carrying amount of an entity falls below zero, the equity method of accounting is suspended and the investment is recorded at zero. If this occurs, the equity method is not resumed until such time as the group's share of losses not recognised during the years in which the equity method was suspended, are offset by the current share of earnings.

Property, Plant and Equipment

Owned Assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, with the exception of capital works in progress which are stated at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the accounts continued

Depreciation
Depreciation of fixed assets has been provided for using Inland Revenue Department maximum allowable rates. It is considered that these rates will write off the cost of the assets over their expected useful lives.

Fixed assets have been depreciated at the following rates:

Buildings	1% to 7.7% CP or 4% to 8% DV
Gondolas, Cableways	10% to 12% DV or 11.1% CP
Motor Vehicles	20% CP or 25% to 31.2% DV
Plant & Equipment	5.9% to 33.3% CP or 7.5% to 60% DV
Furniture & Fittings	5.9% to 33.3% CP or 7.5% to 39.6% DV
Aircraft & Vessels	9% to 40% DV
Gaming tables, machines & equipment	7.7% to 33.3% CP
Pooled items of plant & equipment	60% to 80.4% DV

Land is not depreciated.
Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Investment Property
An external independent valuation company, having appropriately recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment portfolio every 12 months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant premises, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Intangible Assets
Licences and concessions that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Licences and concessions are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated remaining useful lives for the current period is as follows:

Totally Tourism Limited Group – Licences and Concessions	6.44 years
Christchurch Casinos Licence	6.63 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Inventories
Inventories are stated at the lower of cost, determined on a first-in first-out basis, or net realisable value. Inventories include food, liquor, souvenirs and other retail merchandise for resale. Some inventories are subject to retention of title clauses.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Impairment

The carrying amounts of the Group assets other than inventories are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income. All receivables considered to have a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Previously recognised impairment losses on assets may be reversed if there is a positive change in the estimate of the recoverable amount, but only to the extent of the prior cumulative impairment losses.

Foreign Currency

Transactions and Balances

Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies in the Balance Sheet are translated into the functional currency at the exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Income.

Foreign Operations

Translation of the Financial Statements of Independent Foreign Operations.

The assets and liabilities of the Group's overseas operations, being independent foreign operations, are translated at the exchange rates ruling at balance date. The revenues and expenses of these entities are translated at rates approximating the exchange rates ruling at the dates of transactions. Exchange differences arising on the translation of independent foreign operations are recognised in the foreign currency reserve. On disposal of a foreign operation, the balance held in the foreign currency reserves is transferred to the Statement of Comprehensive Income.

Non-Derivative Financial Instruments

Non-derivative financial instruments comprise investments in equity securities, cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. For instruments not at fair value through profit or loss, these are recognised at cost plus any attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Investments in Equity and Debt Securities

The shares and advances held by the parent company in its subsidiaries and associate companies, other than Dunedin Casinos Limited (note 11), are stated at either cost or equity accounted unless they have been adjusted to the recoverable amount as a result of an impairment loss. Dunedin Casinos Limited has been stated at valuation subsequently adjusted by being equity accounted.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade and Other Receivables

Trade and other receivables are initially recorded at cost reduced by appropriate allowances for estimated recoverable amounts. Bad debts are written off when identified.

Notes to the accounts continued

Goodwill
Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets. For measurement of goodwill at initial recognition see note 23.
Subsequent measurement: Goodwill is measured at cost less accumulated impairment losses.

Borrowing Costs
Until 1 April 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) were expensed as incurred. For qualifying assets commencing on or after 1 April 2009 such costs are capitalised.

Trade and Other Payables
Trade and other payables are stated at cost.

Loans and advances
Loans and advances are measured at amortised cost using the effective interest method, less any impairment losses.

Share Capital

Ordinary Shares
Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Convertible Notes
The convertible notes issued by the Company are recognised at their fair value at balance date and all fair value adjustments are recognised through the Statement of Comprehensive Income.

Employee Benefits

Annual Leave
A liability for annual leave and days in lieu is recognised at each balance sheet date.

Defined Contribution Plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due.

Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Income Tax
The tax expense charged against earnings for the period is the estimated total liability including both the current period's provision and deferred tax. The current period's tax payable to the tax authorities in the jurisdictions in which the Group operates is recorded in taxation payable and any amounts due from those tax authorities included in current tax asset.

Tax relating to an item that is recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax book value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. For deferred tax liabilities or assets arising on investment property measured at fair value, it is assumed that the carrying amounts of investment property will be recovered through sale.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Revenue

Goods Sold

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Gaming Revenue

Gaming revenues are the net aggregate of gaming wins and losses. Gaming revenue is recognised on an accruals basis. This is effectively a cash basis, except to the extent that cash received represents a commitment to future jackpot payouts. Contributions from casino patrons to future jackpot payouts are recognised as a current liability.

Expenses

Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Finance Income and Expenses

Finance income comprises interest income, dividend income, and foreign currency gains. Interest income is recognised using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, foreign currency losses, unwinding of the discount on provisions, and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Segment Reporting

An operating segment is presented on the same basis as that used for internal reporting purposes and its results are regularly reviewed by the chief operating decision maker, which consists of the Board of Directors and the Chief Executive Officer. All costs are directly allocated to the segment in which they are incurred.

Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the above policies.

Changes in Accounting Policies

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with the prior annual financial statements.

Notes to the accounts continued

New Standards and Interpretations Not Yet Adopted

At the date of authorisation of these financial statements the following Standards and Interpretations, including those Standards or Interpretations issued by the IASB/IFRIC where an equivalent New Zealand Standard or Interpretation has not been approved, were in issue but not yet effective:

Name	Effective for annual reporting periods beginning on or after:
Amendments to NZ IFRS 1 *First time adoption of New Zealand equivalents to International Financial Reporting Standards* and NZ IAS 1 *Presentation of Financial Statements*	1 July 2012
Amendments to NZ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*	1 July 2012
Offsetting Financial Assets and Financial Liabilities (Amendments to NZ IAS 32)	1 July 2012
NZ IAS 19 *Employee Benefits*	1 January 2013
NZ IFRS 10 *Consolidated Financial Statements*	1 January 2013
NZ IAS 27 *Separate Financial Statements*	1 January 2013
NZ IFRS 11 *Joint Arrangements*	1 January 2013
Amendments to NZ IAS 28 *Investments in Associates and Joint Ventures*	1 January 2013
NZ IFRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
NZ IFRS 13 *Fair Value Measurement*	1 January 2013
Annual Improvements to NZ IFRSs 2009-2011 Cycle (June 2012)	1 January 2013
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to NZ IFRS 7) (February 2012)	1 January 2013
NZ IFRS 9 *Financial Instruments*	1 January 2015

The Directors expect to adopt the above Standards and Interpretations in the period in which they become mandatory. With the exception of NZ IFRS 9, the Directors anticipate that the above Standards and Interpretations will have no material impact on the financial statements of the Group or Company in the period of initial application. It is likely that the changes arising from NZ IFRS 9 will affect the recognition and measurement, and classification of amounts recognised in the Group and Company financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

1. Expenses

Operating Expenses

	Group 2013	Group 2012	Parent 2013	Parent 2012
Operating Lease Costs	10,834,563	6,738,774	996,104	942,537
Bad and Doubtful Debts	70,177	27,102	6,545	347
Wages and Salaries	24,299,316	16,178,489	6,175,006	5,727,515
Operating Expenses – Investment Properties	496,544	481,931	0	0
Other	20,173,693	14,285,107	3,577,171	3,630,243
	$55,874,293	$37,711,403	$10,754,826	$10,300,642

Remuneration of Auditors

	Group 2013	Group 2012	Parent 2013	Parent 2012
Audit Fees for Financial Statement Audit	89,068	68,061	75,000	34,671
Audit Fees for Assurance and Related Services	0	0	0	0
Audit Fees Paid to Other Auditors of the Group	23,406	23,100	0	0
	$112,474	$91,161	$75,000	$34,671

Donations

Donations of $43,668 were paid for the year ended 31 March 2013 (2012 $22,973).

2. Depreciation

	Group 2013	Group 2012	Parent 2013	Parent 2012
Land and Improvements	7,782	3,257	0	0
Buildings	913,911	771,730	334,617	385,369
Furniture and Fittings	459,609	312,563	105,880	137,710
Plant and Equipment	2,402,958	1,805,538	522,933	655,758
Canadian Plant and Equipment	128,153	142,561	0	0
Sentosa Plant and Equipment	788,413	767,363	0	0
Aircraft & Vessels	1,485,002	786,193	0	0
	$6,185,828	$4,589,205	$963,430	$1,178,837
Total depreciation includes:-				
Profit/Loss on disposal of Fixed Assets	$56,617	$-99,807	$79,998	$8,829

Notes to the accounts continued

3. Net Financing Costs

	Group 2013	Group 2012	Parent 2013	Parent 2012
Interest Received				
Received Bank of New Zealand	75,184	146,671	19,512	103,981
Received on Taxation	1,015	6,537	732	0
Received Canadian Funds	980	3,185	0	0
Received Deposits	29,000	6,748	0	0
Received Canadian Tax Authority	29	0	0	0
	$106,208	$163,141	$20,244	$103,981

Interest Paid

Interest payments have been made on advances to the Company and Group as follows:

	Group 2013	Group 2012	Parent 2013	Parent 2012
Advances from the Bank on Current Account	1,906	235	138	66
Mortgages	1,225,819	452,463	1,225,819	452,462
Convertible Notes	16,777	21,577	16,777	21,577
Inland Revenue Department	31,552	1,958	0	1,318
Singapore Tax Authority	285	0	0	0
Canadian Tax Authority	8,947	5,700	0	0
UDC	0	3,698	0	0
	$1,285,286	$485,631	$1,242,734	$475,423

4. Income Tax Expense

	Note	Group 2013	Group 2012	Parent 2013	Parent 2012
Current Tax Expense					
Current Period New Zealand		7,074,599	5,409,706	2,281,724	2,021,875
Adjustment for Prior Periods		-9,705	0	-9,705	-34,534
Current Overseas Taxation		963,551	1,065,230	0	0
Adjustment for Prior Periods		0	13,022	0	0
		8,028,445	6,487,958	2,272,019	1,987,341
Deferred Tax Expense					
Current Charge		14,210,383	3,581,844	-64,208	-32,521
Adjustment Sentosa		34,422	4,005	0	0
Adjustment Casino Purchase		-14,759,200	0	0	0
Total Income Tax Expense	4	$7,514,050	$10,073,807	$2,207,811	$1,954,820

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Reconciliation of Effective Tax Rate

	Note	2013	2013	2012	2012
Group					
Profit for the Period		9,742,773		15,543,642	
Total Income Tax Expense	4	7,514,050		10,073,807	
Profit Excluding Income Tax		17,256,823		25,617,449	
Income Tax Using Domestic Tax Rate		4,831,910	28.00%	7,172,886	28.00%
Effects Tax Rates Overseas Income		-585,745	-3.39%	-693,416	-2.71%
Onshore Tax Overseas Income		145,673	0.84%	155,156	0.60%
Effect Allowance Non Deductibility Building Depreciation		5,160	0.03%	0	0%
Tax Equity Accounted Investee Income		-57,985	-0.34%	47,600	0.19%
Net Effect Investment Property Revaluations, Depreciation		-333,591	-1.93%	-571,624	-2.23%
Non Deductible Expenses		13,051	0.07%	448,370	1.75%
Prior Period Adjustments		-9,705	-0.05%	-840	0%
Non-Taxable Capital Gains		-8,441	-0.04%	0	0%
Benefit Losses Claimed		-72,557	-0.42%	-77,533	-0.3%
Effect Income Tax Expenses not in Consolidation		16,800	0.09%	-112,830	-0.44%
Effect Allowance Non Deductibility of Assets Acquired on Acquisition of Christchurch Casinos Ltd (Totally Tourism Group)		3,570,560	20.69%	3,706,038	14.47%
Deferred Tax adjustments, Penalties		-1,080	-0.01%	0	0%
		$7,514,050	43.54%	$10,073,807	39.33%
Parent					
Profit for the Period		6,773,534		5,126,143	
Total Income Tax Expense	4	2,207,811		1,954,820	
Profit Excluding Income Tax		8,981,345		7,080,963	
Income Tax Using Domestic Tax Rate		2,514,777	28.00%	1,982,670	28.00%
Benefit Losses Claimed		-280,069	-3.12%	0	0%
Tax Equity Accounted Investee Income		6,864	0.08%	11,900	0.17%
Non Deductible Expenses		-3,504	-0.04%	-4,376	-0.06%
Prior Period Adjustments		-22,170	-0.25%	-35,374	-0.50%
Non-Taxable Capital Gains		-8,087	-0.09%	0	0%
		$2,207,811	27.61%	$1,954,820	27.61%

Notes to the accounts continued

Deferred Income Tax

Group	2013	2012	2013	2012
Deferred Income Tax Liabilities				
Non Deductibility Building Depreciation	4,741,804	3,346,283		
Accelerated Depreciation Sentosa	393,990	428,032		
Revaluations of Investment Property to Fair Value	899,050	872,888		
Sentosa	53,699	54,080		
Non Deductibility Plant & Equipment Acquisition Costs	2,045,902	2,254,695		
Non Deductibility Intangible Assets	802,171	939,138		
Taxable Overhaul Provision not recognised	689,418	512,205		
Non Deductibility Building Depreciation Casino	6,806,000	0		
Non Deductibility Casino Licence	7,298,200	0		
Gross Deferred Income Tax Liabilities	23,730,234	8,407,321		
Deferred Income Tax Assets				
Employment Benefits	837,772	125,242		
Casino Provisions	290,000	0		
Other Items	110,000	0		
Gross Deferred Income Tax Asset	1,237,772	125,242		
Deferred Income Tax Charge			14,210,383	3,581,844
Parent				
Deferred Income Tax Liabilities				
Non Deductibility Building Depreciation	808,133	840,624		
Gross Deferred Income Tax Liabilities	808,133	840,624		
Deferred Income Tax Assets				
Employee Benefits	83,773	52,056		
Gross Deferred Income Tax Asset	83,773	52,056		
Deferred Income Tax Charge			-64,208	-32,521

		Group		Parent
Imputation Credit Account	2013	2012	2013	2012
Balance 1 April	38,768,833	37,253,423	27,430,039	28,551,028
Add Income Tax Paid	7,239,594	5,279,162	2,100,282	2,134,351
Imputation Credits on Dividends Received	10,137,354	1,285,510	5,816,249	1,264,072
RWT on Interest Received	16,768	12,585	0	0
	56,162,549	43,830,680	35,346,570	31,949,451
Less Credits attached to Dividends Paid	4,957,168	4,519,412	4,957,168	4,519,412
Income Tax Refunds	89,216	542,435	82,532	0
Balance 31 March	51,116,165	38,768,833	30,306,870	27,430,039

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

5. Capital and Reserves

Share Capital

At 31 March 2013 share capital comprised 34,093,879 ordinary fully paid shares (2012: 34,047,779) which have no par value. The holders of ordinary shares have equal voting rights and share equally in dividends and any surplus on winding up.

	2013	2012
Shares on issue 1 April	34,047,779	33,919,779
Add Convertible Notes Transferred to Shares	46,100	28,000
Ordinary Shares Issued on Acquisition Totally Tourism Group	0	100,000
Closing Shares on issue 31 March	34,093,879	34,047,779

Translation Reserve

The translation reserve represents the net difference that arises when foreign domiciled assets and liabilities are translated at the closing rate.

Dividends

The Dividends paid in 2013 and 2012 were $11,566,724 ($0.34 per share) and $10,844,009 ($0.32 per share) respectively.

Proposed dividends have not been allowed for in the accounts due to accounting standards on the timing of reporting of such dividends. The proposed dividends will be payable on ordinary capital except ordinary shares issued on the conversion of 2010 Staff Convertible Notes which do not qualify for dividends until the year commencing 1 April 2013. All dividends will be fully imputed, the final proposed dividend being 37 cents per share compared to 34 cents per share last year. Total dividend payable will be $12,597,678.

Retained Earnings

These include the following Capital Reserves.

	Group		Parent	
	2013	2012	2013	2012
Opening Balance brought forward	14,304,606	14,304,606	1,274,856	1,274,856
Plus Capital Gain Sale Building, Plant	30,146	0	28,879	0
Closing Balance	$14,334,752	$14,304,606	$1,303,735	$1,274,856

Notes to the accounts continued

6. Trade and Other Receivables

	Group 2013	Group 2012	Parent 2013	Parent 2012
Trade Receivables	$6,526,731	$3,341,322	$907,668	$736,974

The fair values of trade and other receivables are equivalent to the carrying values. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

Trade receivables are shown net of impairment losses amounting to $Nil (2012: $Nil) recognised in the current year.

7. Cash and Cash Equivalents

	Group 2013	Group 2012	Parent 2013	Parent 2012
Cash at Bank and In Hand	8,396,890	6,220,279	613,955	629,871
Deposits (on call)	6,219,000	0	0	0
Closing Balance	$14,615,890	$6,220,279	$613,955	$629,871

The effective interest rate on call deposits is 3.00 per cent.

8. Trade and Other Payables

	Group 2013	Group 2012	Parent 2013	Parent 2012
Trade Payables	13,553,718	6,342,050	2,632,159	1,977,583
Trade Payables due to Related Parties	18,537	90,230	0	90,230
Provisions	1,070,000	0	0	0
	$14,642,255	$6,432,280	$2,632,159	$2,067,813

The component parts of the Provisions balance consist of bonus points, jackpots and unredeemed chips in relation to casino games.

9. Employee Benefits

	Group 2013	Group 2012	Parent 2013	Parent 2012
Liability for Annual Leave	2,130,715	937,285	337,137	249,778
Other Employee Entitlements	1,018,228	559,769	210,011	157,124
	$3,148,943	$1,497,054	$547,148	$406,902

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

10. Property, Plant and Equipment

2013	Cost $	Additions $	Disposals $	Depreciation $	Foreign Currency Adjustment $	Accumulated Depreciation $	Carrying value $
Group							
Korean Plant & Equipment	0	118,176	0	0	0	0	118,176
Land & Improvements (at cost)	6,170,675	11,841,441	0	7,782	0	64,532	17,947,584
Buildings (at cost)	29,938,558	30,910,686	1,121	913,911	0	10,471,847	50,376,276
Furniture & Fittings (at cost)	6,450,202	3,246,283	0	459,609	0	5,250,367	4,446,118
Plant & Equipment (at cost)	27,514,744	11,261,529	464,152	2,402,958	0	18,523,179	19,788,942
Canadian Plant & Equipment	4,690,422	7,481,870	9,004	128,153	-264,315	2,477,474	9,421,499
Singapore Plant & Equipment	7,651,079	937,160	0	788,413	-217,764	4,932,240	3,438,235
Aircraft & Vessels (at cost)	12,811,851	3,100,183	0	1,485,002	0	2,271,195	13,640,839
	$95,227,531	$68,897,328	$474,277	$6,185,828	$-482,079	$43,990,834	$119,177,669
Parent							
Land & Improvements (at cost)	358,773	0	0	0	0	0	358,773
Buildings (at cost)	11,043,191	26,068	1,121	334,617	0	5,597,013	5,471,125
Furniture & Fittings (at cost)	2,577,347	5,730	0	105,880	0	2,079,283	503,794
Plant & Equipment (at cost)	11,374,309	198,667	198,992	522,933	0	7,962,779	3,411,205
	$25,353,620	$230,465	$200,113	$963,430	$0	$15,639,075	$9,744,897

2012	Cost $	Additions $	Disposals $	Depreciation $	Foreign Currency Adjustment $	Accumulated Depreciation $	Carrying value $
Group							
Land & Improvements (at cost)	2,906,639	3,264,036	0	3,257	0	56,750	6,113,925
Buildings (at cost)	24,916,674	5,021,884	0	771,730	0	9,529,057	20,409,501
Furniture & Fittings (at cost)	6,093,863	360,241	3,902	311,024	0	4,790,758	1,659,444
Plant & Equipment (at cost)	26,315,643	1,271,114	72,013	1,807,077	0	16,378,070	11,136,674
Canadian Plant & Equipment	3,626,239	1,064,183	0	142,561	-224,662	2,349,057	2,116,703
Singapore Plant & Equipment	7,262,764	388,315	0	767,363	-212,369	4,143,827	3,294,883
Aircraft & Vessels (at cost)	0	12,811,851	0	786,193	0	786,193	12,025,658
	$71,121,822	$24,181,624	$75,915	$4,589,205	$-437,031	$38,033,712	$56,756,788
Parent							
Land & Improvements (at cost)	358,773	0	0	0	0	0	358,773
Buildings (at cost)	10,799,464	243,727	0	385,369	0	5,233,517	5,809,674
Furniture & Fittings (at cost)	2,565,745	11,602	0	137,710	0	1,973,403	603,944
Plant & Equipment (at cost)	11,197,913	212,280	35,884	655,758	0	7,492,717	3,881,592
	$24,921,895	$467,609	$35,884	$1,178,837	$0	$14,699,637	$10,653,983

	Additions through Operating activities		Additions through acquisitions of		Total	
			Christchurch Casinos Ltd	Totally Tourism Group		
Group Additions	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Land & Improvements (at cost)	341,441	310	11,500,000	3,263,726	11,841,441	3,264,036
Buildings (at cost)	180,686	261,793	30,730,000	4,760,091	30,910,686	5,021,884
Furniture & Fittings (at cost)	488,283	127,173	2,758,000	233,068	3,246,283	360,241
Plant & Equipment (at cost)	3,326,529	598,639	7,935,000	672,475	11,261,529	1,271,114
Aircraft & Vessels (at cost)	3,100,182	0	0	12,811,851	3,100,182	12,811,851
Canadian, Singapore Plant & Equipment	8,419,030	1,452,498	0	0	8,419,030	1,452,498
Korean Plant & Equipment	118,176	0	0	0	118,176	0
	$15,974,327	$2,440,413	$52,923,000	$21,741,211	$68,897,327	$24,181,624

As part of the acquisition process fixed assets were fair valued at the date of acquisition and depreciated in accordance with the Group's depreciation policy from that date.

Notes to the accounts continued

11. Investments in Associate and Other Companies

	Group 2013	Group 2012	Parent 2013	Parent 2012
Shares, Memberships	38,500	500	0	0
Christchurch Casinos Limited	0	16,079,141	94,866,237	8,241,237
Queenstown Casinos Limited	0	1,655,600	0	1,655,600
Christchurch Hotels Limited	0	16,492,370	0	4,123,092
The Station Limited	48,289	39,009	0	0
Milford Sound Flights Limited	2,203,209	1,898,683	0	0
Dunedin Casinos Limited	9,349,000	0	0	0
	$11,638,998	$36,165,303	$94,866,237	$14,019,929

The following associate Companies have been equity accounted:

Company	Equity Accounted Percentage Held	31 March 2013 Percentage Held	Balance Date	Note
Christchurch Hotels Limited	33.3%	0%	31 March	*
Christchurch Casinos Limited	50.0%	100%	31 March	*
Queenstown Casinos Limited	40.0%	0%	30 June	*
The Station Limited	50.0%	50.0%	30 June	
Milford Sound Flights Limited	50.0%	50.0%	30 September	
Dunedin Casinos Limited	33.0%	33.0%	31 March	

* These companies have been equity accounted for the period from 1 April 2012 to 31 December 2012, at which time restructuring and liquidation of Christchurch Hotels Limited was completed, the Group's shareholding in Queenstown Casinos Limited was sold, and the remaining shareholding not owned in Christchurch Casinos Limited was purchased.

Christchurch Hotels Limited was an Investment Company whose subsidiary, Premier Hotels (Christchurch) Limited, had a 33.3% (2012 33.3%) holding in Christchurch Casinos Limited.

Christchurch Casinos Limited and Dunedin Casinos Limited operate predominantly in the Casino Industry.

Christchurch Casinos Limited has been impacted by the earthquakes in Christchurch. It was closed after each major earthquake as follows: September 4th to 9th 2010, February 22nd to May 26th 2011 and June 13th to 16th 2011.

The building is structurally sound and since reopening on 26 May trading has been satisfactory, but down on prior years as a consequence of ongoing issues relating to earthquake damage resulting in some areas not being fully operational. The devastation to the commercial centre has meant that the Casino is strongly marketing itself as a desirable entertainment destination. The Directors are confident that business will recover, in time, to pre-earthquake levels. In the meantime costs, wages and hours of operation are being appropriately managed.

The Casino was insured for Building, Plant, Stock and Business Interruption. At this time the quantum recoverable cannot be confirmed, so an amount has been determined based on the best available evidence.

The Station Limited is part of the Totally Tourism Group. It operates in the Tourism Industry as an agency for sightseeing sales. Milford Sound Flights Limited is part of the Totally Tourism Group. It operates in the Tourism Industry as a fixed wing aircraft scenic flight operator.

All subsidiaries have been fully consolidated in the accounts. All subsidiaries have a 31 March balance date.

Christchurch Casino Limited became a fully owned subsidiary on 31 December 2012 and has been fully consolidated for the three months to 31 March 2013.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Group Entities

The following subsidiary Companies are 100% beneficially owned, and are incorporated in New Zealand unless otherwise stated.

Christchurch Casinos Limited
Accommodation and Booking Agents (Queenstown) Limited
Leisure Lodge Motor Inn Limited
Queenstown Tourist Company Limited
Skyline Skyrides Limited
Skyline Tours Limited
North Sky Luge Limited
North Sky Luge (Tremblant) Limited – incorporated in Canada
North Sky Luge (Calgary) Limited – incorporated in Canada
Sentosa Luge Company Pte Limited – incorporated in Singapore
Fairy Springs Holdings Limited
Skyline Investments Limited
Skyline Properties Limited
O'Connells Pavilion Limited
North Sky Luge No 2 Limited
Glacier Helicopters Holdings Limited
Totally Tourism Limited
The Helicopter Line Limited
Glacier Helicopters Limited
Mitre Peak Cruises Limited
Milford Sound Scenic Flights Limited
Air Fiordland Limited
Wanaka Flightseeing (2006) Limited

12. Interest-bearing Loans and Borrowings

	Group 2013	Group 2012	Parent 2013	Parent 2012
Non-current				
Convertible Notes	0	187,698	0	187,698
	$0	$187,698	$0	$187,698
Current				
Secured Bank Loans	72,550,000	10,074,121	72,550,000	10,074,121
Convertible Notes	182,700	168,265	182,700	168,265
	$72,732,700	$10,242,386	$72,732,700	$10,242,386

Terms and Debt Repayment Schedule

The terms and conditions of outstanding loans were as follows:

Group and Parent

	Currency	Interest rate	Year of maturity	2013 Face value	Carrying amount	2012 Face value	Carrying amount
Secured Bank Loan	NZD	4.0%	2014	72,550,000	72,550,000	10,074,121	10,074,121
Convertible Ntes	NZD	4.5%	2014	182,700	182,700	355,963	355,963
Total Interest-bearing Liabilities				72,732,700	72,732,700	10,430,084	10,430,084

Notes to the accounts continued

Mortgages (secured)
An overall facility of $100,000,000 was arranged with the Bank of New Zealand on 31 December 2012 for three years to 31 December 2015.

The facility is secured by mortgage and debenture over the assets and undertakings of the Group.

Staff Convertible Notes

(a) 2011 Staff Convertible Notes 43,500 of $4.20 - $182,700. Convert to Ordinary Shares in the ratio of one for one on 31 March 2014.

(b) The 2010 Staff Convertible Notes converted to Ordinary Shares on 31 March 2013. The new shares issued qualify for dividends for the financial year commencing 1 April 2013.

Staff Convertible Notes – Provision for Current Share Price

	Group & Parent 2013	Group & Parent 2012
Liability on conversion at current Share price	367,575	558,359
Less Book Value convertible notes	182,700	355,963
Provision for current share price on convertible notes	$184,875	$202,396

13. Related Party Transactions
Parent and Ultimate Controlling Party
The immediate parent of the Group is Skyline Enterprises Limited. By virtue of the fact the Company is owned by a large number of small investors there is no ultimate controlling party.
Skyline Enterprises Limited has a related party relationship with the subsidiaries and associates as listed in Note 11.
Skyline Enterprises Limited has provided an unlimited intercompany guarantee to the Bank of New Zealand in favour of all its New Zealand subsidiaries.

Businesses in which Directors have a substantial interest and which provided services/supplies to the group on an arms length commercial basis during the period were as follows:-
Mr Bill Walker is a Director and major shareholder of E Type Engineering Limited and JK's & WBE Limited which provided engineering services.
Mr G Hensman is a Director and major shareholder of Southern Beaver Limited which provided consulting contracting and heavy machinery services.
No related party debts were written off or forgiven during the year.
Of the above related party transactions expenditure expensed represents 1.44% (2012 0.43%) of total operating expenses including $18,537 (2012 $90,230) owing at balance date, which is payable on normal trade terms.

Key Management Compensation
Short Term Employee Benefits $2,744,000 (2012: $1,526,000)

Loans and Advances to Related Parties

	Group		Parent	
	2013	2012	2013	2012
Advance to Christchurch Hotels Ltd	$0	$6,097,635	$0	$1,524,407
Advance to Milford Sound Flights Ltd	$381,500	$50,000	$0	$0

These are repayable on demand and are unsecured.

Transactions with Associated Entities

	Group		Parent	
	2013	2012	2013	2012
Goods, services provided to associated entities	$3,292,319	$220,058	$252,397	$0
Goods, services provided from associated entities	$4,630	$555,866	$0	$0

At 31 March outstanding balances of goods services provided to associated entities were $380,456 (2012 $27,458) and goods services provided from associated entities were $139,333 (2012 $116,679).

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

14. Contingent Liabilities

The North Sky Luge (Tremblant) Limited operating lease agreement with Mont Tremblant Resorts Limited – Intrawest requires satisfactory removal of all installations upon termination of the lease or the payment of $100,000 Canadian to cover such costs of removal.

The agreement for sale and purchase of the shares on acquisition of the Totally Tourism Group provides for additional consideration of up to $3 million paid as follows:
$4 for every dollar that average EBITD exceeds $2,820,000 for 2012 and 2013.
No provision has been made in the accounts as based on EBITD achieved to 31 March 2013 this clause which is based on EBITD to 30 June 2013 is unlikely to result in any consideration paid.

The agreement for sale and purchase of the shares in Christchurch Casino Limited from SkyCity Investments Christchurch Limited provides for additional consideration to be paid for the shares, to be calculated on the basis of 36% of any insurance payments received over $18,000,000 by Christchurch Casino Limited for business interruption proceeds relating to prior earthquake claims. As these claims have not been finalised, no provision can be made for this contingent liability.

At balance date The Helicopter Line Ltd is in dispute with Heli Holdings Ltd and the provision of maintenance of helicopters by Airwork. Concurrently Heli Holdings Ltd. have presented an invoice for shortfall hours for the period 2007 to 2012. The quantum of their claim is currently disputed by The Helicopter Line Ltd. Any claim as presented by Heli Holdings will be the subject of offset and counter claim by The Helicopter Line Ltd. The commercial implications arising from any disclosure concerning matters outlined above could be prejudicial to The Helicopter Line Ltd's ability to minimise the effect of any claim should it materialise.

At balance date the Group has a maximum liability of $120,000 (2012: $110,000) to the BNZ in respect of Visa Business credit cards held. Otherwise the Company had no significant contingent liabilities as at 31 March 2013 as for the previous year.

15. Capital Commitments

	Group & Parent 2013	Group & Parent 2012
Contracted but not provided for:		
Skyline Enterprises Car Park Upgrade	200,000	0
Korean Development Consents	400,000	0
Sentosa Top, Bottom Terminal Redevelopments	2,000,000	288,000
Leisure Lodge Repairs, Upgrades	0	90,000
Calgary Development	250,000	3,855,000
	$2,850,000	$4,233,000
Committed but not contracted for:		
Sentosa Top, Bottom Terminal Redevelopments	0	3,880,000
Leisure Lodge Room Upgrades	0	348,000
Blue Peaks Upgrades	80,000	88,000
The Helicopter Line Vehicles (and Helicopters)	80,000	1,695,000
Skyline Car Park Upgrade	0	300,000
Skyline Skyrides Upgrades	80,000	596,000
Calgary Development	800,000	1,554,000
Skyline Toilet and Café Upgrades	430,000	0
	$1,470,000	$8,461,000

Any other material capital expenditure items contracted for at balance date are provided for in the financial statements.

Notes to the accounts continued

16. Operating Lease Commitments

(a)The company has entered into an operating lease with the Queenstown Lakes District Council and Minister of Conservation for the cableway, luge and restaurant complex on Bobs Peak, Queenstown. The lease is renewable 5 yearly with rights of renewal to 2070. It has been renewed to 31 March 2015. Rental is 3% of Food, Beverage, Photography and Souvenirs sales to 2020. Rental on Luge, Gondola and other sales is 3.5% to 2014, then 3.75% to 2017, and then 4% to 2020. As turnover figures are not known actual future obligations under the lease cannot be determined in dollar terms.

(b)The Group has entered into an operating lease with Intrawest for the luge operation at Mont Tremblant, Quebec, Canada. The lease is renewable five yearly with rights of renewal to 2023. The current term expires in April 2018. Rental is calculated on a percentage of turnover minimum rental payable each year being C$200,000. A lift maintenance fee of C$25,000 to C$33,000 is also payable. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms.

(c)The Group has entered into an operating lease with the Sentosa Development Corporation for the Luge operation on Sentosa Island, Singapore. The lease is renewable five yearly with rights of renewal to 2025. The current term expires in November 2015. Rental is calculated on a percentage of turnover with monthly prepayments. Prepayments in successive terms are increased by the higher of 15% of amounts prepaid in the preceding term or the percentage increase in the Singapore Consumer Price Index whichever be the higher. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms.

(d)The Group has entered into an operating lease with the Calgary Olympic Development Association for the period of 10 years commencing on 1 May 2013 and renewable for a further term of 10 years. Rentals have been calculated in advance for the first term of 10 years. The total rent payable for the first term will be C$2.625 million payable as follows:

	C$
Less than one year	925,000
One to five years	900,000
More than five years	800,000

(e)The Group has entered into an operating lease with Heli Holdings Limited for the hire of 8 helicopters. The lease is renewable for two periods of five years to 2022. The first term expired in August 2012 and has been renewed, though the terms are being negotiated. Rental is calculated based on an amount per flying hour and is inclusive of rental, maintenance costs and hull liability insurance. As actual flying hours are not known, actual future obligations under the lease cannot be determined in dollar terms. See Note 14 Contingent Liabilities.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

17. Financial Instruments

Exposure to credit, interest rate, foreign currency, equity price and liquidity risks arises in the normal course of the Group's business.

Credit Risk

Financial Instruments which potentially subject the Group to credit risk principally consist of accounts receivable, advances to associated companies and bank balances. The Company generally does not require collateral or security. The Company continuously monitors the credit quality of its major receivables and does not anticipate any non performance of those customers. The Group places its call and short term deposits only with registered banks.

Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Foreign Currency Risk

Foreign currency risk is the risk that the value of assets and liabilities will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand Dollars. The Group is exposed to currency risk on Canadian Dollars due to its offshore investment in the North Sky Luge operation, a fully owned subsidiary, and is exposed to currency risk on Singapore Dollars due to its offshore investment in the Sentosa Luge operation, a fully owned subsidiary.

Interest Rate Risk

The Company and Group are exposed to interest rate risk in respect of the bank mortgages of $72,550,000 (2012 $10,074,121). The Directors consider that the interest rate risk is within acceptable thresholds for the group.

Quantitative Disclosures
Credit Risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

The Group's maximum exposure to credit risk for trade and other receivables by geographic regions is as follows:

	2013	2012
New Zealand	5,191,880	3,240,032
Singapore	413,377	89,332
Canada	921,474	11,958
Total	$6,526,731	$3,341,322

The status of trade receivables at the reporting date is as follows:

	Gross Receivable 2013	Impairment 2013	Gross Receivable 2012	Impairment 2012
Not past due	5,443,441	0	2,281,482	0
Past due 0-30 days	764,640	0	642,831	0
Past due 31-120 days	228,436	0	325,777	0
Past due 121-360 days	82,704	0	44,879	0
Past due more than 1 year	7,510	0	46,353	0
Total	$6,526,731	$0	$3,341,322	$0

Notes to the accounts continued

Liquidity Risk

The following table sets out the contractual cash flows for all financial liabilities and derivatives that are settled on a gross cash flow basis.

	Balance Sheet	Contractual Cash Flows	12 months or less	1-2 years	2-5 years	More than 5 years
Group						
2013						
Convertible Notes	182,700	182,700	182,700	0	0	0
Trade and Other Payables	17,791,198	17,791,198	17,791,198	0	0	0
Secured Bank Loans	72,550,000	72,550,000	72,550,000	0	0	0
Total Non-Derivative Liabilities	$90,523,898	$90,523,898	$90,523,898	$0	$0	$0
2012						
Secured Bank Loans	10,074,121	10,074,121	10,074,121	0	0	0
Convertible Notes	355,963	355,963	168,265	187,698	0	0
Trade and Other Payables	7,929,334	7,929,334	7,929,334	0	0	0
Total Non-Derivative Liabilities	$18,359,418	$18,359,418	$18,171,720	$187,698	$0	$0
Parent						
2013						
Convertible Notes	182,700	182,700	182,700	0	0	0
Trade and Other Payables	3,179,307	3,179,307	3,179,307	0	0	0
Secured Bank Loans	72,550,000	72,550,000	72,550,000	0	0	0
Total Non-Derivative Liabilities	$75,912,007	$75,912,007	$75,912,007	$0	$0	$0
2012						
Secured Bank Loans	10,074,121	10,074,121	10,074,121	0	0	0
Convertible Notes	355,963	355,963	168,265	187,698	0	0
Trade and Other Payables	2,474,715	2,474,715	2,474,715	0	0	0
Total Non-Derivative Liabilities	$12,904,799	$12,904,799	$12,717,101	$187,698	$0	$0

Foreign Currency Risk*

The Group's exposure to foreign currency risk can be summarised as follows:

	2013		2012	
	$S	$C	$S	$C
Trade Receivables	429,209	70,591	92,101	9,772
Secured Bank Loans	0	0	0	0
Trade Payables	-388,594	-105,170	-400,733	0
Net Balance Sheet Exposure	40,615	-34,579	-308,632	9,772

*$S = Singapore Dollars
$C = Canadian Dollars

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Capital Management

The Group's capital includes share capital, reserves and retained earnings. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group is not subject to any externally imposed capital requirements.

Sensitivity Analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, permanent changes in foreign exchange and interest rates will have an impact on profit.

At 31 March it is estimated that a general increase of one percentage point in interest rates would have decreased the Group's profit before income tax by $12,300 (2012: $5,000).

The above estimate of change in profit has been calculated on bank loans, and has been estimated on a similar basis to the prior year.

It is estimated that a general increase of one percentage point in the value of the New Zealand Dollar against other foreign currencies would have decreased the Group's profit before income tax by $55,000 (2012: $62,000).

Classification and Fair Values

	Note	Trading	Designated at Fair Value	Held to Maturity	Loans and Receivables	Available for Sale	Other Amortised Cost	Total Carrying Amount	Fair Value
2013									
Assets									
Investments in Associates & Other Companies	11	0	0	0	0	11,638,998	0	11,638,998	*
Trade and Other Receivables	6	0	0	0	6,526,731	0	0	6,526,731	6,526,731
Cash and Cash Equivalents	7	0	0	0	14,615,890	0	0	14,615,890	14,615,890
Total Current Assets		0	0	0	21,142,621	0	0	21,142,621	21,142,621
Total Assets		0	0	0	21,142,621	11,638,998	0	32,781,619	21,142,621
Liabilities									
Convertible Notes	12	0	367,575	0	0	0	0	367,575	367,575
Loans and Borrowings	12	0	0	0	0	0	72,550,000	72,550,000	72,550,000
Trade and Other Payables	8 & 9	0	0	0	0	0	17,791,198	17,791,198	17,791,198
Total Current Liabilities		0	367,575	0	0	0	90,341,198	90,708,773	90,708,773
Total Liabilities		0	367,575	0	0	0	90,341,198	90,708,773	90,708,773
2012									
Assets									
Investments in Associates & Other Companies	11	0	0	0	0	36,165,303	0	36,165,303	*
Trade and Other Receivables	6	0	0	0	3,341,322	0	0	3,341,322	3,341,322
Cash and Cash Equivalents	7	0	0	0	6,220,279	0	0	6,220,279	6,220,279
Total Current Assets		0	0	0	9,561,601	0	0	9,561,601	9,561,601
Total Assets		0	0	0	9,561,601	36,165,303	0	45,726,904	9,561,601
Liabilities									
Convertible Notes	12	0	558,359	0	0	0	0	558,359	558,359
Loans and Borrowings	12	0	0	0	0	0	10,074,121	10,074,121	10,074,121
Trade and Other Payables	8 & 9	0	0	0	0	0	7,929,334	7,929,334	7,929,334
Total Current Liabilities		0	168,265	0	0	0	18,003,455	18,171,720	18,171,720
Total Liabilities		0	558,359	0	0	0	18,003,455	18,561,814	18,561,814

*The Directors are unable to determine the fair value of the investment in Associates and Other Companies because the equity instruments do not have a quoted market price in an active market. It is the Directors' intention to continue to hold the Investments in Associates and Other Companies.

Notes to the accounts continued

Classification and Fair Values continued
The only financial instruments measured at fair value in the Statements of Financial Position are convertible notes. Under the fair value hierarchy, the fair value estimation of convertible notes, is classified as Level 1 under NZ IFRS 7: Financial Instruments Disclosures.

Estimation of Fair Values
The methods used in determining the fair value of financial instruments are discussed in the Group's accounting policies.

The estimated fair values of the financial instruments at 31 March 2013 are identical to the carrying values as detailed in the Balance Sheet and Consolidated Balance Sheet as at 31 March 2013.

18. Reconciliation of Profit after Taxation to Net Cash Flows from Operating Activities

		Group		Parent
	2013	2012	2013	2012
Reported Surplus after Taxation	65,054,208	20,271,016	15,003,838	8,982,848
Add Non Cash Items				
Depreciation	6,185,828	4,589,205	963,430	1,178,837
Movement in Deferred Tax	14,210,383	3,581,844	-64,208	-32,521
Additional Earnings from Equity Accounted Associates	-2,038,053	-1,585,849	-1,467,373	-864,701
Convertible Notes Provision	-17,521	-65,572	-17,521	-65,572
Investment Property Fair Value	-704,706	-1,563,891	0	0
Foreign Currency Translation (Gains)/Losses	376,774	1,157	0	0
Amortisation Intangible Assets	1,421,168	285,348	0	0
Casino Goodwill Written Off	11,825,000	0	0	0
Profit on Disposal Associates	-5,248,635	0	-4,157,602	0
Acquisition Gain Christchurch Casinos	-45,127,611	0	0	0
Deferred Tax Adjustment	-14,133,200	0	0	0
	31,803,635	25,513,258	10,260,564	9,198,891
Movement in Working Capital				
Decrease in Taxation Paid	895,690	824,142	254,269	-147,011
Increase in other Creditors	9,861,864	3,369,451	704,592	130,384
Increase in Inventory	-257,784	-94,778	59,224	-38,127
Increase in Debtors	-3,185,409	-1,658,250	-170,694	-106,825
	7,314,361	2,440,565	847,391	-161,579
Net Cash Flow from Operating Activities	$39,117,996	$27,953,823	$11,107,955	$9,037,312

19. Segment Reporting
a) Operating Segments

Chief Operating Decision Maker
The 'Chief Operating Decision Maker' has been identified as the Board of Directors and the Chief Executive Officer, who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Reportable Segments

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

The Group has three reportable segments (2012: two), as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

Tourism Operations – includes the gondola, luge and related food & beverage sales at all relevant operating sites. For 2013 tourism operations also includes twelve months trading from scenic flights, boat trips and other related sales, as compared to seven months for the 2012 year.

Property Investment – includes the ownership and rental of properties classified as investment property.

Casino Operations – includes gaming, food and beverage sales at the Christchurch Casino. For 2013 the results reported are for three months trading.

Other operations include the provision of accommodation and the ownership of shares for investment purposes. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2013 and 2012.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment operating profit before income tax. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other information provided is measured in a manner consistent with that in the financial statements. Significant one-off costs such as depreciation and revaluation of investment property have been excluded from the segment disclosures to reflect underlying segment operating performance.

	Total			Operations	Investment Operations			Segments		Operations
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from External Customers	79,255,429	64,721,725	4,647,677	4,577,842	4,763,457	5,377,097	14,009,000	0	102,675,563	74,676,664
Wages	17,102,210	14,059,541	0	0	2,423,106	2,118,948	4,774,000	0	24,299,316	16,178,489
Cost of Sales	7,838,315	6,792,162	0	0	416,585	470,339	345,000	0	8,599,900	7,262,501
Operating Profit	22,862,299	19,273,365	4,158,512	4,091,830	269,326	1,297,358	4,064,000	0	31,354,137	24,662,553
Other Reconciling Items							0	0	12,918,236	-1,277,386
Financing Costs							0	0	1,179,078	322,490
Tax							0	0	7,514,050	10,073,807
Profit for the Year							0	0	9,742,773	15,543,642
Capital Expenditure	13,539,855	23,992,820	245,294	346,109	293,118	188,404	2,133,000	0	16,211,267	24,527,733
Segment Assets	76,550,648	89,531,401	86,951,947	86,131,669	3,814,462	16,780,245	166,879,200	0	334,196,257	192,443,315

b) Geographical Segments

The Tourism operation segment is managed on a worldwide basis, but operates tourism operation sites in New Zealand, Singapore and Canada. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	New Zealand		Singapore		Other Regions	
	2013	2012	2013	2012	2013	2012
Total Segment Revenue	80,522,462	62,184,871	10,188,413	10,430,915	2,070,896	2,224,019
Segment Fixed Assets	200,351,135	137,130,203	3,438,236	3,294,883	9,421,498	2,116,702

Notes to the accounts continued

20. Investment Property

	2013	Group 2012
Balance at 1 April	85,785,000	83,875,000
Additions from subsequent expenditure	245,294	346,109
Change in fair value	704,706	1,563,891
	$86,735,000	85,785,000

The investment property assets total shown in the Consolidated Balance Sheet and reconciled above have been valued at fair value totalling $86,735,000 (2012: $85,785,000).

The valuation was prepared by APL Property Queenstown Limited (Registered Valuers) as at 31 March 2013.

Investment property comprises a number of commercial properties that are leased to third parties. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The range of yields applied to the net annual rentals to determine fair value of property for which current prices in an active market are unavailable is as follows:

Retail and Offices

	2013	Yields 2012
Queenstown New Zealand	5.25% – 7.00%	5.25% – 7.00%

21. Equity Accounted Investees

The Group's share of profit in its equity accounted investees for the year was $4,935,189 (2012: $4,727,374). Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Ownership	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Revenues	Expenses	Profit/(loss)
2013 (thousands of dollars)										
The Station Ltd	50.0%	890	53	943	833	0	833	6,194	6,075	119
Milford Sound Flights Ltd	50.0%	2,043	3,751	5,794	274	3,600	3,874	3,179	3,233	(54)
Dunedin Casinos Ltd	33.0%	3,362	6,421	9,783	2,239	0	2,239	16,165	14,276	1,889
2012 (thousands of dollars)										
Christchurch Casinos Ltd	*50.0%	20,191	37,033	57,224	8,989	0	8,989	53,950	44,021	9,929
Christchurch Hotels Ltd	33.3%	2,336	47,171	49,507	18,324	0	18,324	3,128	504	2,624
Queenstown Casinos Ltd	40.0%	1,860	3,039	4,899	728	0	728	7,633	6,857	776
The Station Ltd	**50.0%	727	52	779	609	0	609	4,354	4,231	123
Milford Sound Flights Ltd	**50.0%	1,388	3,709	5,097	309	3,600	3,909	2,750	2,690	60

*Direct and indirect interest
**Seven months trading

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

Movements in Carrying Value of Equity Accounted Investees:

	Group 2013	Group 2012	Parent 2013	Parent 2012
Balance at 1 April	36,165,303	32,864,403	14,019,929	13,530,862
Share of Profit/(Loss)	4,935,189	4,727,374	373,654	571,566
Less Interest, Dividends received	-2,897,137	-3,141,526	-3,299,295	-42,499
Capital Repaid	-1,710,103	-160,000	-502,526	-40,000
Profit on Disposal	5,248,635	0	3,791,359	0
Acquisition Cost	9,438,000	1,825,052	0	0
Funds Advanced	331,500	50,000	0	0
Proceeds Sale Queenstown Casino	-5,000,000	0	-5,000,000	0
Acquisition Cost Christchurch Casino	80,000,000	0	85,483,116	0
Transfer Christchurch Casino	-114,872,389	0	0	0
Balance 31 March	$11,638,998	$36,165,303	$94,866,237	$14,019,929

22. Earnings Per Share

a) Basic Earnings Per Share

The calculation of basic earnings per share at 31 March 2013 was based on the profit attributable to ordinary shareholders of $67,042,208 (2012: $20,271,016) and a weighted average number of ordinary shares outstanding of 34,093,879 (2012: 34,047,779) calculated as follows:

Profit Attributable to Ordinary Shareholders

	Note	Total 2013	Total 2012
Net Profit for the Period		65,054,208	20,271,016
Net Profit Attributable to Ordinary Shareholders		65,054,208	20,271,016

Weighted Average Number of Ordinary Shares – Basic Calculation

	Note	2013	2012
Issued Ordinary Shares at 31 March	5	34,093,879	34,047,779

b) Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 March 2013 was based on the diluted earnings of $65,070,985 (2012: $20,292,593) and a diluted number of shares of 34,138,569 (2012: 34,138,569) calculated as follows:

Diluted Earnings

	Note	Total 2013	Total 2012
Net Profit for the Period		65,054,208	20,271,016
Plus Convertible Note Interest Paid	3	16,777	21,577
Diluted Earnings		65,070,985	20,292,593

Weighted Average Number of Ordinary Shares – Diluted Calculation

	Note	2013	2012
Issued Ordinary Shares at 31 March	5	34,093,879	34,047,779
Add Convertible Notes Issued	12	43,500	90,790
		34,137,379	34,138,569

Notes to the accounts continued

23. Intangible Assets

	Note	Goodwill 2013	Goodwill 2012	Licences and Concessions 2013	Licences and Concessions 2012	Total Intangibles 2013	Total Intangibles 2012
Cost		0	0	3,639,414	0	3,639,414	0
On 1 April							
On Acquisition of Totally Tourism Group		0	0	0	3,639,414	0	3,639,414
On Acquisition of Christchurch Casino	24	77,138,200	0	26,065,000	0	103,203,200	0
Balance 31 March		77,138,200	0	29,704,414	3,639,414	106,842,614	3,639,414
Amortisation							
On 1 April		0	0	285,348	0	285.348	0
Amortisation for the year Totally Tourism Group		0	0	489,168	285,348	489,168	285,348
Amortisation for the year Christchurch Casino		11,825,000	0	932,000	0	12,757,000	0
Balance 31 March		11,825,000	0	1,706,516	285,348	13,531,516	285,348
Carrying Amount Balance 31 March		$65,313,200	$0	27,997,898	$3,354,066	$93,311,098	$3,354,066

The goodwill balance with indefinite lives are allocated to the Group's cash generating unit (CGU) as follows.

Christchurch Casinos Ltd	$65,313,200

The recoverable amount of the CGU is valued on value in use calculations. These calculations used an eight year cashflow projection using management's budgets, approved by directors, which reflect the current operating conditions and trading performance of Christchurch Casino and assumed a growth rate of 3% per annum. The discount rate used in the current estimate of goodwill was 11.5%. The discount rates are post tax and reflect specific risks to the relevant operating segment. The Group does not expect a reasonably possible change in key assumptions would reduce recoverable amount below carrying amount.

An impairment loss of $11,825,000 has been recognised and is recorded as Casino Goodwill Written Off in the Consolidated Statement of Comprehensive Income. This represents the difference between the total consideration paid to acquire the shares in Christchurch Casinos Ltd and a valuation of the business that was prepared on a discounted cashflow basis.

Amortisation Charge

The amortisation charge for the current period is calculated for the three months from acquisition of Christchurch Casinos Limited to 31 March 2013.

24. Acquisition of Subsidiary

On 20 December 2012 the Group acquired Christchurch Casinos Limited by acquiring the shares held by SkyCity Investments Christchurch Limited. As a result the Group's equity interest in Christchurch Casinos Ltd increased from 33% (effective 50%) to 100%.

Christchurch Casinos Limited is a casino operator in Christchurch providing gaming, dining and entertainment services.

The acquisition is expected to add value to the Group in future years and the principal areas of operation are consistent with the Groups strategy of establishing and consolidating its presence in key South Island tourist locations.

In the three months to 31 March 2013 the Christchurch Casino contributed revenue of $14,009,000 and profit before taxation of $3,947,000 (before amortisation of intangibles of $12,757,000) to the Groups results. If the acquisition had occurred on 1 April 2012 management estimates that consolidated revenue would have been $145,681,195 and consolidated profit before taxation for the year would have been $30,659,823. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2012.

Skyline Enterprises Limited And Its Subsidiary Companies

Notes to the accounts continued

The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration Transferred

	Note	2013
Cash		$80,000,000

Contingent Consideration

The Group has agreed to pay the selling shareholder additional consideration relating to insurance business interruption claims prior to the agreement for sale and purchase. SkyCity Investments Christchurch Limited will be paid 36% of all payments received for business interruption insurance claims over $18,000,000 as an adjustment to the consideration paid for the shares purchased.

Identifiable Assets Acquired and Liabilities Assumed

	Note	2013
Property Plant and Equipment	10	52,923,000
Inventories		325,000
Trade and Other Receivables		912,000
Cash and Cash Equivalents		16,488,000
Investments – Associated Companies	21	9,438,000
Taxation		(1,091,000)
Deferred Income Tax		(14,759,200)
Trade and Other Payables		(6,281,000)
Employee Entitlements		(1,158,000)
Total identifiable net assets		$56,796,800

Licences, Concessions and Goodwill

Recognised as a result of the acquisition as follows:

	Note	2013
Consideration transferred		80,000,000
Add Value 50% Casino pre-owned based on transaction value		80,000,000
		160,000,000
Less Fair value of identifiable net assets		56,796,800
	23	$103,203,200

The re-measurement to fair value of the Group's existing 50% effective interest in Christchurch Casino resulted in a gain of $45,127,611 which has been recognised in the Consolidated Statement of Comprehensive Income. The goodwill is attributable to both the casino licence and the businesses reputation with customers and other stakeholders.
None of the goodwill recognised is expected to be deductible for income tax purposes.

Trade receivables comprise gross contractual amounts due of $912,000 of which $Nil is expected to be uncollectible at acquisition date.

Acquisition-related costs

The Group incurred acquisition related costs of $16,647 (2012: $150,812) related to external legal fees and due diligence costs. These costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

Notes to the accounts continued

25. Other Events

Korean Luge

The Company has entered into an agreement to lease with the City of Tongyeong-Si in the Republic of Korea for a chairlift and luge facility subject to the Company securing the appropriate licences and permits.

The proposed lease term is 30 years from the date of commencement of operations with renewal options at each five yearly interval. Rental is calculated as a percentage of luge ticket sales and as turnover figures will be unknown then obligations under the lease cannot be determined.

The Company estimates total development costs to be in the order of $10 million (US dollars).

Skyline Enterprises Limited And Its Subsidiary Companies

Other financial information

For the year ended 31 March 2013

Remuneration of Directors

Directors' remuneration and other benefits received, or due and receivable during the year is as follows:-

	Consolidated	Parent Company	Totally Tourism Ltd	Christchurch Casino Limited
K J Matthews – Chairman	135,000	100,000	25,000	10,000
G H Hensman	54,000	54,000	0	0
P J Hensman	73,000	63,000	0	10,000
Bill Walker	52,000	52,000	0	0
R B Thomas	49,000	49,000	0	0
J N Hunt	47,000	47,000	0	0
M Quickfall	76,000	51,000	25,000	0
BC Thomas – Independent Chairman	20,000	0	0	20,000
A B Ryan – Independent Director	10,000	0	0	10,000
	$516,000	$416,000	$50,000	*$50,000

*Three months trading

Directors' Indemnity and Insurance

The Company has indemnified its Directors for their actions in their capacity as Directors of the Company to the extent permitted by section 162 of the Companies Act 1993. The Company has also insured its Directors against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

Remuneration of Employees

There were eleven employees who received remuneration and any other benefits in their capacity as employees, in excess of $100,000 for the year, as follows:-

Number of Employees	Bracket
2	$100,000 - $110,000
2	$110,000 - $120,000
1	$120,000 - $130,000
1	$140,000 - $150,000
1	$150,000 - $160,000
1	$170,000 - $180,000
2	$190,000 - $200,000
1	$380,000 - $390,000

Entries in Interests Register During Financial Year

a) Directors' Interests

The following transactions were entered into by Directors of the Company during the year:
During the year Skyline Enterprises Limited and its subsidiaries:
Paid Southern Beaver Limited for consulting contracting and heavy machinery services – a company in which Mr G H Hensman, a Director, has an interest.
Paid E Type Engineering Limited and JK's & WBE Limited for engineering services – companies in which Mr Bill Walker, a Director, has an interest.
All of these transactions were provided on normal commercial terms.

b) Share Dealing by Directors

Directors disclosed the following on market purchases of ordinary shares under Section 148(2) of the Companies Act 1993 for the year to 31 March 2013

Director	Number of Shares	Consideration Paid per Share	Date	Nature of Transaction
KJ Matthews	5,433	$8.00 - $8.25	09/03/13	Purchase by associated party
M Quickfall	579,756	$6.26 - $8.45	12/04/12 – 27/03/13	Purchase by associated party

c) Use of Company Information

During the year the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

Financial Highlights

	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010	GAAP 2009
Total Operating Revenue	102,781,771	74,839,805	57,756,989	55,606,951	52,501,229
Operating Surplus	17,256,823	25,617,449	21,634,854	16,538,712	10,936,565
Taxation Provision	7,514,050	10,073,807	9,044,086	6,618,183	7,193,703
Net Profit After Taxation	65,054,208	20,271,016	16,679,901	15,163,225	9,044,130
Shareholders' Funds	215,924,787	162,537,407	152,873,474	151,500,538	144,859,168
Dividend per share (cents)	37	34	32	32	22
Total Dividends Payable	12,597,678	11,566,724	10,844,009	10,832,329	7,441,726
Earnings to Shareholders Funds	30.1%	12.5%	10.9%	10.0%	6.2%
Net Asset Backing per Ordinary Share	$6.33	$4.77	$4.51	$4.47	$4.28
Wages Paid	24,299,316	16,178,489	13,227,707	11,805,739	12,120,550
Share Price	$8.45	$6.15	$5.93	$5.31	$4.65

Interesting Facts

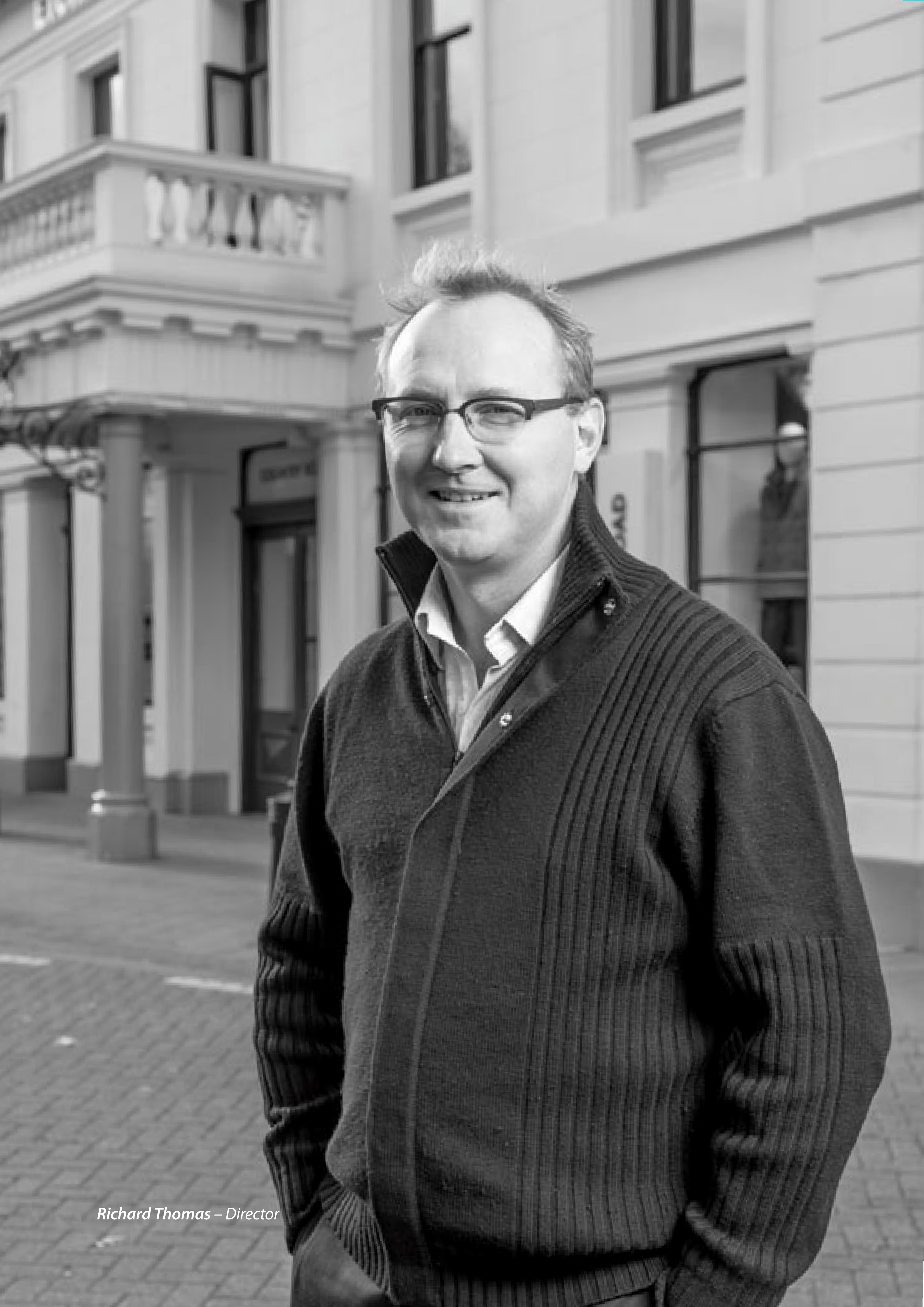
	2013	2012	2011	2010	2009
Number of Cableway Passengers					
Queenstown	556,364	498,768	527,731	521,000	492,426
Rotorua	429,400	391,932	405,359	400,612	387,121
Number of Diners					
Queenstown	149,830	123,756	142,427	131,972	123,918
Rotorua	115,694	84,366	95,962	82,486	94,749
Average Annual Occupancy					
Blue Peaks Lodge	53%	55%	59%	68%	71%
Leisure Lodge	65%	67%	60%	61%	62%

Shareholding Statistics

Distribution of Shareholders and Shareholdings

Size of Holding	Holders	Shares	%
0 - 19,999	612	4,546,898	13.3%
20,000 - 69,999	119	3,884,045	11.4%
70,000 - 199,999	36	3,955,987	11.6%
200,000 - 499,999	23	6,147,713	18.0%
500,000 +	15	15,559,236	45.7%
Total	805	34,093,879	100%

Grant Hensman _– Director_



Richard Thomas – *Director*

Crowe Horwath

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Skyline Enterprises Limited

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Skyline Enterprises Limited on pages 8 to 44 and its subsidiaries, which comprise the Consolidated Balance Sheet and Balance Sheet of Skyline Enterprises Limited as at 31 March 2013, and the Consolidated Statement of Comprehensive Income, Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows and Statement of Cash Flows for the year then ended, and Significant Accounting Policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation of consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and that gives a true and fair view of the matters to which they relate; this includes the design, implementation and maintenance of internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors we have no relationship with or interests in the Skyline Enterprises Limited or any of its subsidiaries.

Opinion
In our opinion, the consolidated financial statements on pages 8 to 44:
- comply with generally accepted accounting practice in New Zealand
- comply with New Zealand equivalents to International Financial Reporting Standards
- give a true and fair view of the financial position of Skyline Enterprises Limited and the group as at 31 March 2013 and the results of its operations and cash flows of the group for the year ended on that date.

Other Matters
We draw attention to the "Effect of NZ IFRS Accounting Policies on Reported Results" commentary included on Page 3 in the Directors' Report which includes the directors' estimation of the Group's results had some aspects of NZ IFRS not been introduced. These results are materially different with the Group's audited results under NZ IFRS as reported in the consolidated financial statements over which we have expressed our opinion.

Report on Other Legal and Regulatory Requirements

Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993 require us to comment on whether we have obtained all the information and explanations that we have required from Skyline Enterprises Limited and whether we consider that proper accounting records have been kept by Skyline Enterprises Limited and its subsidiaries. We report that:
- We have obtained all the information and explanations that we have required
- In our opinion, proper accounting records have been kept by Skyline Enterprises Limited and its subsidiaries as far as appears from an examination of those records.

Crowe Horwath

Crowe Horwath New Zealand Audit Partnership
Invercargill, New Zealand
CHARTERED ACCOUNTANTS
2 August 2013

Crowe Horwath New Zealand Audit Partnership is a member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath is a separate and independent legal entity.

Company Operations

Accommodation and Booking Agents (Queenstown) Limited

Head Office

Chief Executive Officer: Jeff Staniland
Group Manager Human Capital & Compliance: Maryann Geddes
Manager – International Luge: Neville Nicholson
Company Administration
Phone: 03 441 0377
Fax: 03 441 0394
E-mail: info@skyline.co.nz
Mail: P O Box 17, Queenstown

Skyline Enterprises Limited

Manager: Lyndon Thomas
Trading as **Skyline Gondola, Restaurant & Luge**
Cableway Operators
Restaurant and Catering Facilities
Souvenir Sales
Luge Tracks
Function Conference Facilities

North Sky Luge (Tremblant) Limited

Vice President: James Dudfield
Luge Track, Mont Tremblant, Quebec, Canada

North Sky Luge Limited

New Zealand parent company for overseas Luge operations.

Skyline Tours Limited

Managers : Michael & Anne McMillan
Trading as **Blue Peaks Lodge and Blue Peaks Apartments**
Motels – Serviced and Kitchen
Family Accommodation
Apartments – Fully self contained and serviced

Leisure Lodge Motor Inn Limited

Manager: Jan McDougall
A Dunedin Hotel trading as **Mercure Leisure Lodge**
Accommodation
Restaurant and Bar Facilities
Conference Facilities

Skyline Skyrides Limited

Manager: Bruce Thomasen
Cableway Operators
Restaurant and Catering Facilities
Luge Tracks
Function Conference Facilities

Queenstown Tourist Company Limited

Investment Company

Christchurch Casinos Limited

Chief Executive: Brett Anderson
Christchurch Casino Operator

Dunedin Casinos Limited

Dunedin Casino Operator
Christchurch Casinos Limited retains a 33% shareholding in Dunedin Casinos Limited.

Fairy Springs Holdings Limited

Non operating subsidiary.

Sentosa Luge Company Pte Limited

Manager: Daniel Luke
Luge track
Sentosa Island, Singapore

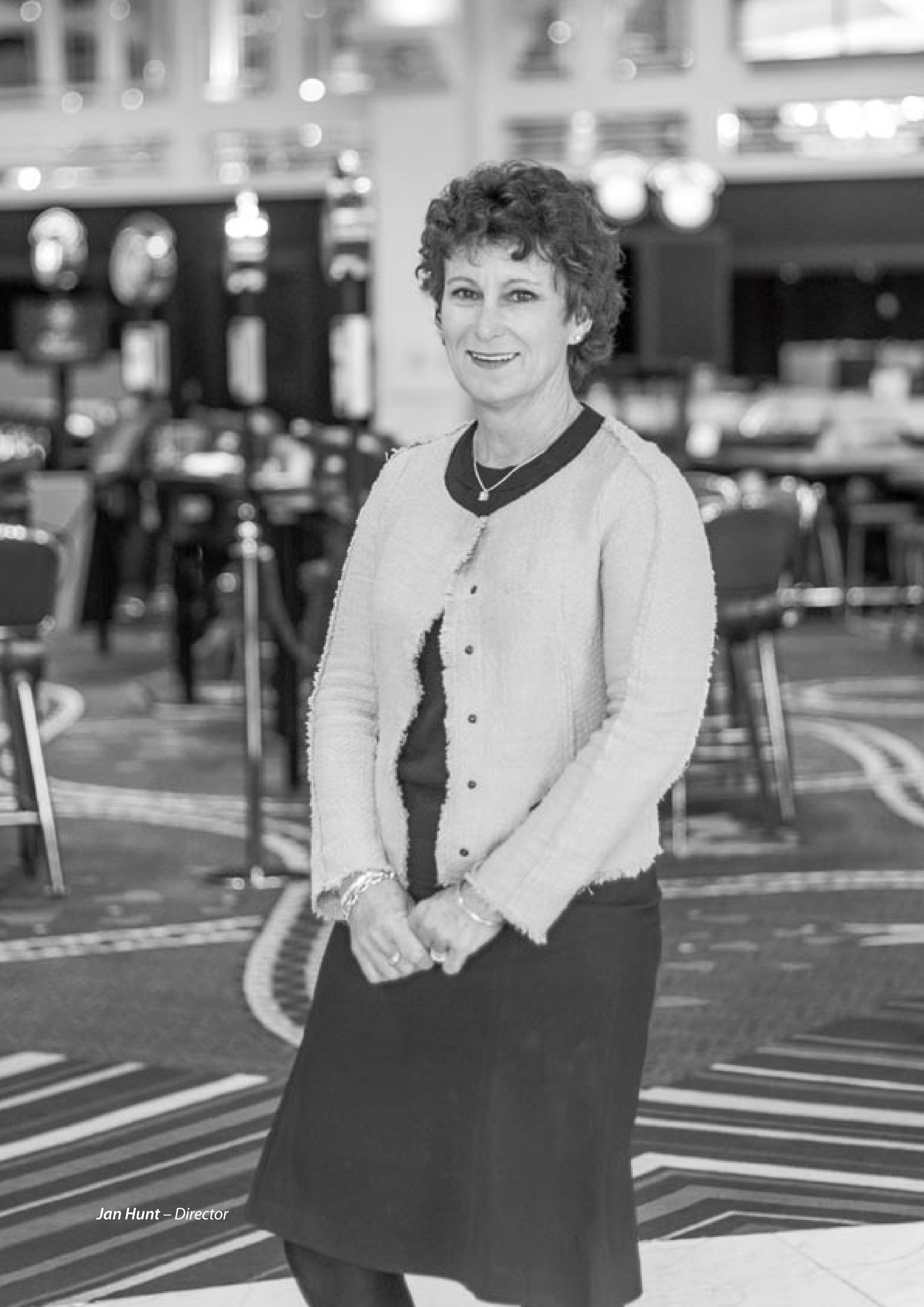
Skyline Investments Limited

Skyline Properties Limited

O'Connells Pavilion Limited

Property Manager: Bob Dennison
Holding companies for the Group's central Queenstown commercial property portfolio

Phillip Hensman *– Director (left)*
Brett Anderson *– CEO Christchurch Casino (right)*



***Jan Hunt** – Director*

Company Operations continued

Totally Tourism Limited
General Manager Aviation, Operations & Tourism: Grant Bisset
Company Administration
Harris Mountain Heliskiing
Challenge Rafting

The Helicopter Line
Helicopter Operations

Glacier Helicopters Limited
Helicopter Operations

Mitre Peak Cruises Limited
Cruise Boat Operations, Milford Sound

Air Fiordland Limited
Fixed Wing Scenic Flight Operations

Wanaka Flightseeing (2006) Limited
Fixed Wing Scenic Flight Operations

Milford Sound Scenic Flights Limited
Fixed Wing Scenic Flight Operations

The Station Limited
Tourism Booking and Sales Office
Totally Tourism Limited retains a 50% shareholding in The Station Limited

Milford Sound Flights Limited
Fixed Wing Scenic Flight Operations
Totally Tourism Limited retains a 50% shareholding in Milford Sound Flights Limited

North Sky Luge Number 2 Limited
New Zealand Parent Company of North Sky Luge (Calgary) Limited

North Sky Luge (Calgary) Limited
Manager International Luge: Neville Nicholson
Luge Track
Calgary, Alberta, Canada

New Zealand Company Contacts

Skyline Enterprises

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Skyline Rotorua

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Blue Peaks Lodge

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Blue Peaks Apartments

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Mercure Leisure Lodge

PO Box 8024, (Duke Street)
DUNEDIN, New Zealand
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Email: reservations@mercureleisurelodge.co.nz

Skyline Investments

Skyline Properties

O'Connells Pavilion

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Totally Tourism

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The Helicopter Line

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Glacier Helicopters

PO Box 34, (Main South Road SH6)
FRANZ JOSEF, New Zealand
Tel: (64) +3 752 0755
Fax:(64) +3 752 0778
Email: helibasemgr@glacierhelicopter.co.nz

Mitre Peak Cruises

PO Box 1851
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Fax:(64) +3 249 8113
Email: info@mitrepeak.com

Christchurch Casino

PO Box 4141
CHRISTCHURCH, New Zealand
Tel: (64) +3 365 9999
Fax: (64) +3 366 8888
Email: contact@christchurchcasino.co.nz

***Mark Quickfall** – Director*

46th Annual Report
and Statement of Accounts
of Skyline Enterprises Limited
and its Subsidiary Companies

skyline.co.nz