SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Page No.
Directors' Report	1 - 2
Directors' Declaration	3
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 30
Independent Audit Report to the members of Sealink Travel Group Ltd	31-32
Auditor's Independence Declaration to the Directors of Sealink Travel Group Ltd	33

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT

The Board of Directors of Sealink Travel Group Ltd has pleasure in submitting its report in respect of the financial year ended 30 June 2009.

Directors
The names of the directors in office at the date of this report and during the year are: -

FA Mann	CD Smerdon
BJ Mayfield	A Russo
GM Ursini	W Spurr
JR Ellison (appointed 9th July 2008)	

Directors have been in office for the entire year unless otherwise stated.

Review of Operations
The Group increased revenue by 12% on the prior year with the New Zealand operation continuing its turnaround through a combination of increased passengers and vehicle traffic, higher prices and improved efficiencies. Revenue generated from Kangaroo Island also increased reflecting an increase in visitation, mainly from local tourism.

With higher turnover, an increased return from the New Zealand operation, no major fires on Kangaroo Island and the capital profit which arose as a result of the demerger of Sealink's building at 440 King William Street, the Group experienced a large increase in profit after tax.

Results
The net consolidated operating profit of the economic entity for the financial year after income tax was $7,493,526 (2008: $4,926,057).

Principal Activities
The principal activities of the economic entity constituted by the company and its controlled entities, during the course of the year were ferry and tour operators, wholesale and retail travel agency and landholding.
There was no significant change in the nature of those activities during the financial year.

Future Developments
The company is aiming to maintain or moderately increase net profit for the coming year, as a result of conservative tourism forecasts, cost control, tight ferry scheduling and expanding the product offering.

Dividends

The following dividends of the economic entity have been paid, declared or recommended since the end of the preceding financial year:

	On ordinary shares
Final fully franked dividend for 2008, as recommended and declared by the directors and paid 1 July 2008.	$1,300,000
Interim fully franked dividend for 2009 and paid 15 January 2009.	$1,300,000
Dividend as recommended and declared by the directors and paid 15 July 2009	$1,500,000

Indemnification of Officers and Auditors

During the financial year, the company renewed a contract insuring the directors of the company (as named above), the Chief Executive Officer, Mr J R Ellison, and all executive officers of the company and of any related body corporate against a liability incurred in their capacity as directors, secretary or executive officer to the extent permitted by the *Corporations Act (2001)*. The contract of insurance prohibits disclosure of the nature of the liability cover and the amount of the premium.

Indemnification of Officers and Auditors (cont.)
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such by an officer or auditor.

Significant changes in the State of Affairs
There have been no significant changes in the state of affairs of the economic entity during the year.

Significant Events after Balance Date
No events have occurred subsequent to year end (other than those events whose financial effects have already been brought to account) which would, in the absence of disclosure, cause the financial report to be misleading.

Options
On 18 August, 2008 the members of the Company approved an option plan for the issue of Options to Directors. However, no options have been issued under the plan to date. There were no options granted during or since the end of the financial year.

Other
The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to such proceedings during the year.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this report.

Signed in accordance with a resolution of the directors.
On behalf of the directors

BRENTON J MAYFIELD
DIRECTOR

FREDERICK A MANN
DIRECTOR

Adelaide

Date: 23 September 2009

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2009

In accordance with a resolution of the directors of Sealink Travel Group Ltd, the directors declare:

1. The financial statements and notes, as set out on pages 4 to 30, are in accordance with the Corporations Act 2001:

    a. Comply with Accounting Standards and the Corporations Regulations 2001; and

    b. Give a true and fair view of the financial position as at 30 June 2009 and performance of the company and consolidated entity for the year then ended:

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

On behalf of the Board

BRENTON J MAYFIELD
DIRECTOR

FREDERICK A MANN
DIRECTOR

Adelaide

Date: 23 September 2009

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent entity	
		30 JUNE 2009 $	30 JUNE 2008 $	30 JUNE 2009 $	30 JUNE 2008 $
Continuing Operations					
Revenue	2 (a)	58,478,368	52,681,442	2,800,000	2,500,000
Other revenue	2 (b)	2,475,178	1,489,379	-	-
Total income		60,953,546	54,170,821	2,800,000	2,500,000
Direct operating expenses		(39,902,658)	(38,109,637)	-	-
Administrative expenses		(7,964,071)	(5,966,450)	-	-
Marketing and sales expenses		(1,861,733)	(1,712,278)	-	-
Finance costs	2 (c)	(1,062,469)	(1,413,235)	-	-
Total expenses		(50,790,931)	(47,201,600)	-	-
Profit before income tax expense		10,162,615	6,969,221	2,800,000	2,500,000
Income tax expense	3	(2,669,089)	(2,043,164)	-	-
Profit after related income tax expense		7,493,526	4,926,057	2,800,000	2,500,000
Attributable to:					
Minority Interest		(28,428)	-	-	-
Members of the Parent		7,521,954	4,926,057	2,800,000	2,500,000

Notes to and forming part of the financial statements are included on Pages 8 to 30

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Consolidated		Parent entity	
		30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	19(a)	1,275,442	1,878,266	-	-
Trade and other receivables	4	1,208,253	1,284,614	1,500,000	1,300,000
Inventories	5	302,599	373,687	-	-
Prepayments	6	517,819	773,446	-	-
TOTAL CURRENT ASSETS		3,304,113	4,310,013	1,500,000	1,300,000
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	2,398,681	445,288
Other financial assets	8	-	-	3,035,599	3,035,599
Property, plant and equipment	9	29,491,954	32,242,101	-	-
Intangible assets	10	172,819	265,239	-	-
Deferred tax assets	3	617,435	758,158	-	-
TOTAL NON-CURRENT ASSETS		30,282,208	33,265,498	5,434,280	3,480,887
TOTAL ASSETS		33,586,321	37,575,511	6,934,280	4,780,887
CURRENT LIABILITIES					
Trade and other payables	11	4,952,627	4,812,693	-	-
Interest bearing loans and borrowings	12	1,799,604	1,149,731	-	-
Current tax liabilities		792,070	445,288	497,681	445,288
Provisions	13	3,044,092	2,792,166	1,500,000	1,300,000
Other	14	-	-	35,599	35,599
TOTAL CURRENT LIABILITIES		10,588,393	9,199,878	2,033,280	1,780,887
NON-CURRENT LIABILITIES					
Trade and other payables	15	491,989	687,775	2,150,000	-
Interest bearing loans and borrowings	16	8,602,248	15,451,196	-	-
Deferred tax liabilities	3	1,295,114	902,915	-	-
Provisions	17	204,801	130,148	-	-
TOTAL NON-CURRENT LIABILITIES		10,594,152	17,172,034	2,150,000	-
TOTAL LIABILITIES		21,182,545	26,371,912	4,183,280	1,780,887
NET ASSETS		12,403,776	11,203,599	2,751,000	3,000,000
EQUITY					
Contributed equity	18	2,751,000	3,000,000	2,751,000	3,000,000
Foreign currency translation reserve	27	(206,318)	(165,745)	-	-
Retained earnings		9,684,396	8,369,344	-	-
Parent interests		12,229,078	11,203,599	2,751,000	3,000,000
Minority interests	30	174,698	-	-	-
TOTAL EQUITY		12,403,776	11,203,599	2,751,000	3,000,000

Notes to and forming part of the financial statements are included on Pages 8 to 30

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Note	MINORITY INTEREST	CONTRIBUTED EQUITY	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
			$	$	$	$
Balance at 1st July, 2007		-	3,000,000	5,943,287	58,145	9,001,432
Profit for the period		-	-	4,926,057	-	4,926,057
Income/expenses recognised directly in equity		-	-	-	-	-
Total income and expense for the period		-	-	4,926,057	-	4,926,057
Dividends paid or provided for		-	-	(2,500,000)	-	(2,500,000)
Translation of foreign currency operations		-	-	-	(223,890)	(223,890)
Balance at 30th June, 2008		-	3,000,000	8,369,344	(165,745)	11,203,599
Profit for the period		(28,428)	-	7,521,954	-	7,493,526
Income/expenses recognised directly in equity		-	-	-	-	-
Total income and expense for the period		(28,428)	-	7,521,954	-	7,493,526
Demerger of Teriga Ltd	23	-	(249,000)	(3,406,902)	-	(3,655,902)
Share capital issued by subsidiary	30	203,126	-	-	-	203,126
Dividends paid or provided for	28	-	-	(2,800,000)	-	(2,800,000)
Translation of foreign currency operations	27	-	-	-	(40,573)	(40,573)
Balance at 30th June, 2009		174,698	2,751,000	9,684,396	(206,318)	12,403,776

Parent Entity	Note	CONTRIBUTED EQUITY	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
		$	$	$	$
Balance at 1st July, 2007		3,000,000	-	-	3,000,000
Profit for the period		-	2,500,000	-	2,500,000
Income/expenses recognised directly in equity		-	-	-	-
Total income and expense for the period		-	2,500,000	-	2,500,000
Dividends paid		-	(2,500,000)	-	(2,500,000)
Balance at 30th June, 2008		3,000,000	-	-	3,000,000
Profit for the period		-	2,800,000	-	2,800,000
Income/expenses recognised directly in equity		-	-	-	-
Total income and expense for the period		-	2,800,000	-	2,800,000
Demerger of Teriga Limited	23	(249,000)	-	-	(249,000)
Dividends paid or provided for	28	-	(2,800,000)	-	(2,800,000)
Balance at 30th June, 2009		2,751,000	-	-	2,751,000

Notes to and forming part of the financial statements are included on Pages 8 to 30

SEALINK TRAVEL GROUP LTD AND ITS CONTROLLED ENTITIES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent entity	
		30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
		$	$	$	$
Cash flows from operating activities					
Receipts from customers		60,273,379	54,404,925	-	-
Payments to suppliers and employees		(45,473,342)	(42,881,310)	-	-
GST paid		(1,391,301)	(1,124,353)	-	-
Interest received		25,534	44,055	-	-
Interest paid		(1,062,469)	(1,413,235)	-	-
Income tax paid		(1,773,020)	(1,671,527)	-	-
Net operating cash flows	19(b)	10,598,781	7,358,555	-	-
Cash flows from investing activities					
Cash flows from investing activities					
Cash was provided from:					
Shares issued to minority interest		198,100	-	-	-
Proceeds from sale of property, plant and equipment		5,177	7,851	-	-
		203,277	7,851	-	-
Cash was disbursed to:					
Payments for property, plant and equipment		(1,794,735)	(2,224,152)	-	-
Net business assets purchased		(404,203)	-	-	-
Payments for intangible assets		-	(172,420)	-	-
		(2,198,938)	(2,396,572)	-	-
Net investing cash flows		(1,995,661)	(2,388,721)	-	-
Cash flows from financing activities					
Proceeds from borrowings		852,125	994,074	-	-
Repayment of borrowings		(7,826,433)	(2,413,212)	-	-
Dividend received		-	-	2,600,000	2,400,000
Dividend paid		(2,600,000)	(2,400,000)	(2,600,000)	(2,400,000)
Net financing cash flows		(9,574,308)	(3,819,138)	-	-
Net (decrease)/increase in cash held		(971,188)	1,150,696	-	-
Foreign exchange adjustment		(40,311)	3,535	-	-
Cash at the beginning of the financial year		1,777,793	623,562	-	-
Cash at the end of the financial year	19(a)	766,294	1,777,793	-	-

Notes to and forming part of the financial statements are included on Pages 8 to 30

1. Statement of Significant Accounting Policies:

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis. Where necessary, the figures for the previous year have been re-classified to facilitate comparison.

The financial report is prepared in Australian dollars and has been approved for issue on 23rd September, 2009.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2009. These are outlined in the following table.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB Int. 16	Hedges of a Net Investment in a Foreign Operation	This Interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	No financial effect anticipated.	1 July 2009
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	Changes to disclosure only. No financial effect anticipated.	1 July 2009
AASB 1039 (revised)	Concise Reporting	AASB 1039 was revised in August 2008 to achieve consistency with AASB 8 *Operating Segments*. The revisions include changes to terminology and descriptions to ensure consistency with the revised AASB 101 *Presentation of Financial Statements*.	1 January 2009	Changes to disclosure only.	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	Changes to disclosure only.	1 July 2009

1. Statement of Significant Accounting Policies (cont):

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	No financial effect anticipated.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	No financial effect anticipated.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending Standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	Refer above.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	No financial effect anticipated.	1 July 2009

1. Statement of Significant Accounting Policies (cont):

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	No financial effect anticipated.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	No financial effect anticipated.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	No financial effect anticipated.	1 July 2009

1. Statement of Significant Accounting Policies (cont):

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	No financial effect anticipated.	1 July 2009
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	No financial effect anticipated.	1 July 2009
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1 January 2010	No financial effect anticipated.	1 July 2010

* designates the beginning of the applicable annual reporting period unless otherwise stated

1 Statement of Significant Accounting Policies (cont):

Accounting policies which have been significant in the preparation and presentation of the accounts.

(a) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the economic entity, being the parent entity, Sealink Travel Group Ltd, and its controlled entities as defined in AASB127 "Consolidated and Separate Financial Statements". The term "Economic Entity" used throughout these financial statements means the parent entity and its controlled entities. A list of controlled entities appears in Note 23.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent using consistent accounting policies.

The consolidated financial statements include the information and results of each controlled entity from the date on which the parent entity obtains control and until such time as the parent entity ceases to control such entities.

In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised profits arising within the economic entity are eliminated in full.

(b) Financial assets

Financial assets, being available-for-sale investments are initially recorded at cost. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

(c) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on either a first in first out or average cost basis.

(d) Taxes

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of the assets and liabilitites and their carrying amounts for financial reporting purposes.
Deferred income tax liabilities are recognised for all taxable temporary differences except:

* when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; or

* when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

* when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

* when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and the taxable profit will be available against which the temporary difference can be utilised.

1 Statement of Significant Accounting Policies (cont):

(d) Taxes (cont)

The carrying amount of deferred tax assets is reviewed at each balance 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 asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax asset and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Leased Assets

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the leased liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating leases are not capitalised and payments are charged as an expense in the income statement on a straight line basis over the lease term.

(f) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the economic entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date allocated to each of the economic entity's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether the assets and liabilities of the economic entity are assigned to those units. Each unit to which the goodwill is so allocated represents the lowest level within the economic entity at which the goodwill is monitored for internal management purposes.

1 Statement of Significant Accounting Policies (cont):

(f) Goodwill (cont)

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(g) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(h) Impairment of assets

At each reporting date, the economic entity reviews the carrying value of its tangible and intangible assets and cash generating units to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair market value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

In assessing value in use, the estimated future cash flows are discounted to their present value uisng a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Property, Plant and Equipment

Property, plant and equipment is measured at cost or deemed cost. Property, plant and equipment, excluding freehold land, is depreciated or amortised as follows:

	Life
Buildings	14 - 40 years
Plant and equipment	3 - 20 years
Plant and equipment under lease	Term of the lease
Ferry - at cost	20 years
Ferry - at deemed cost	20 years

(1) Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement.

1 Statement of Significant Accounting Policies (cont):

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of Services
For ferry services, revenue is recognised on a departure date basis whereby customers or groups who have paid for travel related services have actually departed on those travel services. The revenue is recognised in the month of the said departure date.

Revenue in relation to retailing of travel services is recognised on a gross basis when customers have paid for their travel services.

Interest
Revenue is recognised as interest accrues using the effective interest method.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, on hand and short term deposits with an original maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash, cash equivalents as defined above, net of bank overdrafts.

(l) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the economic entity will not be able to collect the debts. Bad debts are written off when identified.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the economic entity prior to the end of the financial year that are unpaid and arise when the economic entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Foreign Currency transactions and balances

Functional and presentation currency
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Group Companies
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows -
* assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
* income and expenses are translated at average exchange rates for the period: and
Exchange differences arising on translation of foreign operations are taken directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

Transaction and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where there are differences on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the net investment when they are recognised in the income statement. Tax charges and tax credits attributable to exchange differences on those borrowings are also recognised in equity.

1 Statement of Significant Accounting Policies (cont):

(o) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(p) Tax consolidation and tax sharing

Sealink Travel Group's wholly owned subsidiary, Kangaroo Island Sealink Pty Ltd and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime effective 1/1/05. Sealink Travel Group Ltd is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement whereby income tax expense is allocated to each entity on the basis of their respective liability.

Members of the tax consolidated group have entered into a tax funding agreement which provides for the allocation of current taxes to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes*. Allocations under the tax funding agreement are made at the end of each year.

The allocation of taxes under the tax funding arrangement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company.

(q) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(r) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(s) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

Key Estimates - Impairment

The economic entity assesses impairment at each reporting date by evaluating conditions specific to the economic entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates - Doubtful debts provision

The economic entity assesses the level of doubtful debts at each reporting date by evaluating past performance of bad debts, the level of receivables that are overdue and specific collection responses. These assessments incorporate a number of key estimates.

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
	$	$	$	$
2 REVENUES AND EXPENSES				
Revenues and expenses from continuing operations				
(a) Revenue				
Sales revenue	58,360,664	52,556,205	-	-
Interest income	25,534	44,055	-	-
Dividend income	-	-	2,800,000	2,500,000
Rental income	92,170	81,182	-	-
	58,478,368	52,681,442	2,800,000	2,500,000
(b) Other Income				
(Loss)/profit on the sale of fixed assets **	1,037,054	(2,676)	-	-
Other	1,438,124	1,492,055	-	-
	2,475,178	1,489,379	-	-
** A major portion of the profit on sale arose from the demerger of Teriga Limited from the Group (refer note 23).				
(c) Finance Costs				
Interest expense				
- Other loans	838,756	1,195,805	-	-
- Finance leases	145,029	122,756	-	-
Finance charges	78,684	94,674	-	-
	1,062,469	1,413,235	-	-
(d) Depreciation				
- Property, plant and equipment	1,818,156	1,926,905	-	-
- Leased assets	393,283	318,243	-	-
Total depreciation	2,211,439	2,245,148	-	-
(e) Employee Benefits expense				
Wages and salaries	12,281,945	9,256,186	-	-
Other employee benefits	21,800	53,661	-	-
Superannuation	1,055,497	773,492	-	-
Workers Compensation costs	411,933	224,423	-	-
	13,771,175	10,307,762	-	-
(f) Lease payments in income statement				
Operating lease rental expenses	498,658	518,759	-	-
(g) Auditor's remuneration				
The following total remuneration was received, or is due and receivable, by the auditor Ernst & Young of the parent entity and its affiliates in respect of:				
- Auditing the accounts	65,380	76,450	-	-
- Other services	7,000	48,924	-	-
	72,380	125,374	-	-
(h) Inventory expense				
Costs of inventories recognised as an expense	4,451,480	4,353,017	-	-
(i) Impairment				
Impairment of intangible assets	93,420	-	43,900	-

3 INCOME TAX	Consolidated		Parent entity	
	30 JUNE 2009 $	30 JUNE 2008 $	30 JUNE 2009 $	30 JUNE 2008 $
The major components of income tax expense are:				
Current tax	2,528,258	1,691,954	-	-
Deferred tax	93,842	351,210	-	-
Under (over) provision in respect of prior years	46,989	-	-	-
Income tax expense	2,669,089	2,043,164	-	-
Tax expense reconciliation:				
The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:				
Profit before tax	10,162,615	6,969,221	2,800,000	2,500,000
Income tax expense calculated at 30% of operating profit	3,048,784	2,090,766	840,000	750,000
Demerger capital profit	(316,526)	-	-	-
Other	12,213	40,760	-	-
Rebateable dividends	-	-	(840,000)	(750,000)
Non-assessable income	(98,969)	(126,585)	-	-
Asset tax break	(23,402)	-	-	-
Different overseas tax rate (New Zealand)	-	28,609	-	-
Amounts (over) / under provided in prior years	46,989	(3,878)	-	-
Change in NZ tax rate	-	13,492	-	-
Income tax expense	2,669,089	2,043,164	-	-

Deferred income tax

Deferred income tax at 30 June relates to the following:	Balance Sheet		Income statement	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
CONSOLIDATED				
Deferred tax assets				
Provision for doubtful debts	50,603	71,225	20,622	(19,528)
Provision for diminution	1,670	1,670	-	-
Government grant	96,656	103,147	6,491	6,546
Accruals	43,603	16,500	(27,103)	(5,400)
Capital expense timing differences	87,438	-	(114,050)	7,500
Tax losses	14,040	176,927	(14,040)	98,515
Asset timing depreciation differences	(201,245)	(98,006)	103,239	139,386
Employee entitlements	524,670	486,695	(37,975)	(28,682)
Total deferred tax assets	617,435	758,158		
Deferred tax liability				
Accelerated depreciation for tax purposes	1,237,351	835,339	166,471	116,782
Consumables	57,763	67,576	(9,813)	36,091
Total deferred tax liabilities	1,295,114	902,915		
Deferred Income tax expense			93,842	351,210
PARENT				
Deferred tax assets				
Provision for doubtful debts	-	-	-	-
Provision for diminution	-	-	-	-
Government grant	-	-	-	-
Accruals	-	-	-	-
Other	-	-	-	-
Employee entitlements	-	-	-	-
Total deferred tax assets	-	-		
Deferred tax liability				
Accelerated depreciation for tax purposes	-	-	-	-
Consumables	-	-	-	-
Total non-current deferred tax liabilities	-	-		
Deferred Income tax expense			-	-

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
	$	$	$	$

4 TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	1,181,890	1,024,376	-	-
Other	195,039	497,654	-	-
Dividend receivable	-	-	1,500,000	1,300,000
Allowance for doubtful debts	(168,676)	(237,416)	-	-
	1,208,253	1,284,614	1,500,000	1,300,000

Trade receivables are non-interest bearing and are generally on 14-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is past due and considered impaired.

As at 30 June, the ageing analysis of trade receivables is as follows -

	Total	0-30 days	31-60 days	61-90 days	Over 90 days
2009 - Consolidated	1,181,890	807,308	285,678	62,000	26,904
2008 - Consolidated	1,024,376	578,410	277,599	133,994	34,373

5 INVENTORIES

Fuel (at cost)	174,034	231,492	-	-
Goods held for resale (at cost)	41,385	44,067	-	-
Brochures (at cost)	87,180	98,128	-	-
Total current inventories	302,599	373,687	-	-

6 PREPAYMENTS

Prepayments	517,819	773,446	-	-

7 TRADE AND OTHER RECEIVABLES (NON-CURRENT)

Non-trade amounts owing by:				
Related parties				
Wholly-owned group				
- Kangaroo Island Sealink Pty Ltd	-	-	2,398,681	445,288
Total non-current receivables	-	-	2,398,681	445,288

Related party receivables are unsecured and non-interest bearing. An impairment assessment is undertaken each financial year by examining the financial position of the related party to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises an allowance for the impairment loss.

8 OTHER FINANCIAL ASSETS (NON-CURRENT)

Securities not quoted on prescribed stock exchanges:				
Shares in controlled entities at cost (Note 23)	-	-	3,035,599	3,035,599
Accumulated Impairment	-	-	-	-
	-	-	3,035,599	3,035,599
Shares in other corporations at cost	5,567	5,567	-	-
Accumulated Impairment	(5,567)	(5,567)	-	-
Total non-current other financial assets	-	-	3,035,599	3,035,599

	Note	Consolidated		Parent entity	
		30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
		$	$	$	$
9 PROPERTY, PLANT AND EQUIPMENT					
Land and buildings					
Cost					
Opening balance		8,002,189	7,613,995	-	-
Loan adjustment		(300,000)	-	-	-
Additions		393,704	388,194	-	-
Disposals		(3,080,932)	-	-	-
Closing balance		5,014,961	8,002,189	-	-
Accumulated depreciation					
Opening balance		1,106,292	806,821	-	-
Disposals		(618,606)	-	-	-
Depreciation for the year	2 (d)	135,700	299,471	-	-
Closing balance		623,386	1,106,292	-	-
Foreign exchange adjustment		(53,079)	(55,116)	-	-
Total land and buildings, net		4,338,496	6,840,781	-	-
Plant and equipment					
Cost					
Opening balance		5,512,247	5,057,597	-	-
Transfers		196,472	-		
Additions		931,493	546,575	-	-
Disposals		(176,304)	(91,925)	-	-
Closing balance		6,463,908	5,512,247	-	-
Accumulated depreciation					
Opening balance		2,939,823	2,578,715	-	-
Transfers		99,194	-	-	-
Depreciation for the year	2 (d)	492,114	443,114	-	-
Disposals		(152,913)	(82,006)	-	-
Closing balance		3,378,218	2,939,823	-	-
Foreign exchange adjustment		(104,030)	(85,358)	-	-
Total plant and equipment, net		2,981,660	2,487,066	-	-
Plant and equipment under lease					
Cost					
Opening balance		2,535,036	1,595,697	-	-
Additions		864,645	939,339	-	-
Transfers		(196,472)	-	-	-
Disposals		-	-	-	-
Closing balance		3,203,209	2,535,036	-	-
Accumulated depreciation					
Opening balance		877,584	559,341	-	-
Depreciation for the year	2 (d)	393,283	318,243	-	-
Transfers		(99,194)	-	-	-
Disposals		-	-	-	-
Closing balance		1,171,673	877,584	-	-
Foreign exchange adjustment		-	(21,870)		
Total leased plant and equipment, net		2,031,536	1,635,582	-	-
Ferry					
Deemed Cost					
Opening balance		2,625,008	2,625,008	-	-
Additions		-	-	-	-
Closing balance		2,625,008	2,625,008	-	-
Accumulated depreciation					
Opening balance		2,170,021	2,168,561	-	-
Depreciation for the year	2 (d)	-	1,460	-	-
Closing balance		2,170,021	2,170,021	-	-
Total ferry, net		454,987	454,987	-	-

9 PROPERTY, PLANT AND EQUIPMENT (cont)

		Consolidated		Parent entity	
		30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
Ferries		$	$	$	$
Cost					
Opening balance		36,337,063	35,192,579	-	-
Additions/ deposit refund		-	328,934	-	-
Cost adjustment *		-	815,550	-	-
Disposals		-	-	-	-
Closing balance		36,337,063	36,337,063	-	-
Accumulated depreciation					
Opening balance		13,951,112	12,768,252	-	-
Depreciation for the year	2 (d)	1,190,342	1,182,860	-	-
Disposals		-	-	-	-
Closing balance		15,141,454	13,951,112	-	-
Foreign exchange adjustment		(1,510,334)	(1,562,266)	-	-
Total ferries, net		19,685,275	20,823,685	-	-
Capital Work in Progress **					
Cost					
Opening balance		-	815,550	-	-
Transfer to ferries at cost		-	(815,550)	-	-
Additions		-	-	-	-
Closing balance		-	-	-	-
Total property, plant & equipment, net		29,491,954	32,242,101	-	-

* Adjustment to purchase price of the Sea Master as a result of a legal settlement in NZ.
** Rebuild costs associated with the Sea Master (ex MN Subritzky).

10 INTANGIBLE ASSETS

Goodwill - at cost	266,239	265,239	-	-
Less - Asset impairment	(93,420)	-	-	-
Total intangible assets, net	172,819	265,239	-	-

Goodwill acquired through business acquisitions has been allocated to the Ski Connection, KI Booking Centre, Coachlines and Sydney Travel Centre business units. The recoverable amounts have been determined via a value in use calculation using cash flow projections based on financial budgets approved by senior management using a 2 year period and discounted at current interest rates.

11 TRADE AND OTHER PAYABLES (CURRENT)

Unsecured:				
Trade creditors (iii)	1,530,514	1,402,855	-	-
Deferred income - Government grant	22,000	22,000	-	-
Prepaid travel (iv)	1,787,085	1,873,696	-	-
Loan (i)	-	261,309	-	-
Vendors (ii)	192,123	135,243	-	-
Sundry payables and accruals	1,420,905	1,117,590	-	-
Total current trade and other payables	4,952,627	4,812,693	-	-

(i) Non interest bearing government loan for the building of a Cape Jervis Wharf Terminal. This has now been extinguished.
(ii) Non interest bearing loan owed to Subritzky Maritime Holdings Ltd. The loan will be repaid in various monthly instalments until 2011.
(iii) Trade creditors are non-interest bearing and are normally settled on 30-60 day terms.
(iv) As part of providing ferry services to passengers, vehicles and freight, customers pay a portion or all of the balance owing in advance of the travel. Under revenue recognition principles, the payment for travel is not recognised as revenue until the travel paid for has departed. The balance above therefore relates to bookings with departure dates on or after 1 July 2009 (2008: 1 July 2008).

12 INTEREST BEARING LOANS AND BORROWINGS (CURRENT)

Secured:				
Bank Overdraft (i)	509,148	100,473	-	-
Bank loans (i)	640,410	636,436	-	-
Lease liabilities (ii) (Note 20)	650,046	412,822	-	-
Total current interest bearing liabilities	1,799,604	1,149,731	-	-

(i) Refer Note 16 for significant security, conditions and term details. The Bank Overdraft carries the same security as Bank Loans.
(ii) Effectively secured over the assets leased. Leases are fixed rate with a lease term of between 3 and 5 years.

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
	$	$	$	$
13 PROVISIONS (CURRENT)				
Dividends (refer note 28)				
Opening balance	1,300,000	1,200,000	1,300,000	1,200,000
Paid during the year	(1,300,000)	(1,200,000)	(1,300,000)	(1,200,000)
Declared and not paid	1,500,000	1,300,000	1,500,000	1,300,000
Closing balance	1,500,000	1,300,000	1,500,000	1,300,000
Employee benefits				
Opening balance	1,492,166	1,392,766	-	-
Additional provisions	1,102,214	704,000	-	-
Amounts used	(1,050,288)	(604,600)	-	-
Employee entitlements	1,544,092	1,492,166	-	-
Total current provisions	3,044,092	2,792,166	1,500,000	1,300,000
14 OTHER LIABILITIES (CURRENT)				
Non-trade amounts owing to related parties:				
Wholly owned group				
- Sealink KI Ferries Pty Ltd (ex Sound Deal Pty Ltd)	-	-	7,120	7,120
- Backstairs Passage Equities Pty Ltd	-	-	7,120	7,120
- KI Resorts Equities Pty Ltd	-	-	7,120	7,120
- TravelLink Pty Ltd (ex Hog Bay Nominess Equities Pty Ltd)	-	-	7,120	7,120
- KI Adventure Tours Pty Ltd (ex Oh So Smart Equities P/L)	-	-	7,119	7,119
Total current other liabilities	-	-	35,599	35,599

Related party payables are non-interest bearing and are repayable on demand.

15 PAYABLES (NON-CURRENT)				
Amount owing to related party (ii)	-	-	2,150,000	-
Deferred income - Government grant	300,185	321,824	-	-
Vendors (i)	176,113	365,951	-	-
Shareholder Loan (ii)	15,691	-	-	-
Total non-current payables	491,989	687,775	2,150,000	-

(i) Non interest bearing loan owed to Subritzky Maritime Holdings Ltd. The loan will be repaid in various monthly instalments until 2011.
(ii) Non-interest bearing loan with no fixed term.

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
	$	$	$	$

16 INTEREST BEARING LOANS AND BORROWINGS (NON-CURRENT)

Secured:				
Bank loans (i)	6,990,159	14,119,531	-	-
Lease liabilities (ii) (Note 20)	1,612,089	1,331,665	-	-
	8,602,248	15,451,196	-	-

(i) ***Security, terms and conditions - Loans and Overdraft***

Australian facilities-

First registered mortgage over property situated at Penneshaw, Kangaroo Island.
First ranking registered company charge over all the assets and undertakings of Kangaroo Island Sealink Pty Ltd.
Registered ship mortgages over the vessels "Sealion 2000" and the "Spirit of Kangaroo Island".
Corporate guarantee and indemnity limited to $832,000 as surety on account of The South Australian Travel Company Pty Ltd.
First ranking registered company charge over all the assets and undertakings of Australian Inbound Pty Ltd, The Living Classroom Pty Ltd, Travellink Technology Pty Ltd, Sealink Travel Group Ltd and Vivonne Bay Outdoor Education Centre Pty Ltd.
Bank loans have been drawn down under an interchangeable bill facility and are subject to an annual review. $4m of the facility is fixed rate and matures March, 2012. A further $0.6m is in the form of a multi-currency loan.
These facilities are provided on a rolling evergreen basis and it is expected that they will be rolled for a period of not less than 12 months.
During the current year, there were no defaults or breaches.

New Zealand facilities-

The multi-option cash advance facilities with a NZ $5.5m limit are secured by first mortgage over the ferries of the SeaLink New Zealand Group plus a General Security Agreement in present and future assets of SeaLink New Zealand Ltd. Expiry date is 30 November 2009. These facilitiesare provided on an evergreen basis and it is expected that they will be rolled for a period of not less than 12 months.
During the current year, there were no defaults or breaches.

(ii) Effectively secured over the assets leased. Leases are fixed rate with a lease term of 60 months.

Committed financing facilities of $16,047,127 (2008 $20,555,161) were available to the economic entity at the end of the financial year. As at that date $10,701,828 (2008 $15,913,544) of these facilities were in use.

17 PROVISIONS (NON-CURRENT)

Employee Benefits				
Opening balance	130,148	117,194	-	-
Additional provisions	74,653	31,756	-	-
Amounts used	-	(18,802)	-	-
Total non-current provisions	204,801	130,148	-	-

18 CONTRIBUTED EQUITY

Issued and fully paid				
50,000,000 ordinary shares	3,000,000	3,000,000	3,000,000	3,000,000
Demerger of Teriga Limted (Note 23)	(249,000)	-	(249,000)	-
	2,751,000	3,000,000	2,751,000	3,000,000

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and per value shares. Accordingly, the parent does not have authorised capital nor par value shares in respect of issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
	$	$	$	$
19 CASH AND CASH EQUIVALENTS				
a) Reconciliation of cash				
For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at bank and bank overdraft.				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash	1,275,442	843,292	-	-
Cash at Bank	-	1,034,974	-	-
Bank Overdraft	(509,148)	(100,473)	-	-
Cash	766,294	1,777,793	-	-
b) Reconciliation of net profit after income tax to net cash provided by operating activities.				
Operating profit after income tax	7,493,526	4,926,057	2,800,000	2,500,000
Non-Cash Items				
Depreciation and amortisation of non-current assets	2,211,439	2,245,148	-	-
Deferred income	(21,639)	(21,820)	-	-
Provision for diminution in value of investments	92,420	-	-	-
Loss/(Profit) on disposal of non-current assets	(1,037,054)	2,676	-	-
Dividends from subsidiary	-	-	(2,800,000)	(2,500,000)
Loan adjustment	80,971	-	-	-
Changes in net assets and liabilities				
Tax balances	896,069	454,798	-	22,556
Current trade receivables	79,522	(428,760)	-	(122,556)
Current inventories	72,671	(172,971)	-	-
Other current assets	243,341	(194,874)	-	-
Current trade and other creditors	350,566	386,135	-	100,000
Employee entitlements	121,749	132,413	-	-
Foreign exchange movements	15,200	29,752	-	-
Net cash provided by operating activities	10,598,781	7,358,555	-	-
20 FINANCIAL COMMITMENTS				
a) Capital expenditure commitments:				
Land and Buildings				
Not later than one year	267,319	141,449	-	-
Plant and equipment				
Not later than one year	-	-	-	-
b) Commitments under non-cancellable operating leases:				
Not later than one year	406,109	402,747	-	-
Later than one year but not later than five years	738,493	640,056		
	1,144,602	1,042,803	-	-
c) Finance lease commitments:				
Not later than one year	650,046	412,822	-	-
Later than one year but not later than five years	1,982,152	1,656,686	-	-
Minimum lease payments	2,632,198	2,069,508	-	-
Future finance charges	(370,063)	(325,021)	-	-
Net finance lease liability	2,262,135	1,744,487	-	-
Included in the accounts as:				
Reconciled to:				
Current liability (Note 12)	650,046	412,822	-	-
Non-current liability (Note 16)	1,612,089	1,331,665	-	-
	2,262,135	1,744,487	-	-

21 SUPERANNUATION

The superannuation scheme is an accumulated benefit fund providing for benefits on death, permanent disablement, withdrawal and retrenchment. The scheme provides for a base 9% (2008: 9%) contribution of base salary by the employer with additional contributions by employees being optional. As at balance date, this fund was able to satisfy its benefits that would have been vested in the event of:

i) termination of the fund;
ii) voluntary termination of employment of each employee on the initiative of the employee; or
iii) compulsory termination of employment of each employee on the initiative of the employer.

Employees were able to choose their own complying superannuation fund commencing February 2001.

22 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Sealink NZ Group has been subject to an IRD routine tax audit. IRD have disputed one item of income which has been treated by the Group as non-assessable. The NZ Group's treatment is supported by professional advice and will be disputing the IRD's stance. The NZ Group believes that it is making adequate provision for its tax liabilities and is taking reasonable steps to address the contentious issues with the IRD. The potential tax liability to 30 June 2009 is NZ$329,000 (2008:nil)
Apart from the above, there are no current or potential claims against the Company or the consolidated entity (2008: nil).

Contingent Assets

There were no contingent assets as at June 30, 2009.

23 CONTROLLED ENTITIES

		Book value of parent entity's investment		Contribution to consolidated result for the period	
Related bodies corporate -		30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
Direct subsidiaries incorporated in Australia -		$	$	$	$
Kangaroo Island Sealink Pty Ltd		3,000,000	3,000,000	4,578,975	3,977,007
Sealink KI Ferries Pty Ltd		7,120	7,120	-	-
Backstairs Passage Equities Pty Ltd		7,120	7,120	-	-
KI Resorts Equities Pty Ltd		7,120	7,120	-	-
TravelLink Pty Ltd		7,120	7,120	-	-
KI Adventure Tours Pty Ltd		7,119	7,119	-	-
Australia Inbound Pty Ltd	(ii)	-	-	1,156,755	(29,480)
The South Australian Travel Company Pty Ltd	(ii)	-	-	422,693	512,898
Hog Bay Inn Pty Ltd	(ii)	-	-	(55,206)	-
TravelLink Technology Pty Ltd	(ii)	-	-	(212,850)	(142,196)
Teriga Ltd **	(ii)	-	-	-	(146,647)
Vivonne Bay Outdoor Education Centre Pty Ltd	(ii)	-	-	87,855	41,665
The Living Classroom Pty Ltd	(ii)	-	-	(43,865)	(24,243)
Incorporated in New Zealand -					
SeaLink New Zealand Ltd	(ii)			(734,384)	(702,021)
Sealink Travel Group NZ Ltd	(i)	-	-	2,351,569	1,439,074
FreightLink Ltd (i) - Refer Note 29	(i)	-	-	(58,016)	-

All subsidiaries are 100% owned except FreightLink Ltd which is 51% owned.
(i) SeaLink New Zealand Ltd is the parent entity of this subsidiary.
(ii) Kangaroo Island Sealink Pty Ltd is the parent entity of these subsidiaries.
Sealink Travel Group Ltd is the ultimate controlling entity of the economic entity.

During the year, the following transactions occurred between members of the economic entity –
The Company charged ferry rental for the Island Navigator to Sealink New Zealand Ltd of $145,241 (2008: $23,818).

**** Demerger of Teriga Limited**

On 11 July 2008, the Supreme Court of Victoria approved a Scheme of Arrangement which had the effect of removing Teriga Ltd from Sealink Travel Group Ltd (the ultimate parent of the Company). The primary purpose of the Scheme was to allow shareholders of Sealink Travel Group Ltd to hold shares in two companies -

* Sealink Travel Group Limited - whose assets primarily comprise the transport and travel businesses, and
* Teriga Limited - which owns the premises of 440 King William Street and 168 South Terrace, Adelaide.

The demerger of Teriga Limited had the following financial effect on the Sealink Travel Group -

* Australian Inbound P/L (a subsidiary of the Company) recorded a profit on sale of assets of $1,053,267 (net of tax) as a result of the disposal of the property at 440 King William St, Adelaide to Teriga Limited;
* Sealink Travel Group Ltd recorded a reduction in investments of $4,235,798; and
* Sealink Travel Group Ltd recorded a reduction in capital of $249,000 and a reduction in retained earnings of $3,406,902.

24 SUBSEQUENT EVENTS

Under a contractual agreement with a wharfage provider, a New Zealand subsidiary is entitled to compensation for unauthorised access. Based on various breaches of access, the subsidiary has since balance date, agreed to settle past breaches for an amount of NZ$300,000. This claim has not been taken into the accounts for the year ended 30 June, 2009.

No events have occurred subsequent to year end which would, in the absence of disclosure, cause the financial report to be misleading.

25 COMPANY INFORMATION

The financial report of the Company for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of directors on 23 September, 2009. The company is a company limited by shares incorporated in Australia.

The address of the registered office is 440 King William Street, Adelaide SA.

26 FINANCIAL INSTRUMENTS

(a) Financial risk management

The group's financial instruments consist mainly of accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The main purpose of non-derivative finance instruments is to raise finance for group operations.
The group does not have any derivative instruments at 30 June, 2009 (2008: Nil).

(I) Treasury Risk Management

The Board of Directors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the group is exposed to through its financial instruments is interest rate and foreign currency risk.

Interest rate risk.
Interest rate risk is managed with a mixture of floating and fixed rate debt. At 30 June 2009, approximately 68% of the Group's financial liabilities is fixed (2008: 66%).

Foreign currency risk
The group has adopted a natural hedge position with respect to loans in foreign currency. Accordingly, no sensitivity analysis with respect to fluctuations in foreign currency has been provided. Exposure on servicing interest has been deliberately left unhedged.

Credit Risk
The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

(b) Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Consolidated

	Weighted Average Effective Interest Rate		Within 1 year		1 to 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial Assets								
Floating Rate								
Cash Assets	1.2%	4.9%	1,275,442	1,878,266	-	-	1,275,442	1,878,266
Financial Liabilities								
Floating Rate								
Overdraft	5.66%	13.09%	509,148	100,473	-	-	509,148	100,473
Bills of exchange	7.14%	9.71%	640,410	636,436	2,990,159	6,119,531	3,630,569	6,755,967
Fixed Rate								
Bills	5.80%	5.33%	-	-	4,000,000	8,000,000	4,000,000	8,000,000
Leases	7.02%	7.39%	650,046	412,822	1,612,089	1,331,665	2,262,135	1,744,487
Net Maturity			(524,162)	728,535	(8,602,248)	(15,451,196)	(9,126,410)	(14,722,661)

Parent

	Weighted Average Effective Interest Rate		Within 1 year		1 to 5 years		Total	
			2009	2008	2009	2008	2009	2008
Financial Assets								
Floating Rate								
Cash Assets	0.00%	0.00%	-	-	-	-	-	-
Net Maturity			-	-	-	-	-	-

26 FINANCIAL INSTRUMENTS (cont)

Interest Rate Sensitivity

At 30 June, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows-

	Consolidated		Parent entity	
Judgement of reasonably possible	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
movements -	$	$	$	$
Movement of +0.5%	(31,942)	(51,529)	-	-
Movement of -1%	63,885	103,059	-	-

The movements in profit are due to higher/lower interest income from variable rate cash balances.

(c) Fair values

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments recognised in the financial statements. The fair value of the term debtors are determined by discounting the cash flows at the market interest rates of similar securities to their present value. The net fair values of borrowings are determined by discounting the expected future cash flows at prevailing interest rates. For other assets and liabilities, the net fair value approximates their carrying value. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

Economic Entity	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	1,275,442	1,275,442	1,878,266	1,878,266
Trade and other receivables	1,208,253	1,208,253	1,284,614	1,284,614
Other financial assets	517,819	517,819	773,446	773,446
Financial Liabilities				
Bank Overdraft	509,148	509,148	100,473	100,473
Bill facilities	7,630,569	7,630,569	14,755,967	14,685,170
Lease and hire purchase	2,262,135	2,262,135	1,744,487	1,744,487
Trade and sundry creditors	2,951,419	2,951,419	2,520,445	2,520,445
Loans	368,236	343,666	762,502	685,063

Parent Entity	2009		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets				
Cash	-	-	-	-
Trade and other receivables	1,500,000	1,500,000	1,300,000	1,300,000
Other financial assets	3,035,599	3,035,599	3,035,599	3,035,599
Financial Liabilities				
Nil	-	-	-	-

27 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

28 DIVIDENDS

	Consolidated		Parent entity	
	30 JUNE 2009	30 JUNE 2008	30 JUNE 2009	30 JUNE 2008
Distributions paid -	$	$	$	$
Interim fully franked dividend for 2008 of 2.4 cents per share paid 15/1/08.	-	1,200,000	-	1,200,000
Fully franked dividend of 2.6 cents per share for 2008, as declared by the directors 14/6/08 and paid 1/7/08.	-	1,300,000	-	1,300,000
Interim fully franked dividend for 2009 of 2.6 cents per share paid 15/1/09.	1,300,000	-	1,300,000	-
Fully franked dividend of 3.0 cents per share for 2009, as declared by the directors 27/5/09 and paid 15/7/09.	1,500,000	-	1,500,000	-

Franking credit balance

The amount of franking credits available for the subsequent financial year are:

Franking account balance as at the end of the financial year	6,949,408	6,229,990	6,949,408	6,229,990
Franking credits that will arise from the payment of income tax as at the end of the financial year.	372,758	349,734	372,758	349,734
Franking debits that will arise from the payment of dividends as at the end of the financial year.	(642,857)	(557,142)	(642,857)	(557,142)
	6,679,309	6,022,582	6,679,309	6,022,582

29 BUSINESS COMBINATION

On 1 December, 2008, Sealink NZ Ltd acquired 51% of the shares in FreightLink Limited, an unlisted company based in Auckland specialising in the carriage of freight.

The total cost of the combination was NZ$250,000 and comprised the payment of cash in return for shares issued.

The fair value of the identifiable assets and liabilities of FreightLink Limited as at the date of acquisition were -

	Consolidated Fair value at acquisition NZ$
Plant and Equipment	496,508
Provision for annual leave	(6,312)
Net fair value of identifiable assets acquired	490,196
Goodwill arising	-
	490,196

From the acquisition date, FreightLink Limited has contributed a gross loss of NZ$70,345 to the net profit of the Group.

30 MINORITY INTEREST

	Consolidated 30 JUNE 2009 $	Consolidated 30 JUNE 2008 $	Parent entity 30 JUNE 2009 $	Parent entity 30 JUNE 2008 $
Contributed Equity in FreightLink Limited	203,126	-	-	-
Retained profits / (losses) in FreightLink Limited	(28,428)	-	-	-
	174,698	-	-	-

During the period, 490 ordinary shares were issued by FreightLink to a minoirty interest party for a consideration of NZ$240,196 (refer Note 29).

31 DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Names and positions held of key management personnel in office at any time during the financial year are:

Directors

Mr GM Ursini	Chairman
Mr FA Mann	Director – (non-executive)
Mr BJ Mayfield	Director – (non-executive)
Mr C Smerdon	Director – (non-executive)
Mr A Russo	Director – (non-executive)
Mr W Spurr	Director – (non-executive)

Other Key Management Personnel

Mr J Ellison	Chief Executive Officer
Ms D Gauci	General Manger, Sealink Travel Group NZ
Mr T Waller	Chief Financial Officer
Mr Neil Gould	General Manager, Sales (commenced 14/7/08)

(b) Key Management Personnel Remuneration

	CONSOLIDATED 2009 $	CONSOLIDATED 2008 $	PARENT 2009 $	PARENT 2008 $
Short-Term	1,196,378	1,056,731	-	-
Post employment	-	-	-	-
Other long-term	-	-	-	-
Termination Benefits	-	-	-	-
Share-based payment	-	-	-	-
	1,196,378	1,056,731	-	-

There are no loans to directors or key management personnel.

(c) Other

There were no options granted as remuneration nor were any shares issued during the year as a result of any conversion of shares.

(d) Remuneration Policy

The company's policy for determining the nature and amount of emoluments of board members and senior executives is as follows:

The remuneration structure for executive officers is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts of service between the company and specified directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, specific executives and directors are paid employee benefit entitlements accrued to the date of their retirement. The company may terminate the respective contracts by providing adequate notice or making a payment in lieu of notice. Termination payments are generally not payable on resignation or serious misconduct. In instances of serious misconduct, the company can terminate employment at any time.

31 DIRECTOR AND EXECUTIVE DISCLOSURES (cont)

(e) Other transactions

During the year, the following purchases/services were made with entities associated with directors at normal market prices -

- Professional services totalling $nil from Ursini Globus Pty Ltd, a company associated with Mr G Ursini (2008:$nil);
- Purchases totalling $6,330 from BJM Engineering Pty Ltd, a company associated with Mr B Mayfield (2008: $7,305);
- Purchases and services totalling $14,607 from Vectra Corporation Ltd, a company associated with Mr C Smerdon (2008: $nil);
- Purchases and services totalling $160,168 from Coachlines Australia and Tourism and Allied, companies associated with Mr C Smerdon (2008: $643,423);
- Purchases totalling $2,750 from Cape Jervis Tavern Pty Ltd, a company associated with Mr A Russo (2008: $6,372).
- Professional services totalling $nil from Equilink Pty Ltd, a company associated with Mr F Mann (2008: $2,302).

ERNST & YOUNG

Ernst & Young Building
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
www.ey.com/au

Independent auditor's report to the members of Sealink Travel Group Limited and its controlled entities

We have audited the accompanying financial report of Sealink Travel Group Limited and its controlled entities ('the group"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the group and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the group are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the group a written Auditor's Independence Declaration.

Liability limited by a scheme approved
under Professional Standards Legislation

ERNST & YOUNG

Auditor's Opinion

In our opinion:

1. the financial report of Sealink Travel Group Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

    i giving a true and fair view of the financial position of Sealink Travel Group Limited and its controlled entities and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

    ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young

David Sanders
Partner
Adelaide
23 September 2009

ERNST & YOUNG

Ernst & Young Building
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
www.ey.com/au

Auditor's Independence Declaration to the Directors of Sealink Travel Group Limited and its controlled entities

In relation to our audit of the financial report of Sealink Travel Group Limited and its controlled entities for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

David Sanders
Partner

23 September 2009

Liability limited by a scheme approved
under Professional Standards Legislation