

**TOURISM HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Other Reserves**

	GROUP		PARENT	
	2012	2011	2012	2011
Note	\$000	\$000	\$000	\$000
<b>Foreign Currency Translation Reserve</b>				
Balance at beginning of year	8,130	4,615	-	-
Currency translation differences	(620)	3,515	-	-
	7,510	8,130	-	-
<b>Employee Share Option Reserve</b>				
Balance at beginning of year	989	811	989	811
Transfer to share capital				
Fair value movements charged to the income statement	165	178	165	178
	1,154	989	1,154	989
<b>Total Other Reserves</b>	<b>8,664</b>	<b>9,119</b>	<b>1,154</b>	<b>989</b>

Foreign Currency Translation Reserve:

Exchange differences arising on the translation of foreign operations are taken to the foreign currency translation reserve. When any net investment is disposed of the related component of the reserve is recognised in profit and loss as part of the gain or loss on disposal.

Employee Share Option Reserve:

The employee share option reserve is used to recognise the accumulated value of options granted which have been recognised in the Income Statement.

**24. Cash Flow Hedge reserve**

	GROUP		PARENT	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
Balance at beginning of year	(1,065)	(695)	(1,065)	(695)
Fair value gains/(losses)	(1,181)	(494)	(1,181)	(494)
Tax on fair value gains/(losses)	331	124	331	124
	(1,915)	(1,065)	(1,915)	(1,065)

The cash flow hedge reserve is used to record gains or losses on hedging instruments that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

**25. Retained Earnings**

	GROUP		PARENT	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
Balance at beginning of year	3,027	32,543	5,502	11,932
Profit/(loss) for the year	4,317	(27,344)	288	(4,258)
Dividends on ordinary shares	(1,866)	(2,172)	(1,866)	(2,172)
	5,478	3,027	3,924	5,502

The opening balance as at 1 July 2010 of retained earnings for the Group have been restated due to the identification of a journal recorded on the initial adoption of NZ IFRS on 1 July 2006 to recognise revenue in advance that was not reversed in the Group accounts in the 2007 year.

The impact of the restatement is to reduce the Group's Retained Earnings opening balance as at 1 July 2010 by \$1,143k and to increase the Group's revenue in advance as at 1 July 2010 by \$1,143k. Consequently the impact of this adjustment to the Group's opening retained earnings as at 1 July 2010 is reflected in the comparative balance sheet at 30 June 2011 resulting in a reduction to retained earnings as at 30 June 2011 by \$1,143k and an increase in revenue in advance as at 30 June 2011 by \$1,143k.

The adjustment has no impact on the reported profit of the Group or the Parent for the years ended 30 June 2011 and 2012.

**26. Share Capital**

	Parent & Group	
	2012	2011
	000's	000's
Ordinary shares		
Opening balance	143,798	143,798
Closing balance	143,798	143,798

The total authorised number of ordinary shares is 98,180,723 shares (2011: 98,180,723). The shares have no par value. All ordinary shares are issued and fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

There are 6,470,000 redeemable ordinary shares on issue (2011: 4,220,000). If these convert to ordinary shares per the terms outlined in note 27, total shares on issue will be 104,650,723. (2011: 102,400,723).

In September 2011 1,000,000 redeemable shares were issued, in January 2012 400,000 redeemable shares were cancelled and in March 2012 1,650,000 redeemable shares were issued.

**27. Share based Payments**

In September 2006 a long term share scheme incentive was introduced for the Chief Executive and other senior executives. 2.52 million redeemable shares were issued at the then current share price of \$1.90 and they have been paid up to 1 cent.

Two additional senior executives were added to the incentive scheme in November 2007 and an additional 0.4 million redeemable shares were issued at the then current share price of \$2.34 and were paid up to 1 cent.

The shares are held in trust for the executives and will be able to be paid up by them after a minimum of three years at a rate of one third of the shares each year.

As a result of executives leaving the business 1.6 million redeemable shares issued under the 2006 scheme were forfeited during the year to 30 June 2010 and 0.1m redeemable shares were forfeited during the year to 30 June 2011.

In the 2009 financial year a new long term share incentive scheme was introduced for the Chief Executive and other senior executives.

This was based on the 2006 scheme but added in a cost of equity adjustment of 13.25% per annum for two years. The shares are held in trust for the executives and will be able to be paid up by them after a minimum of two years at a rate of one third of the shares each year.

The cost of equity adjustment was updated to 12.50% for the 2012 incentive scheme issue.

In June 2009 1.9 million redeemable shares were issued to the Chief Executive and five senior executives,

they were issued at the then current share price of 49 cents and were paid up to 1 cent.

In October 2009 0.2 million redeemable shares were issued to a new executive at the then current share price of 0.70 cents.

and were paid up to 1 cent.

In May 2010 1.0 million redeemable shares were issued to the Chief Executive and six senior executives they were issued at the then current share price of 90 cents and were paid up to 1 cent.

As a result of an executive leaving the business 0.3 million redeemable shares issued under the 2009 scheme were forfeited during the year to 30 June 2011.

In December 2010 0.2 million redeemable shares were issued to a new executive at the then current share price of 0.75 cents and were paid up to 1 cent.

In September 2011 1.0 million redeemable shares were issued to the Chief Executive and six senior executives at the then current share price of 0.60 cents and were paid up to 1 cent.

In March 2012 1.65 million redeemable shares were issued to the Chief Executive and five senior executives at the then current share price of 0.64 cents and were paid up to 1 cent.

As a result of an executive leaving the business 0.4 million redeemable shares issued under the 2009 scheme were forfeited during the year to 30 June 2012.

The shares carry no entitlement to dividend other than the amount to which they are paid up.

The charge to the profit and loss and increase in the employee share option reserve represents the share trading rights of the redeemable shares when

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issued amortised over the life of the scheme.

Movements in the number of redeemable shares outstanding and their related weighted average exercise prices are as follows:

	2012		2011	
	Average Exercise Price	Redeemable Shares	Average Exercise Price	Redeemable Shares
At 1 July	1.13	4,220,000	1.03	4,420,000
Granted	0.62	2,650,000	0.95	200,000
Forfeited	(0.62)	(400,000)	(1.05)	(400,000)
Exercised				
Expired				
At 30 June	0.98	6,470,000	1.13	4,220,000

Out of the 6,470,000 redeemable shares outstanding at year end (2011 4,220,000) 2,486,667 redeemable shares were convertible (2011: 1,513,333), nil redeemable shares were converted to ordinary shares in the year to June 2012 which resulted in nil ordinary shares being issued (2011: Nil) at a weighted average price of \$nil per share (2011: Nil).

Redeemable shares outstanding at year end have the following expiry dates and exercise prices

Expiry Date	Exercise price	Redeemable Shares	
		2012	2011
September 2013	1.90	1,020,000	1,020,000
October 2014	2.34	200,000	200,000
June 2015	0.55	1,600,000	1,700,000
October 2015	0.82	200,000	200,000
May 2016	1.09	600,000	900,000
December 2016	0.92	200,000	200,000
September 2017	0.73	900,000	
March 2018	0.77	1,650,000	
		6,470,000	4,220,000

The redeemable shares are valued at \$1,028k (2011: \$812k) which is being amortised over the life of the share trading rights. The 2012 expense of \$165k (2011: \$178k) will accumulate in the executive share scheme reserve.

In arriving at the value of the share trading rights under the Binomial Option Pricing Model the following inputs have been used:

	2012	2011	2010	2009	2008	2007
Issue Price	\$0.60 and \$0.64	\$0.75	\$0.90 and \$0.70	\$0.49	\$2.34	\$1.90
Exercise Price of the share transfer rights	\$0.73 and \$0.77 plus 13.25% and 12.50%pa	\$0.92 plus 13.25%pa	\$1.09 and \$0.82 plus 13.25%pa	\$0.55 plus 13.25%pa	\$2.33 6.32%	\$1.89 6.32%
(Note price is issue price less 1 cent paid up)						
Forecast dividend yield over the life of the transfer rights	3% and 6%	3.0%	3.0%	3.0%	6.32%	6.32%
Risk free rate of interest over the exercise period of the share transfer rights	4.68% and 3.89%	5.15%	5.15%	4.14%-4.63%	6.01%-6.15%	6.01%-6.15%
Volatility of Tourism Holdings Limited share price returns mid point	35% and 28%	35%	35%	25%	25%	25%

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28. Trade and other payables	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Trade payables	4,625	12,313	1,033	7,829
Accrued expenses and other payables	15,169	18,843	5,227	7,920
	<u>19,794</u>	<u>31,156</u>	<u>6,260</u>	<u>15,749</u>

29. Provisions for other liabilities and charges	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Warranty provision	167	344	167	344
Other	-	-	-	-
	<u>167</u>	<u>344</u>	<u>167</u>	<u>344</u>

The provision relates to warranties provided in respect of repairs to third party motorhomes which are expected to be settled within 12 months.

**Provision for other liabilities and charges**

Opening Balance	344	272	344	272
(Decrease) / increase in provision for other liabilities and charges	(177)	72	(177)	72
Closing Balance	<u>167</u>	<u>344</u>	<u>167</u>	<u>344</u>

30. Borrowings	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
<i>Non current</i>				
Bank borrowings	68,082	60,240	42,800	33,800
Other Loans	3,990	5,362	-	-
Capitalised lease obligations	3,860	21,492	-	-
	<u>75,932</u>	<u>87,094</u>	<u>42,800</u>	<u>33,800</u>
<i>Current</i>				
Other Loans	1,534	2,086	-	-
Capitalised lease obligations	22,159	13,371	-	-
	<u>23,693</u>	<u>15,457</u>	<u>-</u>	<u>-</u>
<i>Total borrowings</i>	<u>99,625</u>	<u>102,551</u>	<u>42,800</u>	<u>33,800</u>
Maturity of non current portion				
<i>Bank loans</i>				
One to two years	-	19,500	-	19,500
Two to five years	68,082	40,740	42,800	14,300
	<u>68,082</u>	<u>60,240</u>	<u>42,800</u>	<u>33,800</u>
<i>Other Loans</i>				
One to two years	3,990	1,489	-	-
Two to five years	-	3,873	-	-
	<u>3,990</u>	<u>5,362</u>	<u>-</u>	<u>-</u>
<i>Capitalised finance lease obligations</i>				
One to two years	3,860	21,492	-	-
Two to five years	-	-	-	-
	<u>3,860</u>	<u>21,492</u>	<u>-</u>	<u>-</u>

	2012 \$000's	2011 \$000's
Capitalised finance lease liabilities - minimum lease payments:		
No later than 1 year	23,148	15,407
Later than 1 year and no later than 5 years	3,970	22,209
	<u>27,118</u>	<u>37,616</u>
Future finance charges on finance leases	(1,099)	(2,753)
Present value of finance lease liabilities	<u>26,019</u>	<u>34,863</u>

An Australian subsidiary has commercial hire purchase loans secured over its campervan fleet. These loans are repayable over a one to two year periods.

Interest rates applicable at 30 June 2012 on the bank term loans and the Australian capitalised lease obligations ranged from 2.85% to 7.38%p.a. (2011: 2.85% to 7.38%p.a.).

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The Group has other loans repayable to the vendors of JJ Motorcars Inc (trading as Road Bear) that Tourism Holdings Limited acquired on 31 December 2010. These loans are repayable over a 3 year period from that date at a fixed interest rate of 6%. These loans are secured by way of liens over specific Road Bear motorhome fleet.

The guaranteeing group consisting of Tourism Holdings Limited and all New Zealand, Australian and United States 100% owned subsidiaries had, at balance date, a working capital and a three year multi-option facility with Westpac Banking Corporation, Westpac New Zealand Limited and ANZ Banking Group (New Zealand) Limited and has provided a composite first ranking debenture over the assets and undertakings of the Group in New Zealand and in Australia.

The facilities are split into Term Facilities and Working Capital Facilities with annual review and subject to covenant compliance extended annually. The renewal of the facilities occurred on 29 June 2012.

Current expiry dates are:

Working Capital Facilities	6th October 2014
Term Facilities	6th October 2015

The facilities cannot be called for repayment by the banks at a date earlier than the facilities expiry date above unless there is a breach of the bank covenants. There have been no breaches of bank covenants during the current or prior period.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	<b>2012</b>	<b>2011</b>
	NZ\$000's	NZ\$000's
New Zealand dollar	42,800	33,800
Australian dollar	36,879	47,004
United States American dollar	19,946	21,747
	<u>99,625</u>	<u>102,551</u>

	<b>2012</b>	<b>2011</b>
	\$000's	\$000's
The Group has the following undrawn borrowing facilities:		
Floating rate:		
- Expiring within one year	-	-
- Expiring beyond one year	16,700	24,304
Fixed rate:		
- Expiring within one year	-	-
	<u>16,700</u>	<u>24,304</u>

No borrowing costs were capitalised in 2012 (2011 nil).

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**31. Deferred income tax**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when the deferred income tax relate to the same fiscal authority. The offset amounts are as follows:

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Deferred tax liabilities:				
- Deferred tax liability to be met after more than 12 months	2,397	1,971	236	(846)
- Deferred tax liability to be met within 12 months	2,131	1,919	714	1,823
	4,528	3,890	950	977

The deferred tax provision was reduced due to the reduction in the company tax rate in New Zealand from 30% to 28% effective from 2011. In addition deferred tax was increased due to providing for deferred tax on buildings as a flow on from the impact of NZ IAS 12 post the New Zealand Governments' budget changes to building depreciation deductibility announced in May 2010 effective from 2011.

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
The gross movement on the deferred income tax account is as follows:				
Beginning of the year	3,890	4,511	977	664
Income statement charge	1,323	710	(888)	92
Deferred Tax on Acquisition	-	314	-	-
Prior Period Adjustment	(15)	61	(15)	114
Deferred Tax impact of NZ Governments' budget changes to building depreciation rates	-	67	-	67
Impact of change in tax rate	-	194	-	189
Tax losses	(339)	(1,811)	1,207	7
Tax charged to equity	(331)	(156)	(331)	(156)
End of the year	4,528	3,890	950	977
Comprised of:				
Future tax benefit	(5,236)	(4,481)	(1,927)	(2,797)
Deferred tax liability	9,764	8,371	2,877	3,774
	4,528	3,890	950	977

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in income statement</i>				
Provisions	(1,420)	(2,514)	(1,352)	(1,552)
Property, plant and equipment	11,265	9,925	4,974	4,832
Tax losses	(5,236)	(4,481)	(1,927)	(2,797)
Deferred Tax impact of NZ Governments' budget changes to building depreciation rates	-	908	-	908
Other	664	466	-	-
<i>Amounts recognised directly in equity</i>				
Cash flow hedge reserve	(745)	(414)	(745)	(414)
Net deferred tax liability	4,528	3,890	950	977

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

**32. Imputation Credit Account**

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Opening balance	6,053	7,260	5,363	6,563
Plus: Income tax paid				
Prior period adjustment	-	(464)	-	(457)
	6,053	6,796	5,363	6,106
Less: Credits attached to dividends	(745)	(743)	(745)	(743)
Refunds received	(662)	-	(662)	-
Refunds receivable	(97)	-	(97)	-
Closing balance - imputation credits available for use in subsequent periods	4,549	6,053	3,859	5,363

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**33. Contingencies**

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from contingent liabilities.

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Guarantees given in relation to borrowings of subsidiary companies	-	-	51,301	61,303
Performance and Guarantee bonds	702	702	702	702
	<u>702</u>	<u>702</u>	<u>52,003</u>	<u>62,005</u>

Tourism Holdings Limited has a contingent liability of up to \$702k in respect of the sale of a business in a prior year. Tourism Holdings Limited considers that the likelihood of making a payment under this obligation is low.

**34. Commitments**

*Capital commitments*

Capital expenditure contracted for at balance date but not yet incurred is as follows:

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Property, plant and equipment	17,039	30,122	7,286	24,054
	<u>17,039</u>	<u>30,122</u>	<u>7,286</u>	<u>24,054</u>

*Operating lease commitments - where a group company is the lessee*

The Group leases various retail outlets, branches and offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The Group also has short term leases for the car rental fleet. There are no renewal requirements or options to purchase in respect of the car rental fleet.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Parent	
	2012 \$000's	2011 \$000's	2012 \$000's	2011 \$000's
Within one year	6,449	5,678	1,968	2,451
One to five years	16,189	16,677	4,503	6,209
Beyond five years	19,112	9,902	11,706	4,799
	<u>41,750</u>	<u>32,257</u>	<u>18,177</u>	<u>13,459</u>

**35. Related party transactions**

All members of the Group are considered to be related parties of Tourism Holdings Limited including subsidiaries.

	2012 \$000's	2011 \$000's
The following transactions were carried out with related parties:		
<b>i) Sales of goods and services</b>		
Subsidiaries	-	-
<b>ii) Purchases of goods and services</b>		
Subsidiaries	-	-

	2012 \$000's	2011 \$000's
<b>iii) Bad debt write off of a subsidiary receivable</b>		
THL Oz Pty Limited	276	289

	2012 \$000's	2011 \$000's
<b>iv) Key management compensation</b>		
Salaries and other short term employee benefits	2,614	2,222
Share based payments benefits	165	178

Executive management do not receive any directors' fees as directors of subsidiary companies.

	2012 \$000's	2011 \$000's
<b>v) Year end balances arising from sales/purchases of goods/services</b>		
<i>Advances to subsidiaries</i>		
THL Oz Pty Limited	11,422	11,391
THL Group Australia Pty Limited and its subsidiaries	9,350	11,502
Waitomo Caves Limited	8,616	9,104
Waitomo Caves Holdings Limited	210	214
	<u>29,598</u>	<u>32,211</u>
<i>Advances from subsidiaries</i>		
Newmans Holidays (UK) Limited	-	427
Net advances to subsidiaries	<u>29,598</u>	<u>31,784</u>

Interest is charged at market rates on trading accounts between the Parent and Australian subsidiaries and all advances are repayable on demand.

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	2012 \$000's	2011 \$000's
<i>Interest charged on the balances with related parties</i>		
THL Oz Pty Limited (Previously Oz Experience Pty Limited)	276	289
Tourism Holdings Australia Pty Limited	453	397
	729	686

	2012	2011
The effective interest rates on loans to related parties were as follows:		
Loans to related parties	5.66%	5.92%

	2012 \$000's	2011 \$000's
<b>vi) Lease costs from subsidiaries</b>		
The Parent incurred lease costs as follows:		
Waitomo Caves Limited	478	478

	2012 \$000's	2011 \$000's
<b>vii) Sales to subsidiaries</b>		
THL Group Australia Pty Limited and its subsidiaries	1,177	7,818

**viii) Loans to directors and key management of the Company**  
There were no loans during the current or previous year by the Group to Directors or key management.

	2012 \$000's	2011 \$000's
<b>ix) Loans from directors, key management or related parties</b>		
Loans from key management personnel	3,682	4,171

Loan provided as part of the acquisition of JJ Motorcars Inc in the USA trading as Road Bear to fund fleet. The loan is repayable over 3 years at a fixed interest rate of 6%pa and is secured by way of liens over specific Road Bear motorhome fleet.

	2012 \$000's	2011 \$000's
<b>x) RVMG LP</b>		
Purchase of motorhomes from joint venture	2,145	-
Interest charged to joint venture	203	-
Advance to joint venture	9,232	-
The amount outstanding is payable on demand at an interest rate of 7.91%.		

	2012 \$000's	2011 \$000's
<b>xi) Costs invoiced to a shareholder for partial takeover</b>		
Sterling Grace Private Equity Limited	383	-
Amount unpaid at balance date	252	-

	2012 \$000's	2011 \$000's
<b>xii) Related party purchases</b>		
During the period 1 October 2011 to 21 March 2012 <i>thl</i> Australia purchased motorhomes and caravans from a related party Jayco Australia at 'arms length' on commercial terms and at market prices. Jayco is now no longer a related party.	1,352	-

**36. Events after the reporting period**

A fully imputed dividend was declared after balance date at 2 cents per share payable on 26 October 2012.

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**37 Business Combinations**

No businesses were acquired during the year ended 30 June 2012 excluding a Joint Venture entered into on 1 March 2012.

On the 31 December 2010, the group acquired 100% of the share capital of JJ Motorcars Inc, which trades as Road Bear RV, a motor home rental company based in the United States of America. As a result of this acquisition the group is expected to expand on these operations in the future in the USA.

The goodwill of USD\$5m paid for the acquisition is attributable to the acquired operations that are already in place as a going concern rather than having to set up the operations from the beginning.

The goodwill is expected to be deducted for income tax purposes over 15 years. The following table summarises the consideration paid for Road Bear RV and the amounts of the assets and liabilities assumed recognised at the acquisition date.

Consideration	NZ\$000's	USD\$000's
As at 31 December 2010		
Cash	12,081	9,450
Vendor Loans	8,949	7,000
	<u>21,030</u>	<u>16,450</u>
<b>Total consideration transferred</b>	<b>21,030</b>	<b>16,450</b>
<b>Acquisition-related costs</b> (included in expenses in the statement of comprehensive income for the period ended 30 June 2011)	<b>NZ\$000's</b>	
	937	
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>Acquiree's carrying value and finalised fair value</b>	
	<b>NZ\$000's</b>	<b>USD\$000's</b>
Cash and cash equivalents	3,366	2,633
Other current assets	153	120
Plant and equipment	119	93
RV rental units	12,107	9,470
Revenue in advance and deposits held	(224)	(175)
Net deferred tax liability	(313)	(245)
<b>Total identifiable net assets</b>	<b>15,208</b>	<b>11,896</b>
Brand	720	543
Goodwill	5,102	4,011
<b>Total assets acquired</b>	<b>21,030</b>	<b>16,450</b>

The fair value of the plant and equipment and RV rental units has been arrived at by taking the net book value of the assets held at 31 December 2010.

Deferred tax has been provided in relation to the fair value of the RV rental units.

No revenue or profits from the acquisition of Road Bear RV were recognised in the consolidated statement of comprehensive income for the period ended 31 December 2010. Earnings for the period from July 2010 to December 2010 are not stated as prior to *the* ownership the business operated under a different tax classification whereby all income was attributable to the shareholder owners therefore comparatives are not meaningful.

Revenue for the period January 2011 to June 2011 amounted to NZ\$15,354k (US\$12,454k) and the net loss after tax amounted to NZ\$125k (US\$68k) for the period.

In the year ended 30 June 2012 the provisional fair values allocated at the time of acquisition were finalised. This resulted in an amount of NZ\$720k being identified as attributable to the acquired "Road Bear RV" brand. The amount was reclassified from goodwill in the year ended 30 June 2012.

**38 Joint Venture - RV Manufacturing Group LP (RVMG)**

On the 1 March 2012 the Group formed a 50% joint venture limited partnership business with Kea Manufacturing (New Zealand) Limited, RVMG. The principal activity of RVMG is manufacturing of vehicles. RVMG operates in New Zealand.

The following amounts represent the Group's 50% share of the sales and results, and assets and liabilities of RVMG:

	\$000's Group	\$000's Parent
Income	5,603	5,603
Expenses	(7,576)	(7,576)
Loss before income tax	(1,973)	(1,973)
<b>Assets</b>		
Non Current Assets	1,414	1,414
Current Assets	7,316	7,316
	<u>8,730</u>	<u>8,730</u>
<b>Liabilities</b>		
Non Current Liabilities	7,219	7,219
Current Liabilities	3,234	3,234
	<u>10,453</u>	<u>10,453</u>
<b>Net Assets</b>	<b>(1,723)</b>	<b>(1,723)</b>

There are no contingent liabilities relating to the Group's interest in RVMG, and no contingent liabilities in the venture itself. The Group's total share of the contractual property lease commitment is \$242k.

The following table sets out the Parent's and Group's interest in RVMG:

	Group \$000's	Parent \$000's
Investment in RVMG	250	250
Net assets contributed by way of advance	7,638	7,638
Cash advances	3,317	3,317
Total advances	<u>10,955</u>	<u>10,955</u>
<i>Share of loss before tax for the period:</i>		
Recognised against the investment balance	(250)	(250)
Recognised against the advances	(1,723)	(1,723)
	<u>(1,973)</u>	<u>(1,973)</u>
<b>Net interest in RVMG at 30 June 2012</b>	<b>9,232</b>	<b>9,232</b>

The advances are payable on demand but directors do not expect repayment in the next 12 months. Interest is payable at a rate of 7.9% per annum.

In the Parent, the share of loss recognised represents the impairment of the investment and the advances. The impairment is recognised based on the Parent's share of net assets in the joint venture.



**TOURISM HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**39. Segment Note**

The chief operating decision maker ('CODM') has been identified as the executive team together with the Board of Directors. The CODM review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The CODM assess the performance of the operating segments based on a measure of operating profit (earnings before interest and tax). The measurement basis excludes the effects of operational expenditure or gains such as loss / gain on disposal or impairments of property, plant and equipment, fair value changes in foreign currency financial assets / liabilities and costs of major business acquisitions. Interest income and expenditure are not included in the result for each operating segment that is reviewed by the CODM.

As at 30 June 2012 the CODM considers the business from both a geographical and service / product perspective, the CODM considers the performance of business based on the rentals division in Australia, United States of America and New Zealand, as well as the Tourism Group segment in New Zealand. Group support costs are reported separately.

	2012		Australia Rentals \$000's	United States Rentals \$000's	Group		Total \$000's
	New Zealand				Support Services \$000's	Discontinued \$000's	
	Rentals \$000's	Tourism Group \$000's					
Sales of services	48,939	21,450	69,904	16,072	47	-	156,412
Sales of goods	7,601	-	17,638	18,311	-	9,636	53,186
<b>Revenue from External customers</b>	<b>56,540</b>	<b>21,450</b>	<b>87,542</b>	<b>34,383</b>	<b>47</b>	<b>9,636</b>	<b>209,598</b>
Depreciation	(14,129)	(1,092)	(23,028)	(3,789)	(392)	(411)	(42,841)
Other Operating Costs	(36,937)	(16,514)	(60,468)	(24,910)	(2,393)	(9,521)	(150,743)
<b>Operating Profit / (Loss) Before Interest and Tax</b>	<b>5,474</b>	<b>3,844</b>	<b>4,046</b>	<b>5,684</b>	<b>(2,738)</b>	<b>(296)</b>	<b>16,014</b>
Interest Income	-	-	96	-	1,179	-	1,275
Interest Expense	-	-	(3,827)	(899)	(3,542)	-	(8,268)
Joint Venture Net Profit / (Loss) before tax	-	-	-	-	(1,973)	-	(1,973)
<b>Operating Profit / (Loss) before Tax</b>	<b>5,474</b>	<b>3,844</b>	<b>315</b>	<b>4,785</b>	<b>(7,074)</b>	<b>(296)</b>	<b>7,048</b>
Taxation	(1,533)	(1,299)	(278)	(1,947)	2,243	83	(2,731)
<b>Operating Profit / (Loss) - After Interest and Tax</b>	<b>3,941</b>	<b>2,545</b>	<b>37</b>	<b>2,838</b>	<b>(4,831)</b>	<b>(213)</b>	<b>4,317</b>
Capital Expenditure	24,531	390	25,372	24,041	8,462	-	82,796
Non Current Assets	75,685	29,555	88,102	32,647	2,791	-	228,780
Advance to Joint Venture	-	-	-	-	9,232	-	9,232
<b>Total Non Current Assets</b>	<b>75,685</b>	<b>29,555</b>	<b>88,102</b>	<b>32,647</b>	<b>12,023</b>	<b>-</b>	<b>238,012</b>
<b>Total Assets</b>	<b>88,747</b>	<b>31,544</b>	<b>116,253</b>	<b>37,231</b>	<b>21,312</b>	<b>-</b>	<b>295,087</b>
<b>Net Assets</b>	<b>81,230</b>	<b>29,642</b>	<b>92,464</b>	<b>29,618</b>	<b>18,613</b>	<b>-</b>	<b>251,567</b>

Inter-segment transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. The CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments. All revenue is reported to the executive team on a basis consistent with that used in the income statement.

	2011		Australia Rentals \$000's	United States Rentals \$000's	Group		Total \$000's
	New Zealand				Support Services \$000's	Discontinued \$000's	
	Rentals \$000's	Tourism Group \$000's					
Sales of services	46,385	21,864	72,224	4,468	78	-	145,019
Sales of goods	8,481	-	21,208	10,886	-	10,160	50,735
<b>Revenue from External customers</b>	<b>54,866</b>	<b>21,864</b>	<b>93,432</b>	<b>15,354</b>	<b>78</b>	<b>10,160</b>	<b>195,754</b>
Depreciation	(13,278)	(1,199)	(23,873)	(1,851)	(462)	(440)	(41,103)
Other Operating Costs	(39,568)	(16,735)	(66,893)	(13,225)	(4,654)	(9,237)	(150,312)
<b>Operating Profit / (Loss) Before Interest and Tax</b>	<b>2,020</b>	<b>3,930</b>	<b>2,666</b>	<b>278</b>	<b>(5,038)</b>	<b>483</b>	<b>4,339</b>
Less Impairment of Goodwill	(4,452)	-	(21,686)	-	-	-	(26,138)
<b>Operating Profit / (Loss) after Impairment of Goodwill</b>	<b>(2,432)</b>	<b>3,930</b>	<b>(19,020)</b>	<b>278</b>	<b>(5,038)</b>	<b>483</b>	<b>(21,799)</b>
Interest Income	8	1	142	-	695	-	846
Interest Expense	-	-	(3,129)	(511)	(3,345)	-	(6,985)
<b>Operating Profit / (Loss) after Impairment and before Tax</b>	<b>(2,424)</b>	<b>3,931</b>	<b>(22,007)</b>	<b>(233)</b>	<b>(7,688)</b>	<b>483</b>	<b>(27,938)</b>
Taxation	(600)	(1,123)	(1,088)	107	3,443	(145)	594
<b>Operating Profit / (Loss) - After Interest and Tax</b>	<b>(3,024)</b>	<b>2,808</b>	<b>(23,095)</b>	<b>(126)</b>	<b>(4,245)</b>	<b>338</b>	<b>(27,344)</b>
Capital Expenditure	25,036	2,180	66,084	35,020	173	355	128,848
Non Current Assets	76,584	31,014	101,628	29,359	3,713	1,736	244,034
<b>Total Assets</b>	<b>92,188</b>	<b>32,597</b>	<b>134,037</b>	<b>32,090</b>	<b>5,934</b>	<b>22,881</b>	<b>319,727</b>
<b>Net Assets</b>	<b>71,504</b>	<b>30,438</b>	<b>109,405</b>	<b>27,101</b>	<b>5,231</b>	<b>11,270</b>	<b>254,949</b>

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude future income tax benefit, deferred taxation, investments and derivatives designated as hedges of borrowings as they are not allocated to segments. Net segment assets are total assets less segment non interest bearing liabilities and cash on hand.

In 2012, impairment provisions against the carrying value of motorhomes of \$2,319k were reversed in the Australian Rentals segment and \$175k were reversed in the New Zealand Rentals segment. This did not impact on profit.

In the prior year impairment charges of \$2,846k were recognised in the Australian Rentals segment and impairment charges of \$1,119k were reversed in the New Zealand Rentals segment. Refer to note 15 for further details.

Assets held for sale are recognised in Group Support Services.

**TOURISM HOLDINGS LIMITED  
FOR THE YEAR ENDED 30 JUNE 2012**

**STATUTORY INFORMATION**  
For the year ended 30 June 2012

The ordinary shares of Tourism Holdings Limited are listed on the New Zealand Stock Exchange. As at 10th August 2012, the total number of voting securities on issue was 98,180,723.

**Spread Of Shareholders**

Size of holdings	Number of Holders	Number of shares held	% of total issued shares
1 - 1000	838	572,606	0.6%
1001 - 5000	2,154	6,025,898	6.1%
5001 - 10000	733	5,732,984	5.8%
10001 - 50000	615	12,685,547	12.9%
50001 - 100000	71	5,310,209	5.4%
100001 and Over	47	67,853,479	69.1%
	4,458	98,180,723	100.0%

The shareholding of New Zealand Central Securities Depository Limited (NZCSD) has been reallocated to the applicable members of NZCSD.

**Substantial Security Holders**

	Number of shares in which a relevant interest was held.	
Sterling Grace Capital Management LP	18,794,290	19.1%
Utilico Investments Limited	8,727,311	8.9%
Accident Compensation Corporation	7,701,321	7.8%
Tower Asset Management Limited	7,232,971	7.4%

Current holding reflects the latest notices received.

**TWENTY LARGEST SHAREHOLDERS (As at 10th August 2012)**

1 FORSYTH BARR CUSTODIANS LIMITED	13,981,969	14.2%
2 JPMORGAN CHASE BANK	9,677,542	9.9%
3 CUSTODY AND INVESTMENT NOMINEES LIMITED	7,797,244	7.9%
4 ACCIDENT COMPENSATION CORPORATION	7,601,321	7.7%
5 FORSYTH BARR CUSTODIANS LIMITED	5,142,206	5.2%
6 TEA CUSTODIANS LIMITED	4,883,607	5.0%
7 KEVIN GLEN DOUGLAS + MICHELLE MCKENNEY DOUGLAS	2,791,889	2.8%
8 CITIBANK NOMINEES (NZ) LTD	1,385,833	1.4%
9 KEVIN DOUGLAS + MICHELLE DOUGLAS	1,190,943	1.2%
10 JAMES DOUGLAS JR + JEAN ANN DOUGLAS	1,190,939	1.2%
11 MOON CHUL CHOI + KEUM SOOK CHOI	1,110,000	1.1%
12 FORSYTH BARR CUSTODIANS LIMITED	829,146	0.8%
13 PUBLIC TRUST	729,729	0.7%
14 JA HONG KOO + PYUNG KEUM KOO	666,500	0.7%
15 LEVERAGED EQUITIES FINANCE LIMITED	637,186	0.6%
16 ROBERT DONALD SPARY	542,038	0.6%
17 HSBC NOMINEES (NEW ZEALAND) LIMITED	484,817	0.5%
18 NATIONAL NOMINEES NEW ZEALAND LIMITED	395,453	0.4%
19 FNZ CUSTODIANS LIMITED	376,346	0.4%
20 FORSYTH BARR CUSTODIANS LIMITED	370,927	0.4%
	61,785,635	62.9%

The shareholding of New Zealand Central Securities Depository Limited (NZCSD) has been reallocated to the applicable members of NZCSD.

**TOURISM HOLDINGS LIMITED  
FOR THE YEAR ENDED 30 JUNE 2012**

**DIRECTORS' SHAREHOLDINGS (AT JUNE 30, 2012)**

	Beneficially owned, held solely or as a joint holder		Beneficially owned, held by associated persons (including family interests)	
	2012	2011	2012	2011
J Bongard	50,000	50,000	-	-
G W Bowker	15,000	15,000	-	-
R G M Christie	-	11,250	-	-
D Gupta	-	-	-	-
K R Smith	-	-	88,859	88,859
G Wong	100,000	100,000	-	-
	<u>165,000</u>	<u>176,250</u>	<u>88,859</u>	<u>88,859</u>

**Directors' Share Dealings**

Details of the Directors' acquisitions and disposals of relevant interests in the ordinary equity securities issued by the Parent company are as follows:

Director	Beneficial Owner	No of Shares Acquired (Disposed of)
R G M Christie		(11,250)

**General Notice of Directors' Interests**

J Bongard, ONZM	<b>Director of:</b> Netball New Zealand, Meridian Energy Limited and Narta International Pty Limited and PSCTH, Thailand.
G W Bowker	<b>Director of:</b> Silverstripe Australia Pty Limited, Equestrian Australia.
R G M Christie	<b>Chairman of:</b> EBOS Group Limited, the Science Media Centre and the National e-Science Infrastructure Company. <b>Director of:</b> Acurity Health Group Limited, NZ Pork Industry Board, Southport Limited and Solnet Solutions Limited.
D Gupta	<b>Director of:</b> Centuria Capital Limited, Trustees Executors Limited.
K R Smith	<b>Chairman of:</b> Goodman (NZ) Limited. <b>Deputy Chairman of:</b> The Warehouse Group Limited. <b>Director of:</b> Mighty River Power Limited and PGG Wrightson Limited (retired 2 November 2011).
G Wong	<b>Chairman of:</b> Areograph Limited and Harbour Asset Management Limited. <b>Director of:</b> AMP Office NZ Limited, New Zealand Farming Systems Uruguay Limited (retired 24 November 2011)

**TOURISM HOLDINGS LIMITED  
FOR THE YEAR ENDED 30 JUNE 2012**

**Directors' Loans**

There were no loans by the Group to Directors.

**Directors' Insurance**

The Group has arranged insurance cover and provided deeds of indemnity for Directors' and Officers' liability.

**Directors' Remuneration**

Directors' Remuneration received, or due and receivable during the year is as follows:

	2012		2011	
	Director's Fees	Other Remuneration	Director's Fees	Other Remuneration
Directors of Tourism Holdings Limited				
J Bongard	61,000	-	61,000	-
G Bowker	66,600	-	66,600	-
R G M Christie	62,000	-	62,000	-
D Gupta	56,000	-	56,000	-
K R Smith	101,000	-	101,000	-
G Wong	56,000	-	56,000	-
	<u>402,600</u>	<u>-</u>	<u>402,600</u>	<u>-</u>

The number of employees or former employees (not including Directors) whose remuneration (including severance pay) was within the specified bands is as follows:

	Consolidated		Parent Company	
	2012 NZ\$000's	2011 NZ\$000's	2012 NZ\$000's	2011 NZ\$000's
NZ\$000				
100 - 109	1	6	1	3
110 - 119	6	4	3	4
120 - 129	5	4	3	1
130 - 139	5	12	2	5
140 - 149	2	1	-	-
150 - 159	3	2	1	-
160 - 169	1	-	-	-
170 - 179	1	3	-	2
180 - 189	2	2	-	-
190 - 199	5	1	1	-
200 - 209	-	2	-	-
210 - 219	2	1	2	1
220 - 229	-	-	-	-
230 - 239	-	-	-	-
240 - 249	-	-	-	-
250 - 259	1	-	-	-
260 - 269	-	-	-	-
270 - 279	-	-	-	-
280 - 289	-	1	-	1
290 - 299	1	-	1	-
300 - 309	1	-	-	-
310 - 319	-	-	-	-
320 - 329	1	-	1	-
330 - 339	-	-	-	-
340 - 349	-	1	-	-
350 - 359	-	1	-	1
360 - 369	-	-	-	-
370 - 379	-	-	-	-
380 - 389	-	-	-	-
390 - 399	-	-	-	-
400 - 409	-	-	-	-
410 - 419	-	-	-	-
420 - 429	-	1	-	1
430 - 439	-	-	-	-
440 - 449	-	-	-	-
460 - 470	1	-	1	-
600 - 609	-	1	-	1

**Auditors**

In accordance with S196 of the Companies Act 1993, PricewaterhouseCoopers are appointed as our auditors. Auditors' remuneration is detailed in Note 1 of the financial statements.