



Australian Adventure Tourism Group
ONWARD+UPWARD

Annual Report **2021**

Issued by:
Australian Adventure Tourism Group Limited
ACN 010 547 912

Date: 13th September 2021



CHAIRMAN'S REPORT	3
DIRECTORS' REPORT.....	4
AUDITORS INDEPENDENCE DECLARATION	14
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16
CONSOLIDATED STATEMENT OF CASH FLOWS.....	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	19
DIRECTORS' DECLARATION	50
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	51
SHAREHOLDER INFORMATION.....	57
CORPORATE DIRECTORY	59

CHAIRMAN'S REPORT

As Executive Chair of Australian Adventure Tourism Group Limited and its controlled entities (Group), I am pleased to present the 2021 Chairman's Report to shareholders.



Australian Adventure Tourism Group

The Group's key business focus has continued to be on tourism and accommodation related activities at Airlie Beach, the mainland centre of Queensland's beautiful Whitsundays. Australian Adventure Tourism Group continues to own and operate the Magnums Unique Accommodation property, which occupies approximately 17,000 square metres of the most centrally located land in the Airlie Beach township. During 2020, the property was repositioned from its multi-decade target market of International backpackers under the well-known brand of Magnums Backpackers. The Group continues to explore options to maximise the potential of this valuable town centre property.

The transition to Magnums Unique Accommodation developed as a direct result of the impacts of the COVID-19 Pandemic. The era of operating as an award-winning "backpackers" had come to an end hastened by the onset of the COVID-19 Pandemic. Magnums, prior to the Pandemic, consisted wholly of dormitory style shared accommodation, with guests sharing all facilities, including bathrooms, recreation areas, kitchen and laundry facilities. Magnums' transition from Backpackers to Unique Accommodation is now completed with renovated facilities re-opening on a progressive basis from 21 June 2020. Magnums can now trade as a certified COVID-19 Clean-Covid Ready operation and meet all past and current social distancing legislation which has enabled the business to refocus on revenue generation and yield management.

At the time of this important decision-making process, the prospects for such accommodation at Airlie Beach were unclear, although, the passage of one year, has validated the decisions made with growing current accommodation demand from the Australian domestic markets in Queensland and southern states. This has been facilitated by a very strong "drive-yourself" market, which has been targeted through multiple successful marketing campaigns and a measured and focused rebranding campaign to support the repositioning. The Whitsunday Shire Council, which also operates the regional Whitsunday Coast Airport, has worked hard to re-establish and build passenger capacity. To date their efforts have proved to be successful with the return of twice-weekly Qantas flights adding significant passenger capacity from Southern markets and most recently adding intra-state, Rockhampton and Cairns flights. Magnums, like all regional businesses, continues to be highly dependent on the Queensland Borders being open to travellers. Magnums' current 2021/22 business model has zero dependence on international borders being opened in the foreseeable future.

During the repositioning period, the Group was able to internally fund all costs of the renovation without borrowing and the entire Magnums workforce was maintained, with the exception of one full-time administration position.

With the prospect of the COVID-19 Pandemic likely continuing to impact significant aspects of tourism, the Board has also continued to progress its involvement in the Whitsunday Skyway Project as a stand-alone project with a capacity to generate significant new International standard interstate and intrastate tourism activity on the mainland and new employment in the Whitsunday region. There is continued support from the local community, including amongst other tourism operators, who recognise the potential value in having a significant new regional tourism drawcard providing an international standard tourism activity facility on the Whitsunday mainland. There is ongoing and increasing interest and support coming from the Regional, State and Federal Governments and the assessment process at Queensland Government level is continuing positively. The Board continues to classify the Whitsunday Skyway Project as speculative and dependent on securing several approvals.

The primary goal for Australian Adventure Tourism Group in the 2022 financial year is to continue to reposition Magnums, building occupancy levels and maximising yield in the Group's targeted business model, whilst actively pursuing the new markets and corporate development that will develop with the success of the Whitsunday Skyway Project.

Elizabeth Hackett
Executive Chairman

DIRECTORS' REPORT

The board of directors (Board) of Australian Adventure Tourism Group Limited (Australian Adventure Tourism Group) submits to members the Financial Report of the company and its controlled entities (Group) for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES

The principal activities of the Group during the year were:

Tourism and hospitality activities comprising:

- the ownership and operation of Magnums Unique Accommodation (Magnums) and Magnums Tour Office.

Investment activities comprising:

- listed investments, including Australian Dairy Nutritionals Group (ASX Code: AHF).

The investment in AHF was originally made in October 2014 by the Group's former parent company Trustees Australia Limited (ASX Code: TAU), which was instrumental in the formation of AHF and initiated its initial public offering and ASX listing in October 2014.

The investment in AHF remained with AAT when AAT Group was demerged from TAU and separately listed on NSX in August 2017, contemporaneously with Trustees Australia Limited's separate merger with Cashwerkz Limited (ASX Code: CWZ).

Since that time, the investment by tourism-focused AAT Group in the listed milk processing company, AHF, has not been a core activity of the Group and consequently is held for sale subject to market price considerations.

Property activities comprising:

- development property ownership in respect of under-utilised land associated with Magnums (Lot 331 Land).

There has been no significant change in the nature of these activities during the year other than completing the repositioning of Magnums operations from the Backpacker market focus to Unique Accommodation, aimed primarily at the Australian domestic market.

BUSINESS MODEL AND OBJECTIVES

The Group is primarily focused on the operation and progressive repositioning of its tourism and property activities. This includes continuing consideration and strategic development of new domestic tourism markets for the Magnums facilities, particularly with a short-term focus to the Australian domestic market.

Clearly the impact of the COVID-19 Pandemic has accelerated change in the Group's target markets and marketing approach, with progressive international and domestic border closures. The Board and management are well placed from an experience and knowledge base perspective to accommodate these changes and facilitate the continued expansion of business activities.

As an integral part of continuing to adapt to changing markets and expand the Group's potential future business opportunities, the Group has continued to progress the approval process for the Whitsunday Skyway Project with the Queensland and Federal Governments. This project, if approved, has potential to add a significant new tourism attraction to the Airlie Beach / Whitsunday mainland. As previously advised by the Board, the Whitsunday Skyway Project is regarded as a valuable project if approved, however, until that time it is considered by the Board as speculative in nature.

The Directors remain strongly aware of the strategic location and size of the Group's landholdings in the heart of Airlie Beach and continue to explore opportunities to be able to take advantage of changing market conditions in the Airlie Beach – mainland Whitsunday region.

OPERATING RESULTS

The consolidated comprehensive loss for the year ended 30 June 2021 attributed to members of Australian Adventure Tourism Group, after providing for income tax was \$239,772 (2020: \$2,492,468 loss).

The result was achieved on revenue and other income of \$2,155,340 (2020: \$2,394,184), total expenses of \$2,035,809 (2020: \$3,478,057) and a non-cash loss on fair value movement on financial assets of \$359,303 (2020: \$1,408,595 loss).

The fair value movement of financial assets primarily reflects the decrease in the ASX quoted market value of the stapled securities held in ASX listed Australian Dairy Nutritionals Group (AHF). Holding listed investments is not a long-term core activity for the Group and the intention is to progressively dispose of the holding to release cash for core business development. Subject to being able to realise an adequate sale price for the securities, the Group expects to realise this asset in the next 12 months as the Group implements its plans with respect to target market repositioning and its aspirations for the Whitsunday Skyway Project progress.

DIRECTORS' REPORT (cont'd)

FINANCIAL POSITION

The net assets of the Group are \$6,440,045 at 30 June 2021, a decrease of \$239,772 from 30 June 2020.

At 30 June 2021, the Group has cash and cash equivalents of \$1,285,080 (2020: \$64,780) and borrowings of \$1,167,511 (2020: \$111,909). Borrowings at 30 June 2021 includes an advance from entities associated with Michael Hackett, a former founding director of the Group and a current director of the major shareholders in the Group. The facility is a three-year, unsecured loan facility with an interest rate based on the published rates by the National Australia Bank Limited for comparable loan facilities.

A condition of the loan facility is that the Board will seek approval from shareholders at the 2021 Annual General Meeting of the Group for approval to convert the unsecured loan facility to Redeemable Preference Shares. Terms are to be agreed with the Board and considered by unassociated shareholders in compliance with regulatory requirements of ASIC and NSX.

The Group believes it is in a position to expand and grow its current operations as opportunities present. Despite the challenges presented by the COVID-19 Pandemic for tourist travel in FY 2020 and FY2021 and potentially beyond, the Group is confident that its combined experience in the Australian tourism industry and the Whitsunday region will ensure that the repositioning changes underway will result in profitable new outcomes.

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS

• **TOURISM AND HOSPITALITY - MAGNUMS OPERATIONS**

The Group's operations were materially adversely effected by the COVID-19 Pandemic during the financial year.

From March 2020, the COVID-19 Pandemic materially changed the travel plans of all tourists resulting in the temporary full closure of Magnums Backpackers on 6 April 2020, as seen in most tourist destinations in Queensland and other states and throughout the world.

As part of the closure process, most personnel were stood down for some time and they and the Group benefitted from the various government support packages such as Job Keeper and Job Seeker. As outlined in the Chairman's report, during the 2021 financial year the Group has transitioned its backpacker style accommodation to Unique Accommodation.

Magnums Unique Accommodation is open for business at the time of this report, and is experiencing encouraging occupancy levels, predominantly from the Queensland drive and week-end markets, while interstate visitation is adversely impacted by "Lockdowns" in most major Australian centres. Airline and other public transport from those areas has virtually ceased and interstate road travel is essentially non-existent at the time of this report.

Several Airlie Beach based tour operators conducting reef visits and dive experiences are operating with limited passenger numbers, whilst also observing precautions for COVID-19 transmissions. At the time of writing this report, there is no clear indication of what the future will present, however there are prospects of being able to continue to operate within tourism "bubbles" for intra-state and potentially inter-state and New Zealand visitors.

• **INVESTMENTS - AUSTRALIAN DAIRY NUTRITIONALS GROUP**

Australian Adventure Tourism Group is a significant securityholder in ASX listed Australian Nutritionals Group (AHF), holding 15,309,892 fully paid stapled securities or 3.11% (2020: 4.13%). The securities were acquired as part of a corporate action by the Group's former holding company in 2014 and were retained by the Group on its demerger from the former parent company in 2017. The AHF securities have been valued at the 30 June 2021 ASX bid price of 4.6 cents (2020: 6.8 cents). Since that date the securities have traded between 5 cents and 6 cents. The holdings are not regarded as core assets and are available for sale depending on market price.

• **PROPERTY**

In addition to the Magnums freehold land and buildings, the Group owns Lot 331 Land at Airlie Beach adjoining the Magnums property, which is currently used for vehicle parking and access. The land parcel has a strategic value in terms of the future development of various adjoining land parcels and potentially for development in conjunction with a future Whitsunday Skyway Project.

The Board is currently evaluating development options for this land, which is already zoned for commercial development and is well located adjoining the central "loop road" for the central business district of Airlie Beach.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Whitsunday Skyway Project is a prospective independent financial, economic and operational feasibility for a scenic gondola cableway project that the Group had been considering for several years to connect the centre of Airlie Beach with an unnamed 430 metre high peak in the adjacent Conway National Park to the south west of the Airlie Beach town-centre. Work on the feasibility and economic impact assessment is advanced and continuing.

As advised by the Board in earlier announcements, the proposal is regarded by the Board as speculative and is subject to, and will rely on obtaining State and Federal Government and Local Authority approvals, including an approval for limited development in a section of the Conway National Park. The feasibility is materially complete and looks financially and economically prospective, although various operational and assessment challenges remain to be undertaken and completed.

The Whitsunday Skyway Project is being assessed by the Queensland Government as an Exclusive Transaction following the Queensland Premier Anastacia Palaszczuk's public announcement of support in October 2020.

DIRECTORS' REPORT (cont'd)

BUSINESS RISKS

Tourism:

Decline in any one of the Group's target markets is aligned with a mitigation strategy to quickly and effectively change its focus market as well as implementing structured and scheduled marketing strategies to support decline in occupancy during identified off peak periods. In prior years, as significant numbers of guests were international travellers, currency exchange rates and the economy in the travellers' country of origin also affected occupancy rates.

However, the ongoing COVID-19 pandemic has effectively terminated international travel for an indefinite future and crystallised the Board's action to refocus target markets to the Australian domestic market as referred to in the Chairman's Report. Many impacts of the Pandemic are outside the control or influence of individual operators.

The longer-term impacts of the COVID-19 pandemic will continue to dominate the negative impacts on Australian and International travel trends. In the immediate term, international travel is ceased for an indefinite period and Australian domestic travel is limited to the extent that intra-state Queensland travel is the most important focus for the Group.

Environmental:

The Group's operations are not regulated by any significant region-specific, environmental regulation under a law of the Commonwealth or of a State or Territory. However, the Board acknowledges the significance of ensuring high standards of awareness about environmental issues by the Group and its guests and undertakes active protection, particularly in respect of the Great Barrier Reef Marine Park and the beautiful Whitsundays coastlines, waterways and spectacular vistas, which are the primary attractions for the many visitors to the Group's properties in Airlie Beach.

Operational:

The Group is subject to operational risk including the availability of dedicated and experienced personnel for tourism services considering the average turnover within the industry. The Magnums staff team have generally been long serving and valuable contributors, however the COVID-19 pandemic and the resultant decline in available tourism work availability locally may present risks in stability of the local employment base if reduced tourism were to persist.

To mitigate the issue, the Group have established comprehensive policies, standards and training in respect of business operations, including people safety, health and wellbeing. Management continues to invest in the Group's operational capability across processes and improving the business so that it attracts and retains high caliber and dedicated personnel.

Financial:

The Group has elected not to insure for damage from named cyclones due to high cost and the absence of insurers internationally, that are willing to provide cover for "named cyclone" risks.

EVENTS AFTER THE BALANCE DATE

The financial report was authorised for issued as at the date of the Directors' Declaration.

Other than the material matters outlined below which have arisen since 30 June there are no other matters that have significantly affected or may significantly affect the Group, that are not discussed elsewhere in the financial report or in the accompanying financial statements.

COVID-19 Pandemic

The COVID-19 Pandemic continues to create unprecedented economic uncertainty and travel restrictions due to international and domestic border closures remaining in place thereby curtailing travelers ability to visit the Whitsunday region.

The Board actively monitor the Group's financial condition, liquidity, operations, and workforce. Although the Board cannot estimate the length of time or the gravity of the impacts of these events at this time, if the Pandemic continues beyond the short-term or travel restrictions are not lifted then this may have an adverse effect on the Group's results of future operations, financial position, and liquidity in future financial years.

INFORMATION ON DIRECTORS

The following persons held office as directors of Australian Adventure Tourism Group during or since the end of the year.

The names and details of the directors are:

Name	Position	Appointed
Elizabeth Hackett	Chairman	17 August 2017
Nathan Leman	Director	24 November 2010
Kerry Daly	Director	17 March 2009

DIRECTORS' REPORT (cont'd)

INFORMATION ON DIRECTORS (cont'd)

Elizabeth Hackett	Chairman
Qualifications	Nil
Directorships held in other listed entities in the past 3 years	Nil
Interest in Australian Adventure Tourism Group shares & options	Elizabeth Hackett has a relevant interest in 1,977,962 shares in Australian Adventure Tourism Group at 30 June 2021.
<p>Elizabeth was appointed as chairman on 17 August 2017. Elizabeth has had a long and successful career in the management of tourist facilities in Australia and New Zealand and has the primary responsibility for managing and directing the operations of the Group's Airlie Beach assets since the late 1990's. She is a hands-on executive closely involved in the day to day success of the Group. Elizabeth participates actively, on a voluntary basis, in the Whitsunday's and Queensland tourism industry activities, including mentoring upcoming industry professionals and is also a highly regarded senior judge in the competitive and prestigious Queensland Tourism Awards.</p>	

Nathan Leman	Director
Qualifications	Commercial Builder and Project Manager
Directorships held in other listed entities in the past 3 years	Cashwekz Limited (formerly Trustees Australia Limited) - director from November 2010 to December 2020.
Interest in Australian Adventure Tourism Group shares & options	Nathan Leman has a relevant interest in 2,878,880 shares in Australian Adventure Tourism Group at 30 June 2021.
<p>Nathan was appointed as a director on 24 November 2010. He is a qualified commercial builder and project manager with approximately 30 years hands-on experience in managing development, construction and technology acquisition and implementation projects. He is responsible for the design and implementation of property and IT projects for the Australian Adventure Tourism Group, Cashwekz Limited and Australian Dairy Nutritional Group. Nathan is taking a lead role in the completion of the feasibility study for the Whitsunday Skyway and in negotiations with relevant regulatory authorities.</p>	

Kerry Daly	Director
Qualifications	Bachelor of Business (Accountancy) – Queensland University of Technology Certified Practising Accountant
Directorships held in other listed entities in the past 3 years	Dawney & Co Limited - chairman from October 2018 to present Axsesstoday Limited - chairman from October 2016 to November 2018
Interest in Australian Adventure Tourism Group shares & options	Kerry Daly has a relevant interest in 460,200 shares in Australian Adventure Tourism Group at 30 June 2021.
<p>Kerry was appointed as a director of the Group on 17 March 2009, when he became a director of Trustees Australia until it merged with Cashwekz Limited in August 2017. He is an experienced senior executive and public company director with direct involvement for over 30 years in the financial services sector, including retail banking, equities and bond markets dealing, funds management, investment banking and corporate advisory. He has many years' experience at chief executive officer, managing director and executive director level in various public companies.</p>	

DIRECTORS' REPORT (cont'd)

COMPANY SECRETARY

The following person held office as a company secretary of Australian Adventure Tourism Group during the financial year:

Jerome Jones	Company Secretary
Interest in Australian Adventure Tourism Group shares & options	Jerome Jones has no relevant interest in Australian Adventure Tourism Group shares at 30 June 2021.
Jerome was appointed company secretary on 29 August 2014. Jerome is an experienced financial and management accounting analyst with experience in Australia and the UK. He is CPA qualified with specialist skills and experience in detailed management accounting and procedure implementation in several private and ASX listed businesses.	

MEETINGS OF DIRECTORS

The Board generally meets on at least a bi-monthly basis either in person or by telephone conference. The Board or appointed members meet bi-annually with the Group's auditor to discuss relevant issues. On matters of corporate governance, the Board retains its direct interest rather than through a separate committee structure which would be inappropriate for a Group of the modest size and structure of Australian Adventure Tourism Group.

Aside from formally constituted directors' meetings, the non-executive directors are in regular contact with each other regarding the operation of the group and particular issues of importance. Written reports on trading activities, budget and performance and operating strategies are provided to the Board on a monthly basis or as required by changing circumstances.

The number of directors' meetings and number of meetings attended by each of the Group's directors during the financial year are set out in the table below:

Directors	Meetings eligible to attend	Meetings attended
Elizabeth Hackett	6	6
Nathan Leman	6	6
Kerry Daly	6	6

DIVIDENDS PAID OR RECOMMENDED

The directors have not recommended a dividend for the year ended 30 June 2021 (2020: \$nil) at the date of this report.

OPTIONS

At the date of this report, there are no unissued ordinary shares of Australian Adventure Tourism Group under option (2020: nil).

No shares or options were issued or granted by Australian Adventure Tourism Group or any controlled entity and no options were exercised by any holder during the year ended 30 June 2021 or since that date.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The consequences of the COVID-19 Pandemic for the tourism and hospitality community have been severe. In response, the Group continues to rapidly adapt to the continually changing environment, with the first priority being to protect the health and safety of the staff and guests and then reassess available customer markets for the accommodation and tour offerings able to be promoted under the changed conditions.

The 2021 financial year, commenced after the COVID-19 Pandemic had taken a significant hold in Australia, and has resulted in a dramatic and continued negative impact on the Australian and International tourism and hospitality markets since March 2021. During that period, international travelers visiting the Whitsunday region effectively ceased, with the cancellation of international flights to Australia. Domestic traveler numbers were greatly diminished from the first half of 2020, particularly as various States and Territories imposed cross border controls. Intra-Queensland travel, by road and air has seen a material increase as domestic Queensland travelers avoid restricted cross-border travel.

The Board does not expect Australian domestic travel to materially increase within calendar year 2021, with the exception of modest improvement in intra-Queensland travel and potentially within the Australia-New Zealand "Bubble" with direct flights between New Zealand and Queensland airports. As borders between Australian states progressively open up, it is expected that Australian domestic travel will improve, however international travel other than between Australia and New Zealand, is expected to take longer to recover and will be dependent on levels of international vaccination for COVID-19 and related illnesses.

The negative financial impact of the COVID-19 Pandemic has been material in terms of lost revenues in both the 2020 and 2021 financial years and is expected to continue into the 2022 financial year. However, the Group has also benefitted from the Federal Government's JobKeeper Assistance Program (JobKeeper) for its eligible employees. Financial assistance received under JobKeeper and included in this annual financial report is \$447,750 (refer Note 3(a)(ii)).

In the opinion of the directors, there are no other significant changes in the state of affairs of the Group that occurred during the year that are not disclosed elsewhere in this report or in the accompanying financial statements.

INDEMNIFICATION OF OFFICERS OR AUDITOR

During the financial year, the Group paid an insurance premium in respect of an insurance policy insuring the directors, the company secretary and all executive officers of the Group against a liability incurred as a consequence of holding that office in the Group to the extent permitted by the *Corporations Act 2001*. The amount of the premium was \$9,342 (2020: \$8,418) for all directors and officers for the year.

ENVIRONMENTAL ISSUES

The Group's operations are not directly regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. However, the Group acknowledges the significance of ensuring high standards of awareness about environmental issues and genuine participation in active protection, particularly in respect of the Great Barrier Reef Marine Park and the beautiful Whitsunday Islands, which are the primary attractions for the many visitors to the Group's properties in Airlie Beach. Magnums maintains its ECO Accreditation in Nature Tourism and the tranquil tropical surrounds of the Magnums property are highly regarded by its many visitors.

NON AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and is satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- i) all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and,
- ii) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional Ethical Standards board.

No non-audit services were provided to the Group during the 2021 year (2020: nil).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a court to bring proceedings against or on behalf of the Group or to intervene in any significant proceedings to which any such entity is a party for the purpose of taking responsibility for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the year ended 30 June 2021 has been received and a copy can be found at page 14.

REMUNERATION REPORT (AUDITED)

A. Remuneration policies and practices

The Group's current remuneration policy is designed to align Key Management Personnel (KMP) objectives with shareholder and business objectives. The Group uses a fixed remuneration structure with short-term performance components. However, as the senior management team is expanded the Board intends to review the remuneration policy so that it is appropriate and effective in its ability to attract and retain good quality executives and directors to run and manage the Group, as well as create common goals between directors, executives and shareholders.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in a general meeting. Fees for non-executive directors are not linked to the performance of the Group. Directors are entitled to be reimbursed at cost for travelling expenses and other costs and in respect of attendance at meetings.

All directors hold interests in the equity of Australian Adventure Tourism Group, which provides a strong alignment with shareholders' interests. Other employees and contractors are remunerated at market rates applicable to their qualifications, experience and contribution to the Group. The remuneration policy allows for the use of remuneration consultants where necessary, although none were used in the 2021 financial year.

All remuneration paid to directors and executives is valued at the cost to the Group. Where applicable, part of such remuneration may be capitalised into the carrying value of long-term projects. Directors and executives receive a fixed salary and a minimum superannuation guarantee contribution required by the government and any statutory retirement and long service leave benefits. Some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure related to their remuneration.

The remuneration policy allows directors and KMP to use Australian Adventure Tourism Group Limited shares as collateral in any financial transaction, including margin loan arrangements.

B. Performance-based remuneration

At present remuneration is linked to general market levels with short-term performance components. As the Group expands in the near future, remuneration policy and practices will be reassessed to realign director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results.

C. Relationship between remuneration policy and company performance

The maximum aggregate amount of directors' fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Group. Fees for non-executive directors are not linked to company performance. To align directors' and shareholder interests, the directors are encouraged to hold shares in the company.

The current remuneration policy seeks to align director and executive objectives with those of shareholders by recognising the criticality of funds being utilised to achieve business development objectives.

D. Employment details of members of key management personnel (KMP) and other executives

The following table provides employment details of persons who, during the financial year, were members of KMP of the Group. No KMP remuneration was performance based.

DIRECTORS' REPORT (cont'd)

REMUNERATION REPORT (AUDITED)

D. Employment details of members of key management personnel (KMP) and other executives (cont'd)

The table below illustrates the proportion of remuneration that was non-performance based.

Name	Position held	Contract details	Non-salary cash based incentives	Shares	Options	Fixed salary / fees	Total*
Directors			%	%	%	%	%
E Hackett	Chairman	N/A	-	-	-	100	100
K Daly	Director	N/A	-	-	-	100	100
N Leman	Director	N/A	-	-	-	100	100

*No remuneration is performance incentive based.

E. Remuneration details for the year ended 30 June 2021

Details of the nature and amount of each major element of remuneration for KMP and other executives of the Group during the financial year:

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Shares and options	
2020	\$	\$	\$	\$	\$	\$	\$
E Hackett	50,965	-	4,842	(381)	-	-	55,426
K Daly	20,400	-	570	-	-	-	20,970
N Leman*	-	-	-	-	-	-	-
Total	71,365	-	5,412	(381)	-	-	76,396

* This amount is paid in accordance with a contract arrangement with Mikko Constructions Pty Ltd, an entity associated with Nathan Leman. Refer to Note 19.

During the year ended 30 June 2021, directors have voluntarily reduced or eliminated their directors' fees in recognition of the difficult financial challenges presented by the COVID-19 Pandemic. The major shareholders represented by former director Michael Hackett have assisted the Group by providing loan funding on attractive terms to the Group. Mr Hackett has proposed to present a shareholders' resolution to the 2021 AGM to recommend that the financial forbearance of directors be recognised by an issue of securities in the Group to directors and key personnel who have foregone remuneration and performed over and beyond requirements during this challenging period in 2021 and likely beyond.

Cash bonuses, performance-related bonuses and share-based payments

During the year there were no cash bonuses, performance-related bonuses or share-based payments to KMP.

F. Remuneration details for the year ended 30 June 2020

Key Management Personnel (KMP)	Short Term Benefit		Post Employment	Long Term Benefit	Termination	Equity Based Payments	Total
	Salary / Director's Fees	Bonus	Super Contributions	Long Service Leave	Termination benefits	Shares and options	
2020	\$	\$	\$	\$	\$	\$	\$
E Hackett	62,517	-	5,939	746	-	-	69,202
K Daly	42,333	-	3,357	-	-	-	45,690
N Leman*	20,000	-	-	-	-	-	20,000
Total	124,850	-	9,296	746	-	-	134,892

DIRECTORS' REPORT (cont'd)

REMUNERATION REPORT (AUDITED) (cont'd)

G. KMP Shareholdings and Option Holdings

The number of ordinary shares in Australian Adventure Tourism Group held by each of the KMP of the Group during the financial year is as follows:

Listed fully paid ordinary shares

30 June 2021	Balance at 01/07/2020	Granted as remuneration	Net change other	Purchased / (sold)	Balance at 30/06/2021
Kerry Daly	460,200	-	-	-	460,200
Nathan Leman	2,878,880	-	-	-	2,878,880
Elizabeth Hackett	1,977,962	-	-	-	1,977,962
Total	5,317,042	-	-	-	5,317,042

30 June 2020	Balance at 01/07/2019	Granted as remuneration	Net change other	Purchased / (sold)	Balance at 30/06/2020
Kerry Daly	460,200	-	-	-	460,200
Nathan Leman	2,878,880	-	-	-	2,878,880
Elizabeth Hackett	1,977,962	-	-	-	1,977,962
Total	5,317,042	-	-	-	5,317,042

The above tables represent KMP's relevant interest in shares. The company does not issue shares as a form of remuneration.

H. KMP Other Equity Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

I. KMP loan amounts receivable

2021	Opening balance	Loans advanced / (repaid)	Interest received	Interest accrued	Provision for impairment	Closing balance
Amounts Receivable from:						
Mikko Property Trust (i)	75,000	(75,000)	-	-	-	-
	75,000	(75,000)	-	-	-	-
2020	Opening balance	Loans advanced / (repaid)	Interest received	Interest accrued	Provision for impairment	Closing balance
Amounts Receivable from:						
Mikko Property Trust (i)	75,000	-	-	-	-	75,000
	75,000	-	-	-	-	75,000

(i) The Group provided a short-term unsecured loan facility of \$75,000 (2020: \$75,000) to a related entity of Nathan Leman, a director of the Group. The loan was for a refundable deposit on potential land for the Whitsunday Skyway Project. The loan facility also provided for the Group, as grantee, to acquire the assets or all of the units in Mikko Property Trust at any time prior to the completion of the loan facility, subject to conditions precedent. In June 2021, the deposit was transferred from Mikko Property Trust to the Group. Refer Note 6(ii)(b).

DIRECTORS' REPORT (cont'd)

REMUNERATION REPORT (AUDITED) (cont'd)

J. KMP borrowings

2021	Opening balance	Loans advanced / (repaid)	Interest accrued	Provision for impairment	Closing balance
Amounts Payable to:					
Mikko Constructions Pty Ltd (i)	30,000	(31,052)	1,052	-	-
	30,000	(31,052)	1,052	-	-

2020	Opening balance	Loans advanced / (repaid)	Interest accrued	Provision for impairment	Closing balance
Amounts Payable:					
Mikko Constructions Pty Ltd (i)	-	30,000	-	-	30,000
	-	30,000	-	-	30,000

(i) During the 2021 financial year, the Group repaid a short-term unsecured loan facility from a related entity of Nathan Leman, a director of the Group. Interest was paid on the loan at 4% on the loan termination date. Refer Note 14(ii).

K. KMP Contracts for Services

There are no formal employment contracts in place for any other key management personnel in the Group.

L. Other Transactions with Key Management Personnel and/or their Related Parties

From time to time Key Management Personnel and/or their related parties may transact from or to the Group. These transactions are made on an arms-length commercial basis.

The Board of Directors, and companies of which they are a director may have transactions with Australian Adventure Tourism Group Limited and the controlled entity Corporate Solutions Pty Ltd. These transactions are outlined below:

- (i) Nathan Leman is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertakes project management, town planning and IT establishment work for the Group on a cost recovery basis. During the year, no fees (2020: \$20,000) were paid by the Group to Mikko. From time to time the Group reimburses Mikko for costs incurred on behalf of the Group and at 30 June 2021 the Group owed Mikko \$1,937 (2020: nil). Refer Note 19.
- (ii) Nathan Leman is a former director of Cashwerkz Limited (Cashwerkz), which provided administration services to Australian Adventure Tourism Group on a cost recovery basis. During the year, \$2,262 (2020: \$23,950) was charged by Cashwerkz to Australian Adventure Tourism Group and at 30 June 2021 Australian Adventure Tourism Group had no outstanding amounts (2020: \$290) with Cashwerkz. Refer Note 19.

This report of the directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the board of directors.



Elizabeth Hackett
Executive Chairman

Brisbane

13 September 2021



Auditor's Independence Declaration

To the Directors of Australian Adventure Tourism Limited

As lead auditor for the audit of Australian Adventure Tourism Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Australian Adventure Tourism Limited and the entities it controlled during the year.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Robertson.

Ann-Maree Robertson
Director

Date: 13 September 2021

Nexia Brisbane Audit Pty Ltd

Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

Nexia Brisbane Audit Pty Ltd (ABN 49 115 261 722) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	\$	\$
Revenue	3(a)	2,139,127	2,382,025
Other income	3(a)(iii)	16,213	12,159
Business operating expenses		(432,690)	(684,670)
Employment expenses	3(b)(ii)	(879,925)	(1,277,689)
Finance costs	3(b)(i)	(31,371)	(32,784)
Property operating expenses		(212,211)	(224,430)
Depreciation and amortisation		(260,970)	(271,048)
Impairment of land and buildings	3(b)(iii)	-	(760,524)
Other expenses		(218,642)	(226,912)
Profit / (loss) before income tax		119,531	(1,083,873)
Income tax benefit / (expense)	4	-	-
Profit / (loss) for the year attributable to members		119,531	(1,083,873)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:		-	-
Items that will not be reclassified subsequently to profit or loss:			
Fair value movement on financial assets at fair value through other comprehensive income, net of tax	8	(359,303)	(1,408,595)
Other comprehensive loss for the year		(359,303)	(1,408,595)
Total comprehensive loss for the year attributable to members		(239,772)	(2,492,468)
Earnings per share:	23	Cents	Cents
Basic earnings per share		0.4	(3.2)
Diluted earnings per share		0.4	(3.2)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents	5	1,285,080	64,780
Trade and other receivables	6	1,230	315,580
Inventories	7	3,957	4,255
Non-current assets held for sale	8	704,255	1,041,073
Other current assets	9	100,104	11,347
Total Current Assets		2,094,626	1,437,035
Non-Current Assets			
Inventories	7	890,000	890,000
Financial assets	8	80	22,565
Right of use assets	10	330,641	405,504
Intangible assets	11	3,050	3,050
Property, plant & equipment	12	5,192,836	5,057,928
Total Non-Current Assets		6,416,607	6,379,047
Total Assets		8,511,233	7,816,082
Liabilities			
Current Liabilities			
Trade and other payables	13	211,048	191,278
Lease liabilities		97,519	97,519
Borrowings	14	15,063	45,063
Provisions	15	261,650	323,428
Total Current Liabilities		585,280	657,288
Non-Current Liabilities			
Lease liabilities		269,015	343,775
Borrowings	14	1,152,448	66,846
Provisions	15	64,445	68,356
Total Non-Current Liabilities		1,485,908	478,977
Total Liabilities		2,071,188	1,136,265
Net Assets		6,440,045	6,679,817
Equity			
Issued capital	16	8,680,086	8,680,086
Reserves	17	(1,212,229)	(852,926)
Retained earnings		(1,027,812)	(1,147,343)
Total Equity		6,440,045	6,679,817

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from customers		2,571,493	2,648,840
Payments to suppliers and employees		(1,995,913)	(2,761,703)
Interest received		50	834
Finance costs		(30,706)	(32,784)
Net operating cash flows	5(b)	544,924	(144,813)
Cash Flows from Investing Activities			
Payment for property, plant & equipment	12	(321,014)	(58,504)
Proceeds from disposal of property, plant and equipment		-	4,545
Net investing cash flows		(321,014)	(53,959)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	157,304
Repayment of borrowings		(15,063)	(172,368)
Proceeds from shareholder loan		1,100,000	-
Proceeds from related party loan		-	30,000
Repayment of related party loan		(30,000)	-
Repayments of lease principal		(58,547)	(59,718)
Net financing cash flows		996,390	(44,782)
Net increase / (decrease) in cash held		1,220,300	(243,554)
Cash at the beginning of the period		64,780	308,334
Cash at the end of the financial period	5(a)	1,285,080	64,780

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2020	8,680,086	(852,926)	(1,147,343)	6,679,817
Comprehensive income for the year				
Profit attributable to members for the year	-	-	119,531	119,531
Other comprehensive loss for the year	-	(359,303)	-	(359,303)
Total comprehensive income / (loss) for the year	-	(359,303)	119,531	(239,772)
Balance at 30 June 2021	8,680,086	(1,212,229)	(1,027,812)	6,440,045

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2019	8,680,086	555,669	(30,665)	9,205,090
Cumulative adjustment upon adoption of new accounting standard - AASB 16	-	-	(32,805)	(32,805)
Balance at 1 July 2019 (restated)	8,680,086	555,669	(63,470)	9,172,285
Comprehensive income for the year				
Loss attributable to members for the year	-	-	(1,083,873)	(1,083,873)
Other comprehensive loss for the year	-	(1,408,595)	-	(1,408,595)
Total comprehensive loss for the year	-	(1,408,595)	(1,083,873)	(2,492,468)
Balance at 30 June 2020	8,680,086	(852,926)	(1,147,343)	6,679,817

The accompanying notes form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Australian Adventure Tourism Group Limited (Australian Adventure Tourism Group) and controlled entities (the Group). Australian Adventure Tourism Group is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Australian Adventure Tourism Group Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 2.

The financial statements were authorised for issue as at the date of signing the Directors' Declaration.

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, the *Corporations Act 2001* and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

A. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Australian Adventure Tourism Group Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 18: Controlled Entities.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

B. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income for the period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity outside the profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from (a) the initial recognition of goodwill, or (b) the initial recognition of an asset or liability in a transaction which, (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Income Tax (cont'd)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised unless the deferred tax asset relating to 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 accounting profit nor taxable profit (tax loss)..

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Australian Adventure Tourism Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the head entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

C. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

D. Land held for Development

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings. Valuation assessments are also conducted by management using the same methodology applied in previous independent valuations, taking into account comparable rentals and capitalisation rates to recent new leases and sales achieved which reflect the prevailing economic conditions, to assess whether the book values represent fair values.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (Refer to Note 1(H) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by the Group to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful-life rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate (years)
Buildings	40
Plant and equipment	10-15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

F. Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

G. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

All of the Group's financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability; that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

The Group does not have any financial liabilities classified as held for trading, designated as fair value through profit or loss or any financial guarantee contracts.

A financial liability cannot be reclassified.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

G. Financial Instruments (cont'd)

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income.

Measurement is on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group may make an irrevocable election to measure any subsequent changes in fair value of the equity instrument in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which was elected to be classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

G. Financial Instruments (cont'd)

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost;

Loss allowance is not recognised for:

- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

There are no expected credit losses in the Group's financial assets.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

H. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

I. Intangible assets other than goodwill

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful life.

Software

Software which has been externally acquired is recognised at cost of acquisition. Once the software is fully operational, the expenditure has a finite useful life of 5 years and is carried at cost less any accumulated amortisation and impairment losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

J. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

K. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

L. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

M. Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

N. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. Receivables and payables are shown inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

O. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

P. Revenue and Other Income

Revenue Recognition

Revenue generated by the Group is categorised into the following reportable segment:

- Tourism and hospitality services segment:

- travel agency commission
- accommodation services
- sale of goods
- cost recoveries
- grant funding
- interest received

Tourism and hospitality services segment

Travel agency commission

The Group acts in the capacity of an agent rather than principal for the facilitation of tour, travel and accommodation provided to the supplier as the customer. As a result, commission revenue is recognised as the net amount of commission received or receivable by the Group. The revenue is recognised over time as the supplier simultaneously receives and consumes the benefit of the travel agency services. The most likely method for revenue recognition is used and practically revenue is recognised when the booking is finalised as this is when the performance obligation is satisfied.

The supplier, as principal, is responsible for refunds to the customer, not the Group as travel agent.

The Group has applied the practical expedient under AASB 15 (21) where revenue to be recognised in future periods for unsatisfied performance obligations as at reporting date, is not disclosed as the performance obligations will be completed within 12 months or less.

Accommodation services

Revenue is recognised over the duration of the accommodation period. The costs associated with fulfilling these services such as wages are expensed over the same duration.

As principal, the Group is responsible for refunds to the customer. The Group has recorded negligible refunds over many years of operations. Accordingly no allowance for refunds has been recorded.

The Group has applied the practical expedient under AASB 15 (21) where revenue to be recognised in future periods for unsatisfied performance obligations as at reporting date, is not disclosed as the performance obligations will be completed within 12 months or less.

Sale of goods

The Group's contracts with customers for the sale of goods generally includes one performance obligation. The Group has concluded that revenue from the sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, which is on receiving the goods.

Cost recovery income

The Group provide and on-charge services as incurred and these services are provided at a point in time to external parties and director related entities.

Government grant funding

Government grants are recognised at fair value when there is reasonable assurance that the grant will be renewed and all grant conditions will be met.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Interest received

Interest income is recognised using the effective method.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Q. Non-current Assets Held for Sale

Non-current assets are classified as held for sale and generally measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

R. Critical Accounting Estimates and Judgments

The Board evaluate estimates and judgments 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 Group.

Key estimates

(i) Impairment - general

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Where indicators of impairment exist, the assets recoverable amount is estimated and an impairment adjustment made if the assets recoverable amount is less than its carrying amount.

(ii) Going concern assessment - COVID-19

Based on cash flow forecasts, the Board are of the opinion that the Group is a going concern. The Board have made their going concern assessments based on the following key assumptions:

- Maintaining current revenue and expenditure levels;
- Interstate border restrictions not deteriorating from restrictions experienced across FY2021;
- Australia not reopening international borders for tourist visitations in the next 12 months;

Key judgements

(i) Impairment - Property, Plant and Equipment at 30 June 2021

The Board make assessments of property valuations on the basis outlined in Note 1 and Note 12. It is the Groups policy to obtain independent valuations to support the carrying value of its property holdings at least triennially based on current prices in an active market for similar properties in the same location and condition, or when there are impairment indicators present. The impact of the COVID-19 Pandemic is regarded as an impairment indicator.

The last independent valuation performed was in the 2018 financial year by Opteon. Due to a lack of recent market evidence for comparable sales, the Board have determined that an active market for similar properties in the same location does not exist and therefore elected to undertake their own assessment of the value of property at 30 June 2020 by updating the methodology used in the Opteon 2018 valuation. The uncertainty resulting from the COVID-19 Pandemic in relation to modelling future cash flows and lack of direct market evidence to support current yields for similar asset classes resulted in the Board assessing their valuation on the capitalisation of income method using the future maintainable earnings. Estimates incorporated current industry assessments of the possible impact to property prices the COVID-19 Pandemic was likely to have which resulted in discounting capitalised income.

The Board considered their final estimate of the recoverable amount of the property with other information such as statutory land valuations, the remaining economic life of the property, insurance assessments, the condition and current carrying value of property, plant and equipment and were satisfied the carrying value appropriately represented fair value in an arms length transaction given the current economic condition as at the date of the report.

As a result of the Boards assessments, the carrying value was impaired by \$760,524 to \$4,980,676 for the year ended 30 June 2020.

At 30 June 2021 the Board have reviewed the net realisable value of the land and buildings and are satisfied they are not impaired and the current carrying value remains the best estimate of the property value. The Board have adopted the same valuation as at 30 June 2020 of \$4,980,676, plus capitalised costs of \$318,833 and less accumulated depreciation of \$169,714.

As outlined in Key Estimates above, should the assumptions made in relation to the duration or other impacts of the COVID-19 Pandemic deteriorate further than anticipated, this may have additional negative impact on the value of the Group's property, plant and equipment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

R. Critical Accounting Estimates and Judgments (cont'd)

(ii) Provision for impairment of receivables

The Group has reviewed its expected credit loss of trade and other receivables reported on the balance sheet and is satisfied a provision for impairment of receivables is not required due to the credit worthiness of a significant portion of the Groups receivables and the amount of payments received subsequent to 30 June 2021.

(i) Future Tax Benefits of Tax Losses

At 30 June 2021, the Board reassessed the recoverability of the future tax benefits of tax losses and consider there is no certainty that future taxable profit will be available to enable the benefit of tax losses to be realised. At each period end the Board will reassess the recoverability of the future tax benefit of these tax losses.

S. New and Amended Accounting Policies Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period but determined that their application to the financial statements is either not relevant or not material.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	Note	2021 \$	2020 \$
Statement of Financial Position			
Assets			
Current assets		1,379,919	259,579
Non-current assets	(i)	6,592,341	6,631,956
Total assets		7,972,260	6,891,535
Liabilities			
Current liabilities		356,609	418,260
Non-current liabilities		1,440,808	427,445
Total liabilities		1,797,417	845,705
Equity			
Issued capital		8,680,086	8,680,086
Reserves		(2,171)	20,315
Retained earnings		(2,503,072)	(2,654,571)
Total Equity		6,174,843	6,045,830
Statement of Profit or Loss and Other Comprehensive Income			
Total profit / (loss)		151,498	(1,140,660)
Total comprehensive profit / (loss)		151,498	(1,140,660)

- (i) The Board of Australian Adventure Tourism Group have elected to forgive the intercompany loan from wholly owned subsidiary Corporate Solutions Pty Ltd (CSPL) as at 30 June 2021. This has resulted in a bad debt expense in Australian Adventure Tourism Group of \$89,684 (2020: \$336,660) and a corresponding revenue from forgiveness of the loan in CSPL.

Contingent liabilities and guarantees

The company does not have any contingent liabilities or guarantees in place for the period ended 30 June 2021 (June 2020: nil).

Contractual commitments

At 30 June 2021, the company had not entered into any contractual commitments for the acquisition of property, plant and equipment (June 2020: nil).

NOTE 3: REVENUE AND EXPENSES

	Note	2021 \$	2020 \$
(a) Revenue from Continued Operations			
Revenue from contracts with customers	(i)	1,626,751	1,929,413
Other sources of revenue	(ii)	512,376	452,612
Total revenue from continued operations		2,139,127	2,382,025
Other income	(iii)	16,213	12,159
Total other revenue		16,213	12,159

(i) Revenue disaggregation

The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by service line and timing of revenue recognition.

Service lines:

- tourism and hospitality services	1,626,751	1,929,413
------------------------------------	-----------	-----------

Timing of revenue recognition

Services transferred to customers:

- over time	1,626,751	1,929,413
-------------	-----------	-----------

(ii) Other sources of revenue

Interest		
- shareholder related entities	2,128	12,587
- unrelated entities	50	834
Government grants received		
- Queensland Government Grant - Skyway Project	-	32,060
- Jobkeeper wage subsidy	447,750	192,000
- Cashflow Boost subsidy	-	100,000
- Small Business Grant	10,000	-
Other revenue	52,448	115,131
	512,376	452,612

(iii) Other Income

Gain on lease payments forgiven	16,213	12,159
	16,213	12,159

(b) Expenses

(i) Finance costs

Interest paid - unrelated entities	5,436	8,566
Interest paid - related entity	1,052	-
Interest paid - shareholder related entities	665	-
Finance costs - right of use assets	24,218	24,218
	31,371	32,784

(ii) Employee benefits expense

Wages and salaries costs	867,270	1,164,258
Superannuation	76,644	98,643
Employee benefits provisions	(63,989)	14,788
	879,925	1,277,689

(iii) Other significant items

Cost of sales	63,624	70,555
Impairment of land and buildings (refer Note 12(ii))	-	760,524

NOTE 4: INCOME TAX EXPENSE

	2021 \$	2020 \$
(a) The components of tax expense / (benefit) comprise		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows

Prima facie tax payable / (benefit) on loss from ordinary activities before income tax at 26% (2020: 27.5%):	31,078	(298,065)
--	--------	-----------

Add /(less)

Tax effect of:

- current period tax losses not recognised	-	144,267
- tax losses deducted	(26,070)	-
- non-temporary differences	-	181,647
- temporary differences	(5,008)	(27,849)
Income tax expense / (benefit) attributable to entity	<u>-</u>	<u>-</u>

Applicable weighted average effective tax rates are nil due to losses.

(c) Deferred tax assets not recognised

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1 occur. The amount of losses ultimately available is also dependent on compliance with conditions of deductibility imposed by law.

Temporary differences	268,198	278,373
Tax losses	202,501	241,758
Net unbooked deferred tax assets	<u>470,699</u>	<u>520,131</u>

The Group has revenue losses of \$778,851 (2020: \$879,120).

(d) Tax effects relating to each component of other comprehensive income

	2021			2020		
	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	\$	\$	\$	\$	\$	\$
Financial assets revaluation (Note 8)	(359,303)	-	(359,303)	(1,408,595)	-	(1,408,595)
	(359,303)	-	(359,303)	(1,408,595)	-	(1,408,595)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank and in hand	215,066	54,775
Short term deposits	1,070,014	10,005
	1,285,080	64,780

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are at call and earn interest at the respective at call rates.

Effective interest rates on short term deposits were 0.01% (2020: 0.05%).

The fair value of cash, cash equivalents and overdrafts is \$1,285,080 (2020: \$64,780).

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash includes cash and cash equivalents comprising the following at 30 June 2021:

	Note	2021 \$	2020 \$
Cash at bank and in hand		215,066	54,775
Short-term deposit		1,070,014	10,005
	24	1,285,080	64,780

(b) Reconciliation of Profit after Income Tax to Cash Flows from Operations

	2021 \$	2020 \$
Net Profit / (loss) after income tax	119,531	(1,083,873)
Adjustment of non-cash items		
Amortisation & depreciation	260,970	271,048
Loss on disposal of assets	-	14,024
Impairment loss	-	760,524
Interest paid - shareholder related entity	665	-
Interest received - shareholder related entity	(2,128)	(12,587)
Gain on lease payments forgiven	(16,213)	(12,159)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries		
Increase / (decrease) in provisions	(65,690)	15,364
(Increase) / decrease in trade receivables and other current assets	227,721	69,137
(Increase) / decrease in inventories	297	666
Increase / (decrease) in trade creditors	19,771	(166,957)
Net operating cash flows	544,924	(144,813)

(b) Changes in Liabilities arising from Financing Activities

	1 July 2020 \$	Cash flows \$	Acquisition \$	Non-cash interest \$	Non-cash lease payments forgiven \$	30 June 2021 \$
Short-term borrowings	45,063	(30,000)	-	-	-	15,063
Long-term borrowings	66,846	(15,063)	1,100,000	665	-	1,152,448
Lease liabilities	441,294	(58,547)	-	-	(16,213)	366,534
Total	553,203	(103,610)	1,100,000	665	(16,213)	1,534,045

(c) Non-cash financing activities

Refer Note 6(ii)(b). Mikko Constructions \$75,000 loan was re-assigned to Bonds and Deposits (refer Note 9(ii)).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: TRADE AND OTHER RECEIVABLES

	Notes	2021 \$	2020 \$
Current			
Trade debtors		1,070	23,097
Other receivables	(ii)	160	292,483
Total current receivables	(i)	1,230	315,580

(i) Credit Risk — Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has no significant credit risk exposures.

(ii) Trade Receivables — Related Entities

(a) Included in other receivables in the 2020 comparative was a short-term unsecured loan facility of \$49,415 to a shareholder related entity of Michael Hackett, a former director of the Group. In April 2021, the loan was repaid.

(b) Included in other receivables in the 2020 comparative was a short-term unsecured loan facility of \$75,000 to Mikko Property Trust, a related entity of Nathan Leman, a director of the Group. The loan was for a refundable deposit on potential land for the Whitsunday Skyway Project. The loan facility also provided for the Group, as grantee, to acquire the assets or all of the units in Mikko Property Trust at any time prior to the completion of the loan facility, subject to conditions precedent. In June 2021, the deposit was transferred from Mikko Property Trust to the Group (refer Note 9).

(iii) Financial assets measured at amortised costs

	Note	2021 \$	2020 \$
Trade and other receivables			
- Total current		1,230	315,580
Financial assets	24	1,230	315,580

NOTE 7: INVENTORIES

	Note	2021 \$	2020 \$
Current			
Stock in trade at cost		3,957	4,255
Total current inventories		3,957	4,255
Non-Current			
Development property at net relisable value	(i)	890,000	890,000
Total non-current inventories		890,000	890,000
Total inventories		893,957	894,255

Movements during the year:

Opening Balance as at 1 July	894,255	894,921
Stock in trade movement	(298)	(666)
Closing balance as at period end	893,957	894,255

NOTE 7: INVENTORIES (cont'd)

- (i) The Board commissioned a valuation from Opteon Property Group for the year ended 30 June 2018, to assess independently the value of the Lot 331 Land adjoining the Magnums property at Airlie Beach, which is currently used for vehicle parking and access. The valuer adopted a direct market comparison whereby the property was compared with sales of the most recent comparable properties and adjustments made for points of difference. Based on this approach the land was valued at \$890,000.

At 30 June 2021 the Board have reviewed the net realisable value of the development property and are satisfied the property is not impaired and the current carrying value of \$890,000 remains the best estimate of the property value.

NOTE 8: OTHER FINANCIAL ASSETS

	Notes	2021 \$	2020 \$
Current			
Financial assets held for sale is comprised of:			
Investments in equity instruments designated at fair value through other comprehensive income	(i)(ii)	704,255	1,041,073
Non-current			
Investments in equity instruments designated at fair value through other comprehensive income	(iii)	80	22,565
Total financial assets	24	704,335	1,063,638

Below is a summary of the movement in the period of financial assets:

	2021 \$	2020 \$
Balance at beginning of year	1,063,638	2,472,233
Fair value adjustments	(359,303)	(1,408,595)
Balance at end of year	704,335	1,063,638

- (i) At 30 June 2021, the Group held 15,309,892 ASX listed fully paid stapled securities in Australian Dairy Nutritionals Group (ASX Code: AHF). The securities have been valued at the 30 June 2021 ASX bid price of 4.6 cents (2020: 6.8 cents). Since that date the securities have traded between 5 cents and 6 cents.
- (ii) Holding listed investments is not a long-term core activity for the Group and the Board's intention is to progressively dispose of the holding to release cash for core business development. Subject to being able to realise an adequate sale price for the securities, the Board will look to realise this asset in the next 12 months as opportunities within the tourism, hospitality and property segments arise.
- (iii) At 30 June 2021, the Group held the following ASX listed securities:
- 750,000 shares in Authorised Investment Fund Limited (ASX Code: AIY). The shares have been suspended from trading on the ASX since 22 November 2019 and the Group had valued them at the last traded price of 3 cents at 30 June 2020. Given the extended period of suspension, the Board has devalued the investment down to nil until the suspension is lifted.
 - 2,030 shares in Fastbrick Robotics Ltd (ASX Code: FBR). The securities were valued at 3.9 cents as of 30 June 2021 (2020: 3.2 cents). Since that date the securities have traded between 4 cents and 5 cents.

NOTE 9: OTHER ASSETS

	Notes	2021 \$	2020 \$
Current			
Prepayments		25,104	11,347
Bonds and deposits	24,(i)	75,000	-
Total current other assets		100,104	11,347

- (i) The Group has paid a refundable deposit on potential land for the Whitsunday Skyway Project.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: RIGHT OF USE ASSETS

The Group has a 10-year lease on premises used as the tour office at Airlie Beach, with an expiry date of 30 November 2025.

The lease has 2 x 5-year options, which provide the Group opportunities to manage leases in order to align with its strategies. The extension or termination options are only exercisable by the Group; however, management has no reasonable certainty at this point in time that options will be exercised and as such the options are not included in the calculation of the lease liability.

(i) AASB 16 related amounts recognised in the statement of financial position

	2021 \$	2020 \$
Right of use assets		
Leased building	748,622	748,622
Accumulated depreciation	(417,981)	(343,118)
	330,641	405,504

Movement in carrying amounts:

Leased building:		
Balance at beginning of year	405,504	-
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	-	480,366
Depreciation expense for the year	(74,863)	(74,862)
	330,641	405,504

(ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right of use assets	74,863	74,862
Interest expense on lease liabilities (included in finance costs)	24,218	24,218

(iii) AASB 16 related amounts recognised in the statement of cash flows

Total principal and interest cash outflows for leases	(82,765)	(83,936)
---	----------	----------

NOTE 11: INTANGIBLE ASSETS

	2021 \$	2020 \$
Trademarks and patent - at cost	3,050	3,050
Total intangibles	3,050	3,050

Movements in the carrying amounts for each class of intangible assets between the beginning and the end of the year:

	Trademarks	Total
30 June 2021	\$	\$
Balance at 1 July 2020	3,050	3,050
Additions	-	-
Balance at 30 June 2021	3,050	3,050

	Trademarks	Total
30 June 2020	\$	\$
Balance at 1 July 2019	3,050	3,050
Additions	-	-
Balance at 30 June 2020	3,050	3,050

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Note	2021 \$	2020 \$
Land and buildings			
- at directors valuation 2020	(i)	4,980,676	4,980,676
- at cost		318,833	-
less accumulated depreciation		(169,174)	-
Total land and buildings, net		5,130,335	4,980,676
Plant and equipment owned			
- at cost		34,002	34,473
less accumulated depreciation		(30,437)	(31,020)
Total plant and equipment, net	(ii)	3,565	3,453
Motor vehicles owned			
- at cost		99,086	99,086
less accumulated depreciation		(40,150)	(25,287)
Total plant and equipment, net		58,936	73,799
Total property, plant and equipment, net		5,192,836	5,057,928

(i) At 30 June 2021 the Board reviewed the net realisable value of the land and buildings based on the current use and are satisfied they are not impaired and that the current carrying value remains the best estimate of the property value. The Board have adopted the same valuation as at 30 June 2020 of \$4,980,676, plus capitalised costs of \$318,833 and less accumulated depreciation of \$169,174.

(ii) Fully depreciated plant and equipment at cost and the associated accumulated depreciation of \$2,653 has been removed from the balances.

Movements in the Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
30 June 2021				
Balance at beginning of the financial year	4,980,676	3,453	73,799	5,057,928
Additions	318,833	2,181	-	321,014
Depreciation expenses	(169,174)	(2,069)	(14,863)	(186,106)
Balance at end of the financial year	5,130,335	3,565	58,936	5,192,836

	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
30 June 2020				
Balance at beginning of the financial year	5,509,127	357,132	108,443	5,974,702
Disposals	-	(384)	(18,186)	(18,570)
Additions	-	58,504	-	58,504
Impairment loss	(760,524)	-	-	(760,524)
Transfer	324,540	(324,540)	-	-
Depreciation expenses	(92,467)	(87,259)	(16,458)	(196,184)
Balance at end of the financial year	4,980,676	3,453	73,799	5,057,928

NOTE 13: TRADE AND OTHER PAYABLES

	Note	2021 \$	2020 \$
Current – unsecured			
Trade creditors		130,539	103,481
Sundry creditors and accrued expenses		80,509	87,797
Total current payables		211,048	191,278
Financial liabilities at amortised cost classified as trade and other payables	24	211,048	191,278

NOTE 14: BORROWINGS

	Notes	2021 \$	2020 \$
Current			
Loans - secured	(i)	15,063	15,063
Loan - director related entity (unsecured)	(ii)	-	30,000
Total current borrowings		15,063	45,063
Non-Current			
Loans - secured	(i)	51,783	66,846
Loan - shareholder related entity (unsecured)	(iii)	1,100,665	-
Total non-current borrowings		1,152,448	66,846
Total borrowings	24	1,167,511	111,909

(i) The secured loan is motor vehicle finance. The terms are as follows:

- 48 month term
- Repayments are made monthly in equal instalments paid in advance
- Balloon payment at the end of the term of \$46,761
- Interest rate is 5.08%

(ii) During the year, the Group repaid a \$30,000 short-term unsecured loan facility from a related entity of Nathan Leman, a director of the Group. Interest of \$1,052 was paid on the loan at 4% on the loan termination date.

(iii) In June 2021, a borrowing facility was established with entities associated with Michael Hackett, a former founding director of the Group and a current director of the major shareholders in the Group. The facility is a three-year, unsecured loan facility with an interest rate based on the published rates by the National Australia Bank Limited for comparable loan facilities.

A condition of the loan facility is that the Board will seek approval from unrelated shareholders at the 2021 Annual General Meeting of the Group for approval to convert the unsecured loan facility to Redeemable Preference Shares. Terms are to be agreed with the Board and considered by unassociated shareholders in compliance with regulatory requirements of ASIC and NSX.

NOTE 15: PROVISIONS

	2021	2020
	\$	\$
Current		
Employee benefits	261,650	323,428
Total current provisions	261,650	323,428
Non-Current		
Employee benefits	64,445	68,356
Total non-current provisions	64,445	68,356
Opening Balance	391,784	376,420
Additional provisions / (reversal) of	(50,897)	57,286
Amounts used	(14,792)	(41,922)
Closing Balance	326,095	391,784

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(J) to this report.

The current portion for this provision includes the total amount accrued for annual leave and long service entitlements that have vested due to employees having completed the required period of service. Based on past experience the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities as the Group does not have an unconditional right to defer settlement of the amount in the event the employee wishes to leave their employment.

NOTE 16: ISSUED CAPITAL

	2021	2020
	\$	\$
(a) Contributed Equity		
At the beginning of the reporting period	8,680,086	8,680,086
At the end of the reporting period	8,680,086	8,680,086
	No.	No.
Number of Ordinary Shares on Issue		
At the beginning of the reporting period	34,120,131	34,120,131
At the end of the reporting period	34,120,131	34,120,131

The company does not have authorised capital or par value in respect of issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Options

There are no options on issue.

(c) Capital Management

The Group's debt and capital includes shares and financial liabilities, supported by financial assets. The Group's capital is managed by assessing the Group's financial risks and adjusting its capital structure in response to changes in those risks and in the market. Financial risk consideration includes the management of debt levels, distributions to shareholders and share issues. Given the recent volatility in financial markets and increased risks associated with high levels of gearing, the Board will continue to maintain low levels of borrowings. The strategy adopted to manage capital is consistent with prior years.

NOTE 17: RESERVES

Nature and Purpose of Reserves

Financial asset reserve

The financial assets reserve records revaluations of financial assets.

NOTE 18: CONTROLLED ENTITIES

Particulars in relation to controlled entities	Note	Class of Equity	2021 Percentage Owned	2020 Percentage Owned
Parent Entity:			%	%
Australian Adventure Tourism Group Limited	(a)		100	100
Wholly Owned Controlled Entities				
Corporate Solutions Pty Ltd		ordinary	100	100
Magnums Backpackers & Bar Pty Ltd (dormant)		ordinary	100	100
Corporate Queensland Pty Ltd (dormant)		ordinary	100	100
Airlie Central Two Property Trust (dormant)		units	100	100

The financial year of all controlled entities is the same as that of the holding company. All controlled entities are incorporated in Australia.

(a) Ultimate Controlling Entity

The Board believe that the ultimate controlling entity of the Group is Australian Adventure Tourism Group Limited.

(b) There are no significant restrictions over the Group's ability to access or use assets and settle liabilities of the Group.

(c) Some Group entities trade with each other on a limited basis primarily in respect of administrative costs and intercompany balances.

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions with Related Parties

(a) Related parties of Australian Adventure Tourism Group are:

- controlled entities - see Note 18.
- key management personnel and their associates
- shareholder related entities - see below
- director related entities - see below.

(b) Entities with significant influence over the Group

Interests associated with former director, Michael Hackett, own 49.35% (2020: 49.35%) of the ordinary shares in Australian Adventure Tourism Group at the date of this report.

Below is a list of the related party transactions with shareholder related entities associated with Michael Hackett:

- During the year, Jabane Pty Ltd repaid the Group \$49,415 for an unsecured loan facility. Interest of \$2,128 was also received on repayment of the loan.
- In June 2021, a \$1,100,000 borrowing facility was established with entities associated with Michael Hackett. The facility is a three-year unsecured loan facility and \$656 interest on the facility has been accrued at 30 June 2021. Refer Note 14(iii).

(c) Director related entities:

- During the year, the Group repaid a short-term unsecured loan facility of \$30,000 from Mikko Constructions Pty Ltd, a related entity of Nathan Leman, a director of the Group. Interest of \$1,052 was paid on the loan at 4% on the loan termination date. Refer Note 14(ii).
- During the year, Mikko Property Trust, an entity associated with Nathan Leman repaid a \$75,000 short-term unsecured loan facility with the Group through the transfer of a refundable deposit on potential land for the Skyway Project to the Group. At 30 June 2020, the \$75,000 was included in other receivables. Refer Note 6(ii)(b).
- Nathan Leman is a director of Mikko Constructions Pty Ltd (Mikko). Mikko undertakes project management, town planning and IT establishment work for the Group on a cost recovery basis. During the year, no fees (2020: \$20,000) were paid by the Group to Mikko. From time to time the Group reimburses Mikko for costs incurred on behalf of the Group and at 30 June 2021 the Group owed Mikko \$1,937 (2020: nil).
- Nathan Leman is a former director of Cashwerkz Limited (Cashwerkz), which provided administration services to Australian Adventure Tourism Group on a cost recovery basis. During the year, \$2,262 (2020: \$23,950) was charged by Cashwerkz to Australian Adventure Tourism Group and at 30 June 2021 Australian Adventure Tourism Group had no outstanding amounts (2020: \$290) with Cashwerkz.

NOTE 19: RELATED PARTY TRANSACTIONS (cont'd)

(d) Terms and conditions of transactions with related parties

Transactions with related parties are made at arm's length at normal market prices and on normal commercial terms.

NOTE 20: SEGMENT INFORMATION

SEGMENT INFORMATION

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service; and
- external regulatory requirements.

Types of products and services by segment

Tourism & Hospitality

The tourism and hospitality segment includes the ownership and operation of Magnums Unique Accommodation, offering various grades of hostel style accommodation and services including a tour sales outlet. The operations are located at Airlie Beach in the Whitsundays, Queensland.

Investments

The Investments segment includes:

- the Group's portfolio holding of listed investments which includes a 3.11% interest in the Australian Dairy Nutritionals Group.

Property

The property segment includes:

- The Group owns land at Airlie Beach adjoining the Magnums Backpackers property, which is currently used for vehicle parking and access. The land parcel has a strategic value in terms of the future development of various adjoining land parcels.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

If an asset is used across multiple segments, it is allocated to the segment that receives the majority of economic value from it. Segment assets are generally clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

NOTE 20: SEGMENT INFORMATION (cont'd)

(i) Segment Performance

	Tourism & Hospitality Services	Property	Investments	Total
30 June 2021				
Revenue	\$	\$	\$	\$
External sales	2,136,949	-	-	2,136,949
Other income	16,213	-	-	16,213
Interest revenue	2,178	-	-	2,178
Total segment revenue	2,155,340	-	-	2,155,340
Segment net profit / (loss) before tax	137,444	(17,913)	-	119,531

Segment Performance

	Tourism & Hospitality Services	Property	Investments	Total
30 June 2020				
Revenue	\$	\$	\$	\$
External sales	2,368,605	-	-	2,368,605
Other income	12,159	-	-	12,159
Interest revenue	13,420	-	-	13,420
Total segment revenue	2,394,184	-	-	2,394,184
Segment net loss before tax	(1,065,998)	(17,875)	-	(1,083,873)

(ii) Segment Assets

	Tourism & Hospitality Services	Property	Investments	Total
30 June 2021				
Segment assets	6,916,898	890,000	704,335	8,511,233
Segment asset increases for the period:				
Additions to non-current assets	321,014	-	-	321,014
Total group assets				8,511,233

	Tourism & Hospitality Services	Property	Investments	Total
Segment Assets				
30 June 2020				
Segment assets	5,862,444	890,000	1,063,638	7,816,082
Segment asset increases for the period:				
Additions to non-current assets	58,504	-	-	58,504
Total group assets				7,816,082

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20: SEGMENT INFORMATION (cont'd)

(iii) Segment Liabilities	Tourism & Hospitality Services	Property	Investments	Total
30 June 2021	\$	\$	\$	\$
Segment liabilities	2,071,188	-	-	2,071,188
Total group liabilities				2,071,188

Segment Liabilities	Tourism & Hospitality Services	Property	Investments	Total
30 June 2020	\$	\$	\$	\$
Segment liabilities	1,136,265	-	-	1,136,265
Total group liabilities				1,136,265

NOTE 21: COMMITMENTS AND CONTINGENCIES

(a) Capital Expenditure Commitments

There are no capital expenditure commitments contracted for the year ended 30 June 2021.

(b) Finance Lease Commitments

The Group does not have any finance leases in accordance with AASB 117 Leases. Financial liabilities for a chattel mortgage over a motor vehicle are accounted for in accordance with AASB 9 Financial Instruments. Refer Note 14.

(c) Other Contingencies

There are no other contingencies for the year ended 30 June 2021.

NOTE 22: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS

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

Name:	Position
Elizabeth Hackett	Chairman
Nathan Leman	Director
Kerry Daly	Director

(b) KMP Compensation by Category

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows, no other remuneration has been paid from that listed:

	2021	2020
	\$	\$
Short term	71,365	124,850
Post-employment	5,412	9,296
Other long-term	(381)	746
	76,396	134,892

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: KEY MANAGEMENT PERSONNEL (KMP) INTERESTS (cont'd)

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Further information in relation to KMP remuneration can be found in the Directors' Report.

NOTE 23: EARNINGS PER SHARE

	2021 \$	2020 \$
Earnings per share		
Basic loss per share	0.004	(0.032)
Diluted loss per share	0.004	(0.032)
Reconciliation of earnings to profit or loss		
Profit / (loss) attributable to shareholders	119,531	(1,083,873)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	34,120,131	34,120,131
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	34,120,131	34,120,131

NOTE 24: FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments are set out below.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2021 \$	2020 \$
Financial Assets			
Financial assets at amortised cost			
Cash and cash equivalents	5	1,285,080	64,780
Trade and other receivables	6	1,230	315,580
Investments in equity instruments designated at fair value through other comprehensive income	8	704,335	1,063,638
Bonds and deposits	9	75,000	-
Total financial assets		2,065,645	1,443,998
Financial liabilities			
Financial liabilities at amortised cost			
Lease liabilities		366,534	441,294
Trade and other payables	13	211,048	191,278
Borrowings	14	1,167,511	111,909
Total financial liabilities		1,745,093	744,481

NOTE 24: FINANCIAL RISK MANAGEMENT (cont'd)

(a) Financial Risk Management Policies

The main purpose of the financial instruments listed is to provide finance for the Group's operations when the Board considers it appropriate. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Risks arising from the Group's financial instruments include interest rate risk, liquidity risk, share price risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Overall these risks are considered to be minimal.

(i) Treasury Risk Management

The Board considers financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are reviewed by the Board when necessary. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

Interest rate risk

Interest rate risk arises where the Group has financial instruments exposed to rate movements which arises on bank balances and borrowings. The Group's exposure to cash flow interest rate risk is considered minimal as the Group has negotiated fixed rates on its long-term borrowings.

Credit risk

Credit risk arises from the risk that a counterparty will default on its obligations to the Group. The Group trades only with parties that it believes to be creditworthy. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Refer Note 6 for comments on concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of those instruments. The Group generally does not require third party collateral.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with appropriately regulated financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below presents maturity of the Group's financial instruments. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT (cont'd)

Financial liability and financial asset maturity analysis:

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Lease liabilities	(97,519)	(97,519)	(269,015)	(343,775)	-	-	(366,534)	(441,294)
Trade & other payables	(211,048)	(191,278)	-	-	-	-	(211,048)	(191,278)
Borrowings	(15,063)	(45,063)	(1,152,448)	(66,846)	-	-	(1,167,511)	(111,909)
Total expected outflows	(323,630)	(333,860)	(1,421,463)	(410,621)	-	-	(1,745,093)	(744,481)
Financial assets - cash flows realisable								
Cash and cash equivalents	1,285,080	64,780	-	-	-	-	1,285,080	64,780
Trade receivables and loans	1,230	315,580	-	-	-	-	1,230	315,580
Listed investments - available for sale at fair value	704,255	1,041,073	-	-	80	22,565	704,335	1,063,638
Bonds and deposits	75,000	-	-	-	-	-	75,000	-
Total anticipated inflows	2,065,565	1,421,433	-	-	80	22,565	2,065,645	1,443,998
Net (outflows) / inflows on financial instruments	1,741,935	1,087,573	(1,421,463)	(410,621)	80	22,565	320,552	699,517

Share price risk

The Group has investments in the following ASX listed company sectors at the end of the reporting period:

- Information technology
- Food, beverage and tobacco

Exposure exists to movements in the market price of these shareholdings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 24: FINANCIAL RISK MANAGEMENT (cont'd)

(b) Fair Values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer Note 26 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

	Footnote	Carrying Amount		Fair Value	
		2021	2020	2021	2020
		\$	\$	\$	\$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	(i)	1,285,080	64,780	1,285,080	64,780
Trade and other receivables	(i)	1,230	191,165	1,230	191,165
Loans - related party	(i)	-	124,415	-	124,415
Bonds and deposits	(i)	75,000	-	75,000	-
Investments in equity instruments designated at fair value through other comprehensive income	(ii)	704,335	1,063,638	704,335	1,063,638
Total financial assets		2,065,645	1,443,998	2,065,645	1,443,998
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	(i)	211,048	191,278	211,048	191,278
Lease liabilities		366,534	441,294	366,534	441,294
Interest bearing liabilities		1,167,511	111,909	1,167,511	111,909
		1,745,093	744,481	1,745,093	744,481

(i) Cash and cash equivalents, trade and other receivables, loans - related party, bonds and deposits and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) For listed investments in equity instruments, closing quoted bid prices at the end of the reporting period are used.

(c) Sensitivity Analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

(i) Interest rate sensitivity analysis

At 30 June 2021, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2021	2020
	\$	\$
Change in profit		
- Increase in interest rate by 2.5%	2,939	2,855
- Decrease in interest rate by 2.5%	(2,939)	(2,855)
Change in equity		
- Increase in interest rate by 2.5%	(2,939)	(2,855)
- Decrease in interest rate by 2.5%	2,939	2,855

(ii) Price risk sensitivity analysis

At 30 June 2021, the net effect on profit and equity of a 10% change in price:

- listed investments, with all other variables remaining constant is \$70,433 up / down (2020: \$106,364 up / down) for the Group.

NOTE 25: AUDITOR'S REMUNERATION

The following total remuneration was received or is receivable by the auditor of Australian Adventure Tourism Group in respect of:

	2021	2020
	\$	\$
Audit and review of the financial statements	35,700	35,500
Non audit services	-	-

NOTE 26: FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets at fair value through other comprehensive income
- Land and buildings

(a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 26: FAIR VALUE MEASUREMENTS (cont'd)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring and non-recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2021

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets recognised at fair value on a recurring basis					
Financial assets					
Financial assets at fair value through other comprehensive income					
- Shares in listed companies	8	704,335	-	-	704,335
Total financial assets recognised at fair value on a recurring basis		704,335	-	-	704,335
Non-recurring fair value measurements					
Non financial assets					
Land and buildings (i)	12	-	-	4,980,876	4,980,876
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	4,980,876	4,980,876

30 June 2020

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets recognised at fair value on a recurring basis					
Financial assets					
Financial assets at fair value through other comprehensive income					
- Shares in listed companies	8	1,063,638	-	-	1,063,638
Total financial assets recognised at fair value on a recurring basis		1,063,638	-	-	1,063,638
Non-recurring fair value measurements					
Non financial assets					
Land and buildings (i)	12	-	-	4,980,876	4,980,876
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	4,980,876	4,980,876

- (i) Freehold land and building is the Magnums site, being a backpacker operations in Airlie Beach. The Board considers that the land's current use is its highest and best use.

Transfers between levels 1, 2 or 3

There were no transfers between Levels 1,2 or 3 for land and buildings measured at fair value on a non-recurring basis during the reporting period.

During the 2020 comparative, the land and buildings measured at fair value on a non-recurring basis were transferred from Level 2 to Level 3. In prior periods, Level 2 was appropriate based on the comparable sales method used in the independent valuation in 2018, however there were no comparable sales for the Board valuation at 30 June 2020. (refer Note 12).

There were no transfers between Levels 1,2 or 3 for financial assets measured at fair value on a recurring basis during the reporting period (June 2020: no transfers).

NOTE 26: FAIR VALUE MEASUREMENTS (cont'd)

(b) Techniques and Inputs Used to Measure Level 3 Fair Values

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Land and Buildings	12	3	Capitalisation method	Maintainable earnings, capitalisation rate, potential overall market decrease due to COVID-19 impact.

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

(b) Disclosed Fair Value Measurement

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- loans and advances to related parties;
- lease liabilities; and
- borrowings

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets				
Loans and advances to related parties	6	2	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Liabilities				
Lease liabilities	24	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments
Borrowings	14	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

NOTE 27: EVENTS AFTER THE BALANCE DATE

The financial report was authorised for issued as at the date of the Directors' Declaration.

Other than the material matters outlined below which have arisen since 30 June there are no other matters that have significantly affected or may significantly affect the Group, that are not discussed elsewhere in the financial report or in the accompanying financial statements.



Australian Adventure Tourism Group

ONWARD+UPWARD

DIRECTORS' DECLARATION

For the year ended 30 June 2021

In accordance with a resolution of the directors of Australian Adventure Tourism Group Limited, the directors of the company declare that:

- (a) the financial statements and notes to the financial statements of the company and of the Group, as set out on pages 15 to 49, and the remuneration disclosures that are contained within the remuneration report with the Directors' Report set out on pages 10 to 13 are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the company's and Group's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
 - (ii) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) the directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.

Elizabeth Hackett
Executive Chairman

Brisbane

13 September 2021



Independent Auditor's Report to the Members of Australian Adventure Tourism Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Adventure Tourism Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Nexia Brisbane Audit Pty Ltd

Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

Nexia Brisbane Audit Pty Ltd (ABN 49 115 261 722) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.



Independent Auditor's Report to the Members of Australian Adventure Tourism Limited (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment assessment of non-financial assets</p> <p>As at 30 June 2021 the Group had non-financial assets relating to land & buildings of \$5.13 million (refer to Note 12), right-of-use assets of \$0.33 million (refer Note 10) and non-current development property inventory of \$0.89 million (refer Note 7).</p> <p>Accounting standards require an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. The Group has identified impairment indicators which required management to perform an impairment assessment.</p> <p>This was considered a key audit matter due to the inherent judgement in assessing impairment including the impact of the COVID-19 on the assumptions that the Group's assessment is based on.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We assessed the processes applied by the Group in determining the recoverable amount; • We considered the Group's impairment assessments and held discussions with management to understand the basis of key assumptions used by the Group; • We assessed the key inputs and assumptions used by the Group in determining the recoverable amount; • We researched prevailing market movements of similar asset classes as a result of the impact due to COVID-19; • We utilised Nexia valuation specialists to evaluate the suitability of the valuation methodology used, including: <ul style="list-style-type: none"> ➢ Assessing market expectation of changes to yields and overall impact of commercial property values of COVID-19; ➢ Obtained data of comparable sales; ➢ Considered the depreciable replacement cost; • We tested the mathematical accuracy of the models used in determining recoverable amount; • We considered whether the disclosures in the financial statements were in compliance with accounting standards.



Key Audit Matter	How our audit addressed the key audit matter
<p>Going Concern</p> <p>The financial statements have been prepared on a going concern basis using managements key estimates and judgements as outlined in Note 1(R)(ii).</p> <p>In the consolidated statement of profit or loss and other comprehensive income the Group has reported profit after tax of \$119,531 (2020: \$1,083,873 loss) and incurred a total comprehensive loss of \$239,772 (2020: \$2,492,468 loss) after receiving Government grant funding of \$457,750 (2020: \$324,060).</p> <p>We considered the going concern assumption a key audit matter as:</p> <ul style="list-style-type: none"> • There is inherent uncertainty associated with estimates and judgements due to the impact of COVID-19; • The going concern assumption relies on existing working capital and revenue generating sufficient cashflows to cover necessary expenditures; & • The Groups capacity to access additional funding sources to meet any operating deficit. 	<p>In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We considered the cashflow requirements of the Group over 15 months from 30 June 2021 based on budgets and forecasts; • We gained an understanding of what budgeted expenditures are committed and what could be considered discretionary; • We considered the liquidity of existing assets on the balance sheet; • We assessed the repayment terms of external borrowings; • We considered potential downside scenarios and the resultant impact on available funds; • We evaluated the Group's judgements of the impacts of COVID-19 on the following assumptions in the Group's going concern assessment: <ul style="list-style-type: none"> ➢ Likelihood forecasted occupancy levels being achieved; ➢ Border restrictions remaining in place for the forecast period; ➢ The Group remaining eligible for Government subsidies; ➢ Ability of the Group to realise its financial assets to meet any funding needs for amounts approximated to those reflected in the statement of financial position as at 30 June 2021 as and when required. • We tested the mathematical accuracy of the Group's forecasts; • We considered whether the disclosures in the financial statements were in compliance with accounting standards



Independent Auditor's Report to the Members of Australian Adventure Tourism Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Independent Auditor's Report to the Members of Australian Adventure Tourism Limited (continued)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report to the Members of Australian Adventure Tourism Limited (continued)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Australian Adventure Tourism Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Brisbane Audit Pty Ltd.

Nexia Brisbane Audit Pty Ltd

Ann-Maree Robertson.

Ann-Maree Robertson
Director

Level 28, 10 Eagle Street
Brisbane, QLD 4000

Date: 13 September 2021

SHAREHOLDER INFORMATION

The following information was extracted from Australian Adventure Tourism Group's Register of Shareholders on 31 August 2021:

TWENTY LARGEST SHAREHOLDERS

		Fully Paid Shares	
		Shares Held	% of Issued
1	Costine Pty Ltd ATF Hackett Super Fund	12,827,423	37.59%
2	Evelyn Anderson ATF Extra Incentive Fund	4,921,559	14.42%
3	Mikko Constructions Pty Ltd	2,878,880	8.44%
4	Michael Hackett	1,906,428	5.59%
5	Elizabeth Hackett & Joshua Bennett ATF Merish Super Fund	1,877,962	5.50%
6	Fiduciary Nominees Pty Ltd	819,719	2.40%
7	Milton Yannis	755,891	2.22%
8	Jabane Pty Ltd	755,000	2.21%
9	David Scicluna & Anthony Scicluna	619,801	1.82%
10	Book Now Online Pty Ltd	485,310	1.42%
11	Kreskin Pty Ltd	460,200	1.35%
12	Norman Colburn Mayne	450,000	1.32%
13	Dawney & Co Ltd	447,971	1.31%
14	Terence McCorley	328,479	0.96%
15	Ruth Mackay & Timothy Mackay	175,560	0.51%
16	Alan James Cobb	166,022	0.49%
17	JIG Investments Pty Ltd	150,100	0.44%
18	Phillip Dickson & Joanna Dickson	150,000	0.44%
19	Ian Henderson	148,193	0.43%
20	Ross Yannis	140,000	0.41%
Total of Top Twenty Shareholders		30,364,498	89.29%
Total Shares on issue		34,120,131	100.00%

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	Number of Shareholders	Total Units	%
1 - 1000	63	23,712	0.07
1,001 - 5,000	162	349,098	1.02
5,001 - 10,000	58	457,325	1.34
10,001 - 100,000	73	2,380,554	6.98
100,001 or greater	27	30,909,442	90.59
	383	34,120,131	100.00

MARKETABLE PARCELS

At 31 August 2021, using the last traded share price of \$0.10 per share, there were 222 holdings, which were of less than a marketable parcel (\$500).

VOTING RIGHTS

On a show of hands, every member present in person or by proxy or attorney or being a corporation by its authorised representative shall have one vote. On a poll, every member who is present in person or by proxy or attorney, or being a corporation, by its authorised representative, shall have one vote for every share of which he is the holder.

SHAREHOLDER INFORMATION

HOLDER OF RELEVANT INTEREST

The number of shares held either directly or indirectly by substantial shareholders listed in the holding company's register on 31 August 2021 was:

	Shares Held	% of Voting Power Advised
Michael Hackett and associated entities	16,839,203	49.35
Evelyn Anderson ATF Extra Incentive Fund	4,921,559	14.42
Mikko Constructions Pty Ltd	2,878,880	8.44
Elizabeth Hackett & Joshua Bennett ATF EL Mersh Super Fund	1,977,962	5.80

UNQUOTED SECURITIES

Options over unissued shares

There are no options over unissued shares in Australian Adventure Tourism Group.

CORPORATE DIRECTORY

Board of Directors

Elizabeth Hackett
Executive Chairman

Kerry Daly (B.Bus, CPA)
Director

Nathan Leman
Director

Company Secretaries

Jerome Jones (B.Com, CPA)
Company Secretary

Registered Office

366 Shute Harbour Road
Airlie Beach QLD 4802

Telephone: (07) 4964 1112
Email: shareholders@aatgroup.com.au
Web: www.aatgroup.com.au

Corporate Office

366 Shute Harbour Road
Airlie Beach QLD 4802

PO Box 313
Airlie Beach QLD 4802

Telephone: (07) 4964 1112
Email: shareholders@aatgroup.com.au
Web: www.aatgroup.com.au

Share Register

Boardroom Limited
GPO Box 3993
Sydney NSW 2001

Telephone: 1300 737 760
Facsimile: (02) 9279 0664
Email: enquiries@boardroomlimited.com.au
Web: www.boardroomlimited.com.au

Auditor

Nexia Brisbane Audit Pty Ltd
Level 28, 10 Eagle Street
Brisbane QLD 4000

Telephone: (07) 3229 2022
Facsimile: (07) 3229 3277
Email: email@nexiabrisbane.com.au
Web: www.nexia.com.au

Stock Exchange

Australian Adventure Tourism Group Limited is listed on the official List of the National Stock Exchange of Australia (NSX). The NSX Code is "AAT".