



Australian Adventure Tourism Group  
ONWARD+UPWARD

# INTERIM REPORT

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



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# Australian Adventure Tourism Group

## ONWARD+UPWARD

AUSTRALIAN ADVENTURE TOURISM GROUP LIMITED (NSX CODE: AAT)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2022

		\$000 31 December 2022	\$000 31 December 2021
	Change		
Revenues from ordinary activities	63%	1,811	1,109
Profit from ordinary activities after tax attributable to members	1,121%	342	28
Net profit for the period attributable to members	1,121%	342	28
		\$	\$
Net tangible asset backing per security		0.26	0.20

Dividend Information	Amount per Share (Cents)	Franked Amount per Share (Cents)	Tax Rate for Franking (%)
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not Applicable

The Group does not have any dividend reinvestment plan in operation.

### Loss or gain of control over other entities

There was no loss or gain of control over other entities during the period.

### Investment in associates and joint ventures

Not applicable.

Refer to the Directors' Report and Interim Financial Report for additional information

## DIRECTORS' REPORT

Your Directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2022.

### INFORMATION ON DIRECTORS

The names of Directors who held office during or since the end of the half-year:

Name	Position
Elizabeth Hackett	Chairman
Nathan Leman	Director
Kerry Daly	Director

### OPERATING RESULT

During the half-year ended 31 December 2022, the Group continued to show strong growth in revenue and net profit.

The net profit of \$342,365 (2021: \$27,759) for the period is a \$314,606 improvement on the half-year ended 31 December 2021.

The result was achieved on revenue of \$1,810,814 (2021: \$1,108,581), as a result of consistently high levels of occupancy and total expenses of \$1,468,449 (2021: \$1,080,822).

The consolidated comprehensive loss for the half-year ended 31 December 2022 was \$162,820 (2021: \$226,796 profit). This is the result of a non-cash loss on fair value movement in financial assets of \$505,185 (2021: \$199,037 profit).

The fair value movement in financial assets primarily reflects the decrease in the ASX quoted market value of the shares held in Australian Dairy Nutritionals Group (AHF). 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. Subject to being able to realise an adequate sale price for the shares, the Board will look to realise this asset in the next 12 months.

### FINANCIAL POSITION

The net assets of the Group are \$8,963,714 at 31 December 2022 (June 2022: \$9,126,534), a decrease of \$162,820 from 30 June 2022.

The key assets and liabilities in the statement of financial position are:

- Cash and cash equivalents of \$1,007,542 (June 2022: \$1,251,555)
- Non-current assets held for sale of \$658,325 (June 2022: \$1,163,552)
- Inventories of \$894,035 (June 2022: \$894,045)
- Property, plant and equipment of \$9,093,415 (June 2022: \$7,346,712)
- Borrowings of \$2,043,262 (June 2022: \$1,127,937)

The Group believes it is in a position to expand and grow as opportunities present.

### REVIEW OF OPERATIONS AND BUSINESS SEGMENTS

#### • **TOURISM AND HOSPITALITY - MAGNUMS ACCOMMODATION & TOUR SALES OPERATIONS**

Magnums tourism accommodation and tour sales have performed strongly in the half-year to 31 December 2022.

Based on the Regional Tourism Organisation's monthly snapshot statistics, accommodation has exceeded regional occupancy averages in excess of 10% for the last 12 month and as a result of consistently high levels of occupancy, revenue continues to increase. Accommodation sales for the half-year period have increased 76% to \$1,507,932 and tour sales have increased by 18% to \$253,031.

We continue to see consistently high levels of occupancy and are enjoying longer lead times on our forward bookings which indicate strong results for the second half of the 2023 financial year.

#### • **INVESTMENTS - AUSTRALIAN DAIRY NUTRITIONALS GROUP (ASX CODE: AHF)**

Australian Adventure Tourism Group is a significant securityholder in ASX listed Australian Nutritionals Group (AHF), holding 15,309,892 fully paid shares or 2.76% (June 2022: 2.77%). The shares were acquired as part of a corporate action by the Group's former holding company and were retained by the Group post demerger in 2017. The AHF shares have been valued at the 31 December 2022 bid price of 4.3 cents (June 2022: 7.6 cents) and since that date the shares have traded between 4.5 cents and 3.3 cents.

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 shares, the Board expects to realise this asset in the next 12 months.

### REVIEW OF OPERATIONS AND BUSINESS SEGMENTS (cont'd)

#### • **PROPERTY**

The Group owns land at Airlie Beach adjoining the Magnums Accommodation property, which is currently used for vehicle parking and access.

A marketing program was undertaken by real estate agents Place Projects for the potential sale of several of the Group's property assets (including the land) from October - December 2021. Interest was shown by several potential purchasers and despite strong pricing, no sale conclusion was reached that was satisfactory to the Board.

As a result of the marketing program, the Board decided to undertake preliminary development applications directly with the local authority, and to evaluate the Group's position after that process.

During the design process for the development applications, further interested parties sought to negotiate on the property and following extended negotiations, the Board entered a conditional contract for sale on 10 February 2023 (refer to the Conditional Contract section below).

#### • **WHITSUNDAY SKYWAY PROJECT**

The Whitsunday Skyway Project is currently being assessed by the Queensland Government under the Exclusive Transactions Process for projects of this scale or nature, which require particular Queensland Government support, in this instance for an appropriate tenure pathway and specific development and other approvals.

The Group's feasibility analysis continues to indicate positive financial prospects for the Whitsunday Skyway Project as a stand-alone project with a capacity to generate significant new tourism activity and new employment in the Whitsunday region. There is genuine, unprecedented support from the local Whitsunday community, including other tourism operators.

In December 2022, as part of the Group's obligations to satisfy milestones within the signed process deed, the Group submitted the project's Environmental Impact Assessment for validation by the Department of Climate Change, Energy, the Environment and Water. While the Group has not received a formal response by the Assessment Manager, it anticipates that the assessment outcome will be in line with the submitted reports recommendation, that the project will not impact on Environmental Matters of National Significance.

Up to 31 December 2022, costs of \$2.8 million have been incurred in advancing the project to the current approvals stage. The Group is preparing an Offering Memorandum for the purpose of engaging with prospective funding partners to provide the financial backing necessary for a project of this nature and scale. A range of funding solutions will be considered, including joint venture and equity participation structures, customised to the specific requirements of a sustainable tourism infrastructure project.

Australia is the world's eighth largest national tourism market and Queensland is Australia's second most popular international tourist destination. The Board are confident that a recreational tourism infrastructure asset of the quality exemplified by the Whitsunday Skyway Project, will attract the investment capital necessary to commercialise this project.

#### • **CONDITIONAL CONTRACT**

On 10 February 2023, the Group signed a conditional contract for the sale of property and business assets within the Group as per below:

- Sale of Lot 51 and Lot 331 for \$11,505,000
- Sale of Magnums Accommodation for \$495,000

A summary of the special conditions in the contract follows:

- The contracts for sale are interdependent;
- The sunset date is 18 months from the date of the contract to allow for the buyer to obtain development approvals;
- The buyer can settle earlier than 18 months;
- The Group can accept a more favourable written offer to purchase the property;
- If a resumption agreement can be reached between the Group and the council (for a land swap) within 18 months of the date of the contract, the purchase price will increase; and
- There is a \$5,000 deposit received on signing of the contract, \$20,000 due 6 months from the date of the contract and \$50,000 due on satisfaction or waiver of the special condition for the development application.

The Group will assist and work jointly where necessary to facilitate the buyer in obtaining the relevant development approvals and whilst the contract may be considered a significant element of the Group's future, the Board is aware of the significant settlement period and rigors involved for the buyer to obtain the development approvals and settle the contract.



## DIRECTORS' REPORT

### BUSINESS MODEL AND OBJECTIVES

The Group continues to primarily focus on Magnum's tourism accommodation and tour sales business activities, with high occupancy and yield management continuing to be at the forefront of all operational decisions.

As per the Review of Operations above, the approval process for the Whitsunday Skyway Project with the Queensland and Federal Governments continues to progress and the Group is preparing an Offering Memorandum for the purpose of engaging with prospective funding partners to provide the financial backing necessary for a project of this nature and scale. A range of funding solutions will be considered, including joint venture and equity participation structures, customised to the specific requirements of a sustainable tourism infrastructure project.


### SEASONALITY OF OPERATIONS

The operations of the tourism and hospitality services segment at Airlie Beach are regarded as seasonal in nature, however, historical revenue analysis shows no significant bias to higher revenues generated in either the first or second half of the financial year. We continue to see consistently high levels of occupancy and we are enjoying longer lead times on our forward bookings that suggest we will continue to see a similar pattern in the future.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under S307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors.



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**Elizabeth Hackett**  
Executive Chairman

15 March 2023



**Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**

**To the Directors of Australian Adventure Tourism Group Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022 there have been no contraventions of:

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

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

*Nexia Brisbane Audit Pty Ltd*

**Nexia Brisbane Audit Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Gavin Ruddell'.

**Gavin Ruddell**  
**Director**

Level 28, 10 Eagle Street  
Brisbane, QLD, 4000

Date: 15 March 2023

**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

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

		December 2022	December 2021
	Notes	\$	\$
Revenue	2(a)	1,810,814	1,108,581
Business operating expenses		(417,588)	(252,609)
Employment expenses	2(b)(ii)	(605,788)	(451,645)
Finance costs	2(b)(i)	(29,687)	(28,491)
Property operating expenses		(124,743)	(115,324)
Depreciation and amortisation		(184,588)	(132,864)
Other expenses		(106,055)	(99,889)
<b>Profit before income tax</b>		<b>342,365</b>	<b>27,759</b>
Income tax expense	2(c)	-	-
<b>Profit for the period</b>		<b>342,365</b>	<b>27,759</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss:</b>		-	-
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Fair value movement of financial assets at fair value through other comprehensive income, net of tax		(505,185)	199,037
<b>Other comprehensive income / (loss) for the period</b>		<b>(505,185)</b>	<b>199,037</b>
<b>Total comprehensive income / (loss) for the period attributable to members</b>		<b>(162,820)</b>	<b>226,796</b>
<b>Earnings per share:</b>	8	<b>cents</b>	<b>cents</b>
Basic earnings per share		1.0	0.1
Diluted earnings per share		1.0	0.1

The accompanying notes form part of these financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	December 2022 \$	June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents		1,007,542	1,251,555
Trade and other receivables		11,230	1,083
Inventories	3	4,035	4,045
Non-current assets held for sale	4	658,325	1,163,552
Other current assets		77,868	239,189
<b>Total Current Assets</b>		<b>1,759,000</b>	<b>2,659,424</b>
<b>Non-Current Assets</b>			
Inventories	3	890,000	890,000
Financial assets	4	75	33
Right of use assets		218,348	255,779
Property, plant and equipment	5	9,093,415	7,346,712
Intangibles		3,050	3,050
<b>Total Non-Current Assets</b>		<b>10,204,888</b>	<b>8,495,574</b>
<b>Total Assets</b>		<b>11,963,888</b>	<b>11,154,998</b>
<b>Current Liabilities</b>			
Trade and other payables		376,752	241,725
Lease liabilities		106,561	105,006
Borrowings	6	-	51,782
Provisions		258,069	256,502
<b>Total Current Liabilities</b>		<b>741,382</b>	<b>655,015</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		142,494	183,799
Borrowings	6	2,043,262	1,127,937
Provisions		73,036	61,713
<b>Total Non-Current Liabilities</b>		<b>2,258,792</b>	<b>1,373,449</b>
<b>Total Liabilities</b>		<b>3,000,174</b>	<b>2,028,464</b>
<b>Net Assets</b>		<b>8,963,714</b>	<b>9,126,534</b>
<b>Equity</b>			
Issued capital		8,680,086	8,680,086
Reserves		(1,258,164)	(752,979)
Retained earnings		1,541,792	1,199,427
<b>Total Equity</b>		<b>8,963,714</b>	<b>9,126,534</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	Notes	December 2022 \$	December 2021 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		1,979,412	1,207,104
Payments to suppliers and employees		(1,331,774)	(1,115,314)
Interest received		1,201	85
Finance costs		(14,362)	(14,827)
<b>Net operating cash flows</b>		<b>634,477</b>	<b>77,048</b>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant & equipment		(1,686,958)	(196,737)
<b>Net investing cash flows</b>		<b>(1,686,958)</b>	<b>(196,737)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings	6(i)	(51,782)	(7,532)
Net proceeds from shareholder loan	6(ii)	900,000	-
Repayments of lease principal		(39,750)	(38,238)
<b>Net financing cash flows</b>		<b>808,468</b>	<b>(45,770)</b>
<b>Net increase in cash held</b>		<b>(244,013)</b>	<b>(165,459)</b>
Cash at the beginning of the period		1,251,555	1,285,080
<b>Cash at the end of the financial period</b>		<b>1,007,542</b>	<b>1,119,621</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	8,680,086	(752,979)	1,199,427	9,126,534
<b>Comprehensive Income for the period</b>				
Profit attributable to members of parent entity	-	-	342,365	342,365
Other comprehensive loss	-	(505,185)	-	(505,185)
<b>Total comprehensive income for the period</b>	-	<b>(505,185)</b>	<b>342,365</b>	<b>162,820</b>
<b>Balance at 31 December 2022</b>	<b>8,680,086</b>	<b>(1,258,164)</b>	<b>1,541,792</b>	<b>8,963,714</b>

	Issued Capital Ordinary	Financial Asset Revaluation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	8,680,086	(1,212,229)	(1,027,812)	6,440,045
<b>Comprehensive Income for the period</b>				
Profit attributable to members of parent entity	-	-	27,759	27,759
Other comprehensive profit	-	199,037	-	199,037
<b>Total comprehensive income for the period</b>	-	<b>199,037</b>	<b>27,759</b>	<b>226,796</b>
<b>Balance at 31 December 2021</b>	<b>8,680,086</b>	<b>(1,013,192)</b>	<b>(1,000,053)</b>	<b>6,666,841</b>

The accompanying notes form part of these financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Australian Adventure Tourism Group Limited and its controlled entities (referred to as the "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on the date of signing the Directors' Declaration.

#### (b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for those as described in Note 1(c) below.

#### (c) New and Amended Standards 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: REVENUE AND EXPENSES

	Note	December 2022 \$	December 2021 \$
<b>(a) Revenue</b>			
Revenue from contracts with customers	(i)	1,773,728	1,078,356
Other sources of revenue	(ii)	37,086	30,225
<b>Total revenue</b>		<b>1,810,814</b>	<b>1,108,581</b>

#### (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	1,810,814	1,078,356
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##### Timing of revenue recognition

Services transferred to customers:

- over time	1,810,814	1,078,356
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#### (ii) Other sources of revenue

Interest

- unrelated	1,201	85
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Other revenue	35,885	30,140
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	<b>37,086</b>	<b>30,225</b>
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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

### NOTE 2: REVENUE AND EXPENSES (cont'd)

	December 2022	December 2021
	\$	\$
<b>(b) Expenses</b>		
<b>(i) Finance costs</b>		
Interest paid - unrelated	2,253	2,718
Interest paid - related	15,325	13,664
Finance costs - right of use assets	12,109	12,109
	<b>29,687</b>	<b>28,491</b>
<b>(ii) Employee benefits expense</b>		
Wages and salaries costs	538,375	430,363
Superannuation	55,848	41,939
Employee benefits provisions	11,565	(20,657)
	<b>605,788</b>	<b>451,645</b>
<b>(iv) Other significant items</b>		
Cost of sales	126,779	50,151

### (c) Income Tax

There is no income tax applicable to the result for the period (2021: \$nil) due to the availability of unutilised carried forward tax losses.

### NOTE 3: INVENTORIES

	December 2022	June 2022
	\$	\$
<b>Current</b>		
Stock in trade at cost	4,035	4,045
<b>Total current inventories</b>	<b>4,035</b>	<b>4,045</b>
<b>Non-Current</b>		
Development property at cost	(i) 890,000	890,000
<b>Total non-current inventories</b>	<b>890,000</b>	<b>890,000</b>
<b>Total inventories</b>	<b>894,035</b>	<b>894,045</b>

- (i) The Board commissioned a valuation from Acumentis Pty Ltd for the year ended 30 June 2022, 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 comparison approach on a \$/m2 rate of total land area and net development area. Adjustments were made for location, size, encumbrances, planning designation and approvals, and development potential. Based on this approach the land was valued at \$1,500,000.

At 31 December 2022, the Board have considered the sale contract (refer Review of Operations) and whether the development property should be reclassified as a non-current asset held for sale. Given the nature of the contract and special conditions, the Board does not consider the sale to be highly probable as there is a rigorous development application for the buyer to undertake and the settlement period is greater than 12 months.

Based on the above, the Board have reviewed the net realisable value of the development property and are satisfied the property is not impaired. As AASB 102 requires inventories to be recognised in the statement of financial position at the lower of cost and net realisable value, development land continues to be carried at cost of \$890,000.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

## NOTE 4: FINANCIAL ASSETS

	Notes	December 2022 \$	June 2022 \$
<b>Current</b>			
Investments in equity instruments designated at fair value through other comprehensive income presented as non-current assets held for sale	(i)	658,325	1,163,552
<b>Non-current</b>			
Investments in equity instruments designated at fair value through other comprehensive income	(ii)	75	33
<b>Total financial assets</b>		<b>658,400</b>	<b>1,163,585</b>

(i) At 31 December 2022, the Group held 15,309,892 ASX listed fully paid shares in Australian Dairy Nutritionals Group (ASX Code: AHF). The shares have been valued at the 31 December 2022 bid price of 4.3 cents (June 2022: 7.6 cents) and since that date the shares have traded between 4.5 cents and 3.1 cents.

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 shares, the Board will look to realise this asset in the next 12 months.

(ii) At 31 December 2022, the Group held 2,030 ASX listed fully paid shares in Fastbrick Robotics Ltd (ASX Code: FBR). The securities were valued at 3.7 cents as of 31 December 2022 (30 June 2022: 1.6 cents). Since that date the securities have traded between 4.0 cents and 2.8 cents.

## NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Note	December 2022 \$	June 2022 \$
<b>Land and buildings</b>			
- at directors valuation	(ii)	1,566,775	-
- at independent valuation	(i)	7,300,000	7,300,000
- at cost		27,365	-
less accumulated depreciation		(138,320)	-
<b>Total land and buildings</b>		<b>8,755,820</b>	<b>7,300,000</b>
<b>Plant and equipment owned</b>			
- at cost		30,605	30,605
less accumulated depreciation		(28,299)	(27,966)
<b>Total plant and equipment</b>		<b>2,306</b>	<b>2,639</b>
<b>Motor vehicles</b>			
- at cost		99,086	99,086
less accumulated depreciation		(62,505)	(55,013)
<b>Total plant and equipment</b>		<b>36,581</b>	<b>44,073</b>
Capital work in progress	(ii)	298,708	-
<b>Total property, plant and equipment</b>		<b>9,093,415</b>	<b>7,346,712</b>

(i) The Board commissioned a valuation from Acumentis Pty Ltd for the year ended 30 June 2022 to independently assess the fair value of the property assets at Airlie Beach as a freehold going concern. The valuers adopted a capitalisation rate for application to their assessment of maintainable net operating profit and used a direct comparison assessment on a per room basis in assessing the market value of \$7,300,000.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

### NOTE 5: PROPERTY, PLANT AND EQUIPMENT (cont'd)

At 31 December 2022, the Board have considered the sale contracts (refer Review of Operations) and whether the property, plant and equipment should be reclassified as a non-current asset held for sale. Given the nature of the contract and special conditions, the Board does not consider the sale to be highly probable as there is a rigorous development application for the buyer to undertake and the settlement period is greater than 12 months.

Further to this, the Board have considered the sales price in the contract and although there is an increase to the current carrying value of the property, plant and equipment, the Board are of the view the conditional nature and the extended settlement period of the contract do not give rise to a valuation increase to be carried at this time.

The Board have reviewed 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 2022 of \$7,300,000, plus capitalised costs of \$27,365 and less accumulated depreciation of \$138,320.

- (ii) The Group has continued to progress the approval process for the Whitsunday Skyway Project with the Queensland and Federal Governments. All costs associated with the Whitsunday Skyway Project in the research phase up to 30 June 2022 have been expensed, however the Board is satisfied the project has moved to the development phase and has commenced capitalisation of costs.

For the half-year period ending 31 December 2022, capitalised costs are comprised of \$1,566,775 for the acquisition of a key parcel of land for the project and \$298,708 in capital work in progress for project management and consulting fees.

### NOTE 6: BORROWINGS

		December 2022	June 2022
	Note	\$	\$
<b>Current</b>			
Loan - secured	(i)	-	51,782
<b>Total current borrowings</b>		<u>-</u>	<u>51,782</u>
<b>Non-Current</b>			
Loan - shareholder related entity (unsecured)	(ii)	2,043,262	1,127,937
<b>Total non-current borrowings</b>		<u>2,043,262</u>	<u>1,127,937</u>
<b>Total borrowings</b>		<u>2,043,262</u>	<u>1,179,719</u>

- (i) The secured loan is motor vehicle finance which was paid out during in this period.

- (ii) In June 2021, a borrowing facility was established with entities associated with Michael Hackett, a former founding director of 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. The full amount of the loan is required to be repaid to the lender on 1 July 2024 and there are no requirements to make any repayments before this time. The liability has been classified in its entirety as non-current as there is an unconditional right to defer payment. During the half-year ended 31 December there was a further \$1,000,000 drawn down on the loan to assist with the settlement of the land acquisition for the Whitsunday Skyway Project and the Group also elected to make repayments of \$100,000.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

## NOTE 7: SEGMENT INFORMATION

### (i) Segment Performance

	Tourism & Hospitality Services	Property	Investments	Total
<b>31 December 2022</b>				
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	1,809,613	-	-	1,809,613
Interest revenue	1,201	-	-	1,201
<b>Total segment revenue</b>	<b>1,810,814</b>	<b>-</b>	<b>-</b>	<b>1,810,814</b>
<b>Segment net profit / (loss) before tax</b>	<b>351,212</b>	<b>(8,847)</b>	<b>-</b>	<b>342,365</b>

	Tourism & Hospitality Services	Property	Investments	Total
<b>31 December 2021</b>				
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	1,108,496	-	-	1,108,496
Other income	85	-	-	85
<b>Total segment revenue</b>	<b>1,108,581</b>	<b>-</b>	<b>-</b>	<b>1,108,581</b>
<b>Segment net profit / (loss) before tax</b>	<b>36,408</b>	<b>(8,649)</b>	<b>-</b>	<b>27,759</b>

### (ii) Segment Assets

	Tourism & Hospitality Services	Property	Investments	Total
<b>As at 31 December 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	<b>10,415,488</b>	<b>890,000</b>	<b>658,400</b>	<b>11,963,888</b>
<b>Segment asset increases for the period:</b>				
Additions	1,686,958	-	-	1,686,958
<b>Total group assets</b>				<b>11,963,888</b>

	Tourism & Hospitality Services	Property	Investments	Total
<b>As at 30 June 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	<b>9,101,413</b>	<b>890,000</b>	<b>1,163,585</b>	<b>11,154,998</b>
<b>Segment asset increases for the period:</b>				
Additions	340,547	-	-	340,547
<b>Total group assets</b>				<b>11,154,998</b>

### (iii) Segment Liabilities

	Tourism & Hospitality Services	Property	Investments	Total
<b>As at 31 December 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment liabilities</b>	<b>3,000,174</b>	<b>-</b>	<b>-</b>	<b>3,000,174</b>
<b>Total group liabilities</b>				<b>3,000,174</b>

	Tourism & Hospitality Services	Property	Investments	Total
<b>As at 30 June 2022</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment liabilities</b>	<b>2,028,464</b>	<b>-</b>	<b>-</b>	<b>2,028,464</b>
<b>Total group liabilities</b>				<b>2,028,464</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

### NOTE 8: EARNINGS PER SHARE

	December 2022 cents	December 2021 cents
<b>Earnings per share</b>		
Basic profit per share	1.0	0.1
Diluted profit per share	1.0	0.1
	\$	\$
<b>Reconciliation of earnings to profit or loss</b>		
Profit attributable to shareholders	342,365	27,759
	<b>Number of Shares</b>	<b>Number of Shares</b>
<b>Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS</b>	34,120,131	34,120,131
Weighted average number of options outstanding	-	-
<b>Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS</b>	<b>34,120,131</b>	<b>34,120,131</b>

### NOTE 9: 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

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:

#### 31 December 2022

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets recognised at fair value on a recurring basis</b>					
<b>Financial assets</b>					
Financial assets at fair value through other comprehensive income					
- Shares in listed companies	4	658,400	-	-	658,400
<b>Total financial assets recognised at fair value on a recurring basis</b>		<b>658,400</b>	<b>-</b>	<b>-</b>	<b>658,400</b>
<b>Non-recurring fair value measurements</b>					
Land and buildings (i),(ii)	5	-	-	8,755,820	8,755,820
<b>Total non-financial assets recognised at fair value on a non-recurring basis</b>		<b>-</b>	<b>-</b>	<b>8,755,820</b>	<b>8,755,820</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

### NOTE 9: FAIR VALUE MEASUREMENTS (cont'd)

30 June 2022

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets recognised at fair value on a recurring basis</b>					
<b>Financial assets</b>					
Financial assets at fair value through other comprehensive income					
- Shares in listed companies	4	1,163,585	-	-	1,163,585
<b>Total financial assets recognised at fair value on a recurring basis</b>		<b>1,163,585</b>	<b>-</b>	<b>-</b>	<b>1,163,585</b>
<b>Non-recurring fair value measurements</b>					
Land and buildings (i)	5	-	7,300,000	-	7,300,000
<b>Total non-financial assets recognised at fair value on a non-recurring basis</b>		<b>-</b>	<b>7,300,000</b>	<b>-</b>	<b>7,300,000</b>

- (i) Land and buildings are the Magnums property and the land associated with the Whitsunday Skyway Project at Airlie Beach. The Board considers that the land's use is currently its highest and best use.

#### Transfers between levels 1,2 or 3

- (i) The land and buildings measured at fair value on a non-recurring basis were transferred from Level 2 to Level 3. In the prior period, Level 2 was appropriate based on the comparable sales method used in the independent valuation, however there were no comparable sales for the Board valuation at 31 December 2022 (refer Note 5).

#### (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)	Input Used
<b>Assets</b>				
Land and Buildings	5	3	Capitalisation method	Maintainable earnings, capitalisation rate.

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 10: EVENTS AFTER BALANCE DATE

On 10 February 2023, the Group signed a conditional contract for the sale of property and business assets within the Group (refer Conditional Contract in the Review of Operations).

In the opinion of the Board there are no other material matters that have arisen since 31 December 2022 that have significantly affected or may significantly affect the Group, that are not disclosed elsewhere in this report or in the accompanying financial statements.



# Australian Adventure Tourism Group

## ONWARD+UPWARD

### DIRECTORS' DECLARATION

For the half-year ended 31 December 2022

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 set out on pages 8 to 18 are in accordance with the *Corporations Act 2001 and Corporations Regulations 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*; and
  - (ii) giving a true and fair view of the Consolidated Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- (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.

This declaration is made in accordance with a resolution of the Board of Directors.

**Elizabeth Hackett**  
Executive Chairman

15 March 2023



## **Independent Auditor's Review Report to the Members of Australian Adventure Tourism Group Limited**

### ***Report on the Half-Year Financial Report***

#### ***Conclusion***

We have reviewed the accompanying half-year financial report of Australian Adventure Tourism Group Limited (the Company and its subsidiaries (the Group)) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for Conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 & Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Australian Adventure Tourism Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### ***Responsibility of the Directors for the Half-Year Financial Report***

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





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

### ***Auditor's Responsibility for the Review of the Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*Nexia Brisbane Audit Pty Ltd*

**Nexia Brisbane Audit Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Gavin Ruddell'.

**Gavin Ruddell**  
**Director**

Level 28, 10 Eagle Street  
BRISBANE QLD 4000

Date: 15 March 2023



# Australian Adventure Tourism Group

## ONWARD+UPWARD

### 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*

Evelyn Anderson  
*Company Secretary*

### Registered Office

370 Shute Harbour Road  
Airlie Beach QLD 4802

Telephone: (07) 4964 1112  
Email: [shareholders@aatgroup.com.au](mailto:shareholders@aatgroup.com.au)  
Web: [www.aatgroup.com.au](http://www.aatgroup.com.au)

### Corporate Office

370 Shute Harbour Road  
Airlie Beach QLD 4802

PO Box 313  
Airlie Beach QLD 4802  
Telephone: (07) 4964 1112  
Email: [shareholders@aatgroup.com.au](mailto:shareholders@aatgroup.com.au)  
Web: [www.aatgroup.com.au](http://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](mailto:enquiries@boardroomlimited.com.au)  
Web: [www.boardroomlimited.com.au](http://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](mailto:email@nexiabrisbane.com.au)  
Web: [www.nexia.com.au](http://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".