



Australian Adventure Tourism Group
ONWARD+UPWARD

INTERIM REPORT

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



CONTENTS

APPENDIX 4D.....	3
DIRECTORS' REPORT.....	4
AUDITOR'S INDEPENDENCE DECLARATION.....	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CASH FLOWS.....	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	20
CORPORATE DIRECTORY	22



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 2021

		\$000 31 December 2021	\$000 31 December 2020
	Change		
Revenues from ordinary activities	- 0.3%	1,109	1,112
Profit from ordinary activities after tax attributable to members	- 80%	28	140
Net profit for the period attributable to members	- 80%	28	140
		\$	\$
Net tangible asset backing per security		0.20	0.19

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 2021.

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

The consolidated comprehensive profit for the half-year ended 31 December 2021 attributed to members of Australian Adventure Tourism Group, after providing for income tax was \$226,796 (2020: \$3,004 loss).

The result was achieved on revenue and other income of \$1,108,581 (2020: \$1,127,750), total expenses of \$1,080,822 (2020: \$987,524) and a non-cash gain on fair value movement in financial assets of \$199,037 (2020: \$143,230 loss).

The fair value movement in financial assets primarily reflects the increase in the ASX quoted market value of the stapled securities 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 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 to fund opportunities within the tourism, hospitality and property segments as they arise.

FINANCIAL POSITION

The net assets of the Group are \$6,666,841 at 31 December 2021 (June 2021: \$6,440,045), an increase of \$226,796 from 30 June 2021.

The Group has cash and cash equivalents of \$1,119,621 (June 2021: \$1,285,080) and total borrowings at 31 December 2021 of \$1,173,643 (June 2021: \$1,167,511).

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 2020 and 2021, the Group is confident that its combined experience in the Australian tourism industry and the Whitsunday region will ensure that the repositioning changes that have been implemented over the last two years will result in profitable outcomes.

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS

• **TOURISM AND HOSPITALITY - MAGNUMS ACCOMMODATION OPERATIONS**

In the Group's 2020 Annual Report, the Chair's Address provided some background on the Group's thirty plus years of successful business operation as Magnums Accommodation and the property ownership of approximately 17,000 square metres of the most centrally located land at Airlie Beach, the mainland centre of Queensland's beautiful Whitsundays.

Australian Adventure Tourism Group's Magnums tourism accommodation and tour sales business activities at Airlie Beach in Queensland's Whitsunday region have faced significant challenges to effective operation since March 2020 and throughout 2021, as a direct result of the Covid-19 Pandemic and virtual absence of air travel. These challenges were experienced by most tourism related businesses around Australia and internationally.

At the time of preparing this report, Magnums has fully transitioned to the "Unique Accommodation Market". The target markets for Magnums Unique Accommodation going forward is predominantly the "over-18 couples" markets. With the opening of interstate and international borders and resumption of international airline traffic to Australia and further expansion of interstate travel by all transport modes, the Board is seeing visitation to regional areas including Whitsundays begin to progressively recover.

• **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 stapled securities or 3.05% (June 2021: 3.11%). The securities 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 securities have been valued at the 31 December 2021 ASX closing price of 5.9 cents (June 2021: 4.6 cents) and since that date the securities have traded between 5.3 cents and 6.7 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 securities, the Board expects to realise this asset in the next 12 months as the Group's plans with respect to target market repositioning and its aspirations for the Whitsunday Skyway Project progress.

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. The land parcel has a strategic value in terms of the future development of various adjoining land parcels. The Board are in continuing discussions with the local authority and adjoining property owners with respect to complementary development of this land in conjunction with development on adjoining parcels. The Magnums property assets have not been revalued by an independent valuer in the current period, however the Board is of the view that the sale value of the land and building assets is considerably higher than the carrying value.

A marketing program was undertaken by real estate agents Place Projects for the potential sale of several of the Group's property assets in the October / December quarter of 2021. Strong interest was shown by several potential purchasers although no sale conclusion was reached that was satisfactory to the Board, despite strong pricing. All interested parties required significant development approvals, which would have required exclusive arrangement with one potential buyer for at least 12 months, without certainty of any transaction resulting.

As a result, the Board decided to undertake the development applications directly with the local authority, and to evaluate the Group's position after that process, which is expected to take approximately 9 months. In the meantime, the Magnums Properties will continue with their operations in the Whitsunday tourist market. Occupancy levels are currently improving as transport improves and borders open.

• **WHITSUNDAY SKYWAY PROJECT**

There has been continued expressed support for the Whitsunday Skyway Project from the Queensland Government, currently being assessed under the Exclusive Transactions Process for projects of this scale or nature, which require particular Queensland Government support or specific development or other approvals.

The Group's feasibility 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.

Based on this continued support, the Executive Chair, on behalf of the Board has formally requested that the Queensland Government and the Group enter into a contract for the conditional approval for the Whitsunday Skyway Project from the Queensland Government, in a form and to a level where the Board can be sufficiently confident to commit to the significant multi-million dollar expenditure on advancing the detailed design and commissioning necessary experts' reports, required for formal development applications to be assessed.

The Board have requested formal contractual arrangements, conditional upon the Group satisfying all reasonable agreed development, environmental and funding conditions for the Whitsunday Skyway Project.

The Board continues to classify the Whitsunday Skyway Project as speculative and dependent on securing various development and planning approvals from Local State and Federal Government regulators.

COVID-19 Pandemic

The COVID-19 Pandemic is becoming progressively accepted and understood. Available vaccines have been developed to see many travel restrictions removed or relaxed for both domestic and international travel to progressively resume to the point where travellers are able to visit the Whitsunday region in significant numbers.

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 Whitsunday Skyway Project will also require a material new capitalisation programme to provide the necessary funding for the construction and operation of the facility. As previously advised to shareholders, it is expected that the land and buildings, cableway, gondolas and operating equipment that will comprise the completed Whitsunday Skyway, will be held in a trust entity (Whitsunday Skyway Property Trust) in which AAT and institutional, high net worth and sophisticated investors, as well as superannuation funds will be invited to participate as key investors.

Australian Adventure Tourism Group Limited or a wholly owned subsidiary company will be the Manager of the Whitsunday Skyway Property Trust and operator of the Whitsunday Skyway business operations and associated activities.

DIRECTORS' REPORT

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.

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 2021.

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



Elizabeth Hackett
Executive Chairman

16 March 2022



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 2021 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

AM Robertson

AM Robertson
Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 16 March 2022

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 3222
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 half-year ended 31 December 2021

		December 2021	December 2020
	Notes	\$	\$
Revenue	2(a)	1,108,581	1,111,537
Other income	2(a)(iii)	-	16,213
Business operating expenses		(252,609)	(200,600)
Employment expenses	2(b)(ii)	(451,645)	(462,840)
Finance costs	2(b)(i)	(28,491)	(15,531)
Property operating expenses		(115,324)	(100,222)
Depreciation and amortisation		(132,864)	(131,238)
Other expenses		(99,889)	(77,093)
Profit before income tax		27,759	140,226
Income tax expense	2(c)	-	-
Profit for the period		27,759	140,226
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 of financial assets at fair value through other comprehensive income, net of tax		199,037	(143,230)
Other comprehensive income / (loss) for the period		199,037	(143,230)
Total comprehensive income / (loss) for the period attributable to members		226,796	(3,004)
Earnings per share:	9	cents	cents
Basic earnings per share		0.1	0.4
Diluted earnings per share		0.1	0.4

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	December 2021 \$	June 2021 \$
Current Assets			
Cash and cash equivalents		1,119,621	1,285,080
Trade and other receivables		12,357	1,230
Inventories	3	4,202	3,957
Non-current assets held for sale	4	903,284	704,255
Other current assets		192,854	100,104
Total Current Assets		2,232,318	2,094,626
Non-Current Assets			
Inventories	3	890,000	890,000
Financial assets	4	88	80
Right of use assets		293,210	330,641
Property, plant and equipment	5	5,294,140	5,192,836
Intangibles		3,050	3,050
Total Non-Current Assets		6,480,488	6,416,607
Total Assets		8,712,806	8,511,233
Current Liabilities			
Trade and other payables		239,524	211,048
Lease liabilities		103,458	97,519
Borrowings	6	59,313	15,063
Provisions		244,240	261,650
Total Current Liabilities		646,535	585,280
Non-Current Liabilities			
Lease liabilities		224,838	269,015
Borrowings	6	1,114,330	1,152,448
Provisions		60,262	64,445
Total Non-Current Liabilities		1,399,430	1,485,908
Total Liabilities		2,045,965	2,071,188
Net Assets		6,666,841	6,440,045
Equity			
Issued capital		8,680,086	8,680,086
Reserves		(1,013,192)	(1,212,229)
Accumulated Losses		(1,000,053)	(1,027,812)
Total Equity		6,666,841	6,440,045

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	December 2021 \$	December 2020 \$
Cash Flows from Operating Activities		
Receipts from customers	1,207,104	1,215,794
Payments to suppliers and employees	(1,115,314)	(906,230)
Interest received	85	21
Finance costs	(14,827)	(14,827)
Net operating cash flows	77,048	294,758
Cash Flows from Investing Activities		
Payment for property, plant & equipment	(196,737)	(142,396)
Net investing cash flows	(196,737)	(142,396)
Cash Flows from Financing Activities		
Repayment of borrowings	(7,532)	(7,532)
Repayments of lease principal	(38,238)	(20,559)
Net financing cash flows	(45,770)	(28,091)
Net increase in cash held	(165,459)	124,271
Cash at the beginning of the period	1,285,080	64,780
Cash at the end of the financial period	1,119,621	189,051

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

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

	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 period				
Profit attributable to members of parent entity	-	-	140,226	140,226
Other comprehensive loss	-	(143,230)	-	(143,230)
Total comprehensive income / (loss) for the period	-	(143,230)	140,226	(3,004)
Balance at 31 December 2020	8,680,086	(996,156)	(1,007,117)	6,676,813

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 2021

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 2021 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 2021, 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 2021 \$	December 2020 \$
(a) Revenue			
Revenue from contracts with customers	(i)	1,078,356	721,327
Other sources of revenue	(ii)	30,225	390,210
Total revenue		1,108,581	1,111,537
Other income	(iii)	-	16,213
Total other income		-	16,213

(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	1,078,356	721,327
------------------------------------	-----------	---------

Timing of revenue recognition

Services transferred to customers:

- over time	1,078,356	721,327
-------------	-----------	---------

(ii) Other sources of revenue

Interest		
- related	-	1,544
- unrelated	85	21
Government grants received		
- JobKeeper wage subsidy	-	351,900
- Small Business Grant	-	10,000
Other revenue	30,140	26,745
	30,225	390,210

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 2: REVENUE AND EXPENSES (cont'd)

	December 2021 \$	December 2020 \$
(iii) Other income		
Gain on lease payments forgiven	-	16,213
	-	16,213
(b) Expenses		
(i) Finance costs		
Interest paid - unrelated	2,718	2,718
Interest paid - related	13,664	704
Finance costs - right of use assets	12,109	12,109
	28,491	15,531
(ii) Employee benefits expense		
Wages and salaries costs	430,363	444,846
Superannuation	41,939	37,266
Employee benefits provisions	(20,657)	(19,272)
	451,645	462,840
(iv) Other significant items		
Cost of sales	50,151	21,091

(c) Income Tax

There is no income tax applicable to the result for the period (2020: \$nil) due to operating losses and the availability of unutilised carried forward tax losses.

NOTE 3: INVENTORIES

	Note	December 2021 \$	June 2021 \$
Current			
Stock in trade at cost		4,202	3,957
Total current inventories		4,202	3,957
Non-Current			
Development property at net relisable value	(i)	890,000	890,000
Total non-current inventories		890,000	890,000
Total inventories		894,202	893,957

- (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 31 December 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 4: FINANCIAL ASSETS

	Notes	December 2021 \$	June 2021 \$
Current			
Investments in equity instruments designated at fair value through other comprehensive income	(i)(ii)	903,284	704,255
Non-current			
Investments in equity instruments designated at fair value through other comprehensive income	(iii)	88	80
Total financial assets		903,372	704,335

- (i) At 31 December 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 31 December 2021 ASX closing price of 5.9 cents (June 2021: 4.6 cents) and since that date the securities have traded between 5.3 cents and 6.7 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 31 December 2021, the Group held 2,030 ASX listed fully paid shares in Fastbrick Robotics Ltd (ASX Code: FBR). The securities were valued at 4.3 cents as of 31 December 2021 (30 June 2021: 3.9 cents). Since that date the securities have traded between 3.6 cents and 4.6 cents.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Note	December 2021 \$	June 2021 \$
Land and buildings			
- at directors valuation 2020	(i)	4,980,676	4,980,676
- at cost		515,570	318,833
less accumulated depreciation		(256,622)	(169,174)
Total land and buildings, net		5,239,624	5,130,335
Plant and equipment owned			
- at cost		30,607	34,002
less accumulated depreciation		(27,534)	(30,437)
Total plant and equipment, net	(ii)	3,073	3,565
Motor vehicles			
- at cost		99,086	99,086
less accumulated depreciation		(47,643)	(40,150)
Total plant and equipment, net		51,443	58,936
Total property, plant and equipment, net		5,294,140	5,192,836

- (i) At 31 December 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 maintained the same valuation as at 30 June 2021 of \$4,980,676, plus capitalised costs of \$515,570 and less accumulated depreciation of \$256,622.
- (ii) Fully depreciated plant and equipment at cost and the associated accumulated depreciation of \$3,395 (June 2021: \$2,653) has been removed from the balances.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 6: BORROWINGS

		December 2021 \$	June 2021 \$
Current			
Loan - secured	(i)	59,313	15,063
Total current borrowings		59,313	15,063
Non-Current			
Loan - secured	(i)	-	51,783
Loan - shareholder related entity (unsecured)	(ii)	1,114,330	1,100,665
Total non-current borrowings		1,114,330	1,152,448
Total borrowings		1,173,643	1,167,511

(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) 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 an EGM 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 7: SEGMENT INFORMATION

(i) Segment Performance

31 December 2021

	Tourism & Hospitality Services	Property	Investments	Total
Revenue	\$	\$	\$	\$
Revenue	1,108,496	-	-	1,108,496
Interest revenue	85	-	-	85
Total segment revenue	1,108,581	-	-	1,108,581
Segment net profit / (loss) before tax	36,408	(8,649)	-	27,759

31 December 2020

	Tourism & Hospitality Services	Property	Investments	Total
Revenue	\$	\$	\$	\$
Revenue	1,109,971	-	-	1,109,971
Other income	16,213	-	-	16,213
Interest revenue	1,566	-	-	1,566
Total segment revenue	1,127,750	-	-	1,127,750
Segment net profit / (loss) before tax	149,182	(8,956)	-	140,226

(ii) Segment Assets

As at 31 December 2021

	Tourism & Hospitality Services	Property	Investments	Total
Segment assets	\$	\$	\$	\$
Segment assets	6,919,434	890,000	903,372	8,712,806
Segment asset increases for the period:				
Additions	196,737	-	-	196,737
Total group assets				8,712,806

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

(iii) Segment Liabilities

As at 31 December 2021

	Tourism & Hospitality Services	Property	Investments	Total
Segment liabilities	\$	\$	\$	\$
Segment liabilities	2,045,965	-	-	2,045,965
Total group liabilities				2,045,965

	Tourism & Hospitality Services	Property	Investments	Total
As at 30 June 2021	\$	\$	\$	\$
Segment liabilities	2,071,188	-	-	2,071,188
Total group liabilities				2,071,188

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 8: EARNINGS PER SHARE

	December 2021 cents	December 2020 cents
Earnings per share		
Basic profit per share	0.1	0.4
Diluted profit per share	0.1	0.4
	\$	\$
Reconciliation of earnings to profit or loss		
Profit attributable to shareholders	27,759	140,226
	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 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 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	4	903,372	-	-	903,372
Total financial assets recognised at fair value on a recurring basis		903,372	-	-	903,372
Non-recurring fair value measurements					
Land and buildings (i)	5	-	-	5,239,624	5,239,624
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	5,239,624	5,239,624

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

NOTE 9: FAIR VALUE MEASUREMENTS (cont'd)

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	4	704,335	-	-	704,335
Total financial assets recognised at fair value on a recurring basis		704,335	-	-	704,335
Non-recurring fair value measurements					
Land and buildings (i)	5	-	-	5,130,335	5,130,335
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	5,130,335	5,130,335

- (i) Freehold land and buildings is the Magnums property at Airlie Beach. The Board considers that the land's use is currently its highest and best use.

(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
Assets				
Land and Buildings	5	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.

NOTE 10: EVENTS AFTER BALANCE DATE

In the opinion of the Board there are no material matters that have arisen since 31 December 2021 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 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 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 2021 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

16 March 2022



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 2021, 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 2021 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.

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 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 2021 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

Robertson.

A M Robertson
Director

Level 28, 10 Eagle Street
BRISBANE QLD 4000

Date: 16 March 2022



Australian Adventure Tourism Group

ONWARD+UPWARD

Board of Directors

Elizabeth Hackett
Executive Chairman

Kerry Daly (B.Bus, CPA)
Director

Nathan Leman
Director

Company Secretary

Jerome Jones (B.Com, CPA)
Company Secretary

Registered Office

370 Shute Harbour Road
Airlie Beach QLD 4802

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