



Australian Adventure Tourism Group
ONWARD+UPWARD

Interim Report **2021**



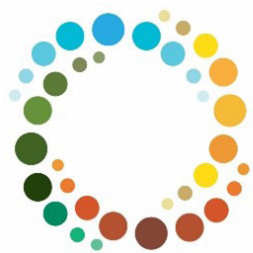
Issued by:
Australian Adventure Tourism Group Limited
ACN 010 547 912

The Whitsundays
2019 TOURISM AWARDS
WINNER
Outstanding Customer Service



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 2020

		\$000 31 December 2020	\$000 31 December 2019
	Change		
Revenues from ordinary activities	-22%	1,112	1,425
Profit / (loss) from ordinary activities after tax attributable to members	+221%	140	(116)
Net profit / (loss) for the period attributable to members	+221%	140	(116)
		\$	\$
Net tangible asset backing per security		0.20	0.23

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 2020.

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 loss for the half-year ended 31 December 2020 attributed to members of Australian Adventure Tourism Group, after providing for income tax was \$3,004 (2019: \$958,039).

The result was achieved on revenue and other income of \$1,127,750 (2019: \$1,425,357), total expenses of \$987,524 (2019: \$1,541,293) and a non-cash loss on fair value movement on financial assets of \$143,230 (2019: \$842,103).

The fair value movement on financial assets primarily reflects the decrease 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 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.

FINANCIAL POSITION

The net assets of the Group are \$6,676,813 at 31 December 2020 (June 2020: \$6,679,817), a decrease of \$3,004 from 30 June 2020.

The Group has total borrowings at 31 December 2020 of \$105,081 (June 2020: \$111,909).

The Board believe the Group is in a position to expand and grow its current operations as opportunities present. Despite the challenges presented by the Covid-19 Pandemic (Covid-19) for tourist travel in FY2020 and FY2021, the Board 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 for the Group.

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS

• **TOURISM AND HOSPITALITY - MAGNUMS BACKPACKER 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 Backpackers 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 into 2021, as a direct result of the Covid-19. These challenges have been felt by most tourism related businesses around Australia and internationally.

As a direct result of Covid-19, the Magnums Backpacker business was temporarily closed on 6 April 2020, along with all local tour operators and virtually all other tourism-focused businesses around Australia. Magnums re-opened on a limited basis on 21 June 2020.

Since March 2020 and in the 2021 reporting period to date, variable operating expenses were reduced to maintain essential services and the Group participated in and received welcome assistance from Government programs such as JobKeeper and the Cash Flow Boost, which provided helpful cash flow support to maintain key personnel. This Covid-19 event has been a catalyst for change that had been considered for several years, to reposition away from the Backpacker industry that had been its key focus since 1989 and which for more than two decades was a very profitable and reliable market.

At the time of preparing this report, Magnums has almost completed 'pivoting' its business from the traditional backpacker market to what is now entering the "Unique Accommodation Market". The target markets for Magnums Unique Accommodation going forward is predominantly the "over-18 couples" markets.

The accommodation facilities at Magnums have already been refurbished accordingly during the period of very low occupancy and using local available labour as well as the Group's loyal staff where possible. Unfortunately, the very helpful Job-Keeper final payments will be received during the last week of March 2021.

However new Australian Government announcements regarding funding for extensive marketing programs and significantly discounted domestic airline flights are expected to be very welcome additional support for the industry. Industry sentiment is generally that tourism will see a sustained return to a more consistent and predictable future post the Covid-19 vaccine rollout and this is supported by early indications of forward bookings.

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND BUSINESS SEGMENTS (cont'd)

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

The Group is the second largest single securityholder in AHF, holding 15,309,892 fully paid stapled securities or 3.58% (June 2020: 4.13%). The securities were acquired as part of a corporate action by the Group's former holding company and were transferred to the Group prior to its demerger in 2017. The AHF securities have been valued at the 31 December 2020 ASX closing price of 6 cents (June 2020: 6.8 cents) and since that date the securities have traded between 5.4 cents and 6.8 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.

• **PROPERTY**

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. The Board are in continuing discussions with the local authority and adjoining property owners with respect to complimentary development of this land in conjunction with development on adjoining parcels. The Magnums property assets have not been revalued in the current period.

• **WHITSUNDAY SKYWAY PROJECT**

The Group continues to pursue the approvals for the Whitsunday Skyway Project with the Queensland Government and is very encouraged by the progress that is being made, notwithstanding that the process is complex and will require significant time and financing to bring it to a successful opportunity.

The Whitsunday Skyway Project has the capacity to provide a long-term major attraction as a regional "drawcard" to grow both domestic and international tourism to the whole Whitsunday region, as well as to create many permanent employment opportunities and boost tourist traffic for all other existing tour operators who combine to showcase the traditional remarkable experiences of the nearby Whitsunday Islands and Great Barrier Reef.

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 support from the local community, including other tourism operators and from representatives of the Regional, State and Federal Governments.

The assessment process at Queensland Government level is continuing steadily and positively. The Board continues to classify the Whitsunday Skyway Project as speculative and dependent on securing several approvals.

THE GROUP'S GOALS FOR 2021

The primary goals for Australian Adventure Tourism Group in the 2021 financial year are:

- to undertake successful marketing to reposition Magnums Unique Accommodation to maximise the potential of this new target market; and
- to continue to work with the Queensland Government to progress the regulatory approvals necessary to allow the Whitsunday Skyway Project to become a reality, to provide a major activity-based tourism facility of international standard on the Whitsunday mainland at Airlie Beach.

COVID-19

• *Border Restrictions*

Covid-19 continues to create unprecedented economic uncertainty and travel restrictions due to international and domestic border closures remaining in place thereby curtailing travellers' ability to visit the Whitsunday region.

• *Government Support*

With the JobKeeper support to end in the last week of March, the Board are actively monitoring the Group's financial condition, liquidity, operations, and workforce. Although the Group cannot estimate the length or gravity of the impacts of these events at this time, the Group is completing the repositioning of Magnums Unique Accommodation and our transition to Unique Accommodation providers to increase revenues from new markets.

DIRECTORS' REPORT

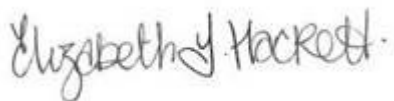
SEASONALITY OF OPERATIONS

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 2020.

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



Elizabeth Hackett
Executive Chairman

15 March 2021



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 2020 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

Robertson

AM Robertson
Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 15 March 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		December 2020	December 2019
	Notes	\$	\$
Revenue	2(a)	1,111,537	1,425,357
Other income	2(a)(iii)	16,213	-
Business operating expenses		(200,600)	(417,915)
Employment expenses	2(b)(ii)	(462,840)	(707,616)
Finance costs	2(b)(i)	(15,531)	(17,018)
Property operating expenses		(100,222)	(122,747)
Depreciation and amortisation		(131,238)	(135,689)
Other expenses		(77,093)	(140,308)
Profit / (loss) before income tax		140,226	(115,936)
Income tax expense	2(c)	-	-
Profit / (loss) for the period		140,226	(115,936)
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		(143,230)	(842,103)
Other comprehensive loss for the period		(143,230)	(842,103)
Total comprehensive loss for the period attributable to members		(3,004)	(958,039)
Earnings per share:	8	cents	cents
Basic earnings per share		0.4	(0.3)
Diluted earnings per share		0.4	(0.3)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 2020	June 2020
	Notes	\$	\$
Current Assets			
Cash and cash equivalents		189,051	64,780
Trade and other receivables		288,927	315,580
Inventories	3	3,982	4,255
Non-current assets held for sale	4	918,594	1,041,073
Other current assets		59,313	11,347
Total Current Assets		1,459,867	1,437,035
Non-Current Assets			
Inventories	3	890,000	890,000
Financial assets	4	91	22,565
Right of use assets		368,073	405,504
Property, plant and equipment	5	5,106,518	5,057,928
Intangibles		3,050	3,050
Total Non-Current Assets		6,367,732	6,379,047
Total Assets		7,827,599	7,816,082
Current Liabilities			
Trade and other payables		269,178	191,278
Lease liabilities		97,519	97,519
Borrowings	6	45,767	45,063
Provisions		309,788	323,428
Total Current Liabilities		722,252	657,288
Non-Current Liabilities			
Lease liabilities		307,003	343,775
Borrowings	6	59,314	66,846
Provisions		62,217	68,356
Total Non-Current Liabilities		428,534	478,977
Total Liabilities		1,150,786	1,136,265
Net Assets		6,676,813	6,679,817
Equity			
Issued capital		8,680,086	8,680,086
Reserves		(996,156)	(852,926)
Retained earnings		(1,007,117)	(1,147,343)
Total Equity		6,676,813	6,679,817

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2020 \$	December 2019 \$
Cash Flows from Operating Activities		
Receipts from customers	1,215,794	1,565,290
Payments to suppliers and employees	(906,230)	(1,498,343)
Interest received	21	459
Finance costs	(14,827)	(4,909)
Net operating cash flows	294,758	62,497
Cash Flows from Investing Activities		
Payment for property, plant & equipment	(142,396)	(38,547)
Net investing cash flows	(142,396)	(38,547)
Cash Flows from Financing Activities		
Proceeds from borrowings	-	157,304
Repayment of borrowings	(7,532)	(117,645)
Repayments of lease principal	(20,559)	(47,457)
Net financing cash flows	(28,091)	(7,798)
Net increase in cash held	124,271	16,152
Cash at the beginning of the period	64,780	308,334
Cash at the end of the financial period	189,051	324,486

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 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

	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	555,659	(63,470)	9,172,285
Comprehensive Income for the period				
Loss attributable to members of parent entity	-	-	(115,936)	(115,936)
Other comprehensive loss	-	(842,103)	-	(842,103)
Total comprehensive loss for the period	-	(842,103)	(115,936)	(958,039)
Balance at 31 December 2019	8,680,086	(286,434)	(179,406)	8,214,246

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 2020 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 2020, 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 2020 \$	December 2019 \$
(a) Revenue			
Revenue from contracts with customers	(i)	721,327	1,310,426
Other sources of revenue	(ii)	390,210	114,931
Total revenue		1,111,537	1,425,357
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	721,327	1,310,426
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Timing of revenue recognition

Services transferred to customers:

- over time	721,327	1,310,426
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(ii) Other sources of revenue

Interest		
- related	1,544	7,032
- unrelated	21	459
Government grants received		
- Queensland Government Grant - Skyway Project	-	32,060
- JobKeeper wage subsidy	351,900	-
- Small Business Grant	10,000	-
Other revenue	26,745	75,380
	390,210	114,931

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: REVENUE AND EXPENSES (cont'd)

	Note	December 2020 \$	December 2019 \$
(iii) Other income			
Gain on lease payments forgiven		16,213	-
		16,213	-
(b) Expenses			
(i) Finance costs			
Interest paid - unrelated		2,718	4,909
Interest paid - related		704	-
Finance costs - right of use assets		12,109	12,109
		15,531	17,018
(ii) Employee benefits expense			
Wages and salaries costs		444,846	637,379
Superannuation		37,266	62,298
Employee benefits provisions		(19,272)	7,939
		462,840	707,616
(iv) Other significant items			
Cost of sales		21,091	50,947

(c) Income Tax

There is no income tax applicable to the result for the period (2019: \$nil) due to operating losses and the availability of unutilised carried forward tax losses.

NOTE 3: INVENTORIES

	Note	December 2020 \$	June 2020 \$
Current			
Stock in trade at cost		3,982	4,255
Total current inventories		3,982	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		893,982	894,255

- (i) The Board commissioned a valuation from Opteon Property Group for the year ended 30 June 2018, to assess independently the value of the land at Airlie Beach. 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 2020 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

NOTE 4: FINANCIAL ASSETS

	Notes	December 2020 \$	June 2020 \$
Current			
Investments in equity instruments designated at fair value through other comprehensive income	(i)(ii)	918,594	1,041,073
Non-current			
Investments in equity instruments designated at fair value through other comprehensive income	(iii)	91	22,565
Total financial assets		918,685	1,063,638

(i) At 31 December 2020, 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 2020 ASX closing price of 6 cents (June 2020: 6.8 cents) and since that date the securities have traded between 5.4 cents and 6.8 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 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.

(iii) At 31 December 2020, 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 4.5 cents as of 31 December 2020 (30 June 2020: 3.2 cents). Since that date the securities have traded between 4.3 cents and 5.5 cents.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Note	December 2020 \$	June 2020 \$
Land and buildings			
- at directors valuation 2020	(i)	4,980,676	4,980,676
- at cost		142,396	-
less accumulated depreciation		(85,038)	-
Total land and buildings, net		5,038,034	4,980,676
Plant and equipment owned			
- at cost		34,473	34,473
less accumulated depreciation		(32,295)	(31,020)
Total plant and equipment, net		2,178	3,453
Motor vehicles			
- at cost		99,086	99,086
less accumulated depreciation		(32,780)	(25,287)
Total plant and equipment, net		66,306	73,799
Total property, plant and equipment, net		5,106,518	5,057,928

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

- (i) At 31 December 2020 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 \$142,396 and less accumulated depreciation of \$85,038.

NOTE 6: BORROWINGS

		December 2020 \$	June 2020 \$
Current			
Loans - related party (unsecured)	(i)	30,704	30,000
Loans - secured	(ii)	15,063	15,063
Total current borrowings		45,767	45,063
Non-Current			
Loans - secured	(ii)	59,314	66,846
Total borrowings		105,081	111,909

- (i) At 31 December 2020, the Group has a short-term unsecured loan facility from a related entity of Nathan Leman, a Director of the Group. Interest has been accrued at 4% and is payable on the loan termination date.
- (ii) 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%

NOTE 7: SEGMENT INFORMATION

(i) Segment Performance

	Tourism & Hospitality Services	Property	Investments	Total
31 December 2020				
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
31 December 2019				
Revenue	\$	\$	\$	\$
Revenue	1,417,866	-	-	1,417,866
Interest revenue	7,491	-	-	7,491
Total segment revenue	1,425,357	-	-	1,425,357
Segment net loss before tax	(106,998)	(8,938)	-	(115,936)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 7: SEGMENT INFORMATION (cont'd)

	Tourism & Hospitality Services	Property	Investments	Total
(ii) Segment Assets				
As at 31 December 2020	\$	\$	\$	\$
Segment assets	6,018,914	890,000	918,685	7,827,599
Segment asset increases for the period:				
Additions	142,396	-	-	142,396
Total group assets				7,827,599
	Tourism & Hospitality Services	Property	Investments	Total
As at 30 June 2020	\$	\$	\$	\$
Segment assets	5,862,444	890,000	1,063,638	7,816,082
Segment asset increases for the period:				
Additions	58,504	-	-	58,504
Total group assets				7,816,082
	Tourism & Hospitality Services	Property	Investments	Total
(iii) Segment Liabilities				
As at 31 December 2020	\$	\$	\$	\$
Segment liabilities	1,150,786	-	-	1,150,786
Total group liabilities				1,150,786
	Tourism & Hospitality Services	Property	Investments	Total
As at 30 June 2020	\$	\$	\$	\$
Segment liabilities	1,136,265	-	-	1,136,265
Total group liabilities				1,136,265

NOTE 8: EARNINGS PER SHARE

	December 2020 cents	December 2019 cents
Earnings per share		
Basic profit / (loss) per share	0.4	(0.3)
Diluted profit / (loss) per share	0.4	(0.3)
Reconciliation of earnings to profit or loss		
Profit / (loss) attributable to shareholders	140,226	(115,936)
	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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 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	4	918,685	-	-	918,685
Total financial assets recognised at fair value on a recurring basis		918,685	-	-	918,685
Non-recurring fair value measurements					
Land and buildings (i)	5	-	-	5,038,034	5,038,034
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	5,038,034	5,038,034

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	4	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					
Land and buildings (i)	5	-	-	4,980,676	4,980,676
Total non-financial assets recognised at fair value on a non-recurring basis		-	-	4,980,676	4,980,676

- (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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9: 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)	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 2020 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 2020

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 7 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 2020 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 2021



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 2020, 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 2020 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.

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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 2020 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: 15 March 2021



Australian Adventure Tourism Group

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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

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Auditor

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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".