Apollo Tourism & Leisure Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	Apollo Tourism & Leisure Ltd
ABN:	67 614 714 742
Reporting period:	For the period ended 31 December 2020
Previous period:	For the period ended 31 December 2019

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	18.7%	to	160,250
Loss from ordinary activities after tax attributable to the owners of Apollo Tourism & Leisure Ltd	down	167.0%	to	(7,539)
Loss for the period attributable to the owners of Apollo Tourism & Leisure Ltd	down	167.0%	to	(7,539)

	December 2020 Cents	December 2019 Cents
Basic (loss)/earnings per share	(4.05)	6.04
Diluted (loss)/earnings per share	(4.05)	6.04

Comments
The loss for the Consolidated Entity after providing for income tax amounted to $7,539,000 (31 December 2019: profit of $11,250,000).

An explanation of these figures is contained in 'Review of operations' included within the Directors' report in the attached Interim Financial Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	13.12	17.53

Net tangible assets calculations above include the right-of-use assets.

4. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

5. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to (loss)/profit (where material)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
Camplify Co (Australia) Pty Ltd	24.95%	24.95%	7	(252)
Group's aggregate share of associates and joint venture entities' (loss)/profit (where material)				
(Loss)/profit from ordinary activities before income tax			7	(252)

6. Foreign entities

Details of origin of accounting standards used in compiling the report:

Results for all international operations have been calculated using International Financial Reporting Standards.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of Apollo Tourism & Leisure Ltd for the period ended 31 December 2020 is attached.

9. Signed

Signed ______________________________ Date: 23 February 2021

Tennille Carrier
Company Secretary
Brisbane

Apollo Tourism & Leisure Ltd

ABN 67 614 714 742

Interim Report - 31 December 2020

Apollo Tourism & Leisure Ltd
Corporate directory
31 December 2020

Directors	Sophia (Sophie) Mitchell, Non-executive Chairman. Brett Heading, Non-executive Director. Robert Baker, Non-executive Director. Luke Trouchet, Managing Director and Chief Executive Officer. Karl Trouchet, Executive Director - Strategy and Special Projects.
Company secretary	Tennille Carrier.
Registered office	698 Nudgee Rd, Northgate QLD 4013.
Principal place of business	698 Nudgee Rd, Northgate QLD 4013.
Share register	Computershare Investor Services Ltd.
Auditor	BDO Audit Pty Ltd.
Primary Lawyers (Australia)	Jones Day.
Primary Bankers (Australia)	National Australia Bank Limited.
Stock exchange listing	Apollo Tourism & Leisure Ltd shares are listed on the Australian Securities Exchange (ASX code: ATL).
Website	http://www.apollotourism.com/.
Corporate Governance Statement	http://www.apollotourism.com/corporate-governance/.

Apollo Tourism & Leisure Ltd
Directors' report
31 December 2020

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity', 'Apollo' or the 'Group') consisting of Apollo Tourism & Leisure Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 31 December 2020.

Directors

The following persons were Directors of Apollo Tourism & Leisure Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Sophie Mitchell, Non-executive Chairman.
Brett Heading, Non-executive Director.
Robert Baker, Non-executive Director.
Luke Trouchet, Managing Director and Chief Executive Officer.
Karl Trouchet, Executive Director - Strategy and Special Projects.

Principal activities

Apollo is an ASX listed, multinational, rental fleet operator, vertically integrated manufacturer, wholesaler and retailer of a broad range of RVs, including motorhomes, campervans and caravans.

Apollo's rental activities are generated from 25 locations across Australia, New Zealand, North America (Canada) and Europe (United Kingdom, Ireland and Germany). Sales of new and used motorhomes and caravans are made through a combination of established dealer networks and retail shopfronts. The Australian manufacturing entity produces the majority of units used by the rental operations in Australia and New Zealand. All North American and the majority of European rental vehicles are purchased direct from third party vehicle manufacturers. In addition, the Australian manufacturing entity produces a range of retail motorhomes and caravans under the Winnebago, Windsor and Coromal brands, which are sold through Apollo's retail sales network.

In June 2020, the USA rental operation was put into hibernation as a result of COVID-19 and has remained in hibernation throughout the current reporting period.

There have been no significant changes in the nature of these activities during the period.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations

The Company’s operating and financial performance is closely linked with the general economy and more specifically, the travel and tourism industry. The COVID-19 pandemic has impacted, and continues to impact the Group significantly, as a result of, amongst other things:

- Unprecedented government-imposed travel restrictions globally;
- “Shut down” requirements imposed by governments, which impact travel-related businesses; and
- Consumer cautiousness associated with travel, and particularly isolation requirements.

The Company implemented a number of critical initiatives in the 30 June 2020 financial year, as part of its COVID-19 response plan and these initiatives and other key measures have been carried over into the current reporting period, as follows:

- Additional government support loans have been obtained, where possible;
- Production of new fleet for the Australian and New Zealand rental businesses has been halted, with excess production capacity being diverted towards retail product production, to help satisfy high retail demand;
- New fleet orders for the Northern Hemisphere rental businesses have been reduced relative to the decrease in demand;
- Sale of rental units to right size the fleet and crystalise cash equity; and
- Scale-back of non-critical IT, marketing and operational projects.

Group financial results
Statutory Net Profit After Tax (NPAT) decreased from the prior period, to a loss of $7,539,000 (31 December 2019: profit of $11,250,000), with the decrease being attributable to the ongoing impact of the global pandemic on our rental operations, particularly the loss of the Northern Hemisphere peak summer season in 2020.

Operating results by segment
In addition to using NPAT as a measure of the Group and its segments' financial performance, Apollo uses EBIT. This measure is not defined under accounting standards and is, therefore, termed a "Non-IFRS" measure. EBIT is defined as earnings before net interest and tax. This non-IFRS measure is commonly used by management, investors and financial analysts to evaluate a company's performance. A reconciliation between statutory results and EBIT is included in note 3 of the financial statements.

Australia
The ongoing closure of international borders continued to impact the performance of the Australian rental business throughout the period, with revenue from rental activities down 63% from the prior period. The Company has pivoted its rental focus towards the domestic market and as interstate travel restrictions began to lift during the period, domestic travel experienced an uplift in activity, with revenues from domestic guests up 28% on the prior period. However, snap lockdown and travel restrictions imposed in response to outbreaks, such as those in Sydney's Northern Beaches, during the peak Christmas holiday period, caused cancellations, loss of consumer confidence and disrupted the Company's ability to generate ongoing positive traction in the domestic market.

The retail business performed strongly during the period, as Australians diverted a significant portion of capital previously allocated to international travel towards acquiring an RV, to facilitate self-drive holidays. However, the surge in demand and overall performance of the retail business was constrained by stock limitations, flowing from a large number of RV manufacturers being located in Victoria, which was subject to Australia's strictest lockdown restrictions during the period and the temporary closure of Apollo's own Brisbane factory. Revenue can only be recorded on delivery of an RV to its new owner. The order pipeline for retail sales into the balance of calendar year 2021 is well ahead of prior periods.

As a result of the strong retail sales revenues achieved during the period, a number of entities, including the rental business, became ineligible for the Australian governments JobKeeper subsidy from October 2020.

Despite the increase in domestic rental activity and strong retail performance, the loss of international guests to the rental business was unable to be fully mitigated and the segment's EBIT declined from the prior period, to a loss of $7,018,000 (31 December 2019: profit of $1,764,000).

New Zealand
Historically, 90%-95% of New Zealand's rental business was generated from international visitors and accordingly, the ongoing closure of international borders has drastically impacted the region's ability to generate revenue since the onset of COVID-19. With a significant reduction in rental activity for the period, the segment's EBIT declined from the prior period, to a loss of $2,623,000 (31 December 2019: profit of $2,345,000).

Revenue from domestic travel increased by 356% over the prior period, with the majority of the uplift experienced during July and August 2020, the seasonally weaker months. Since that time, however, the region has experienced a more modest level of rental activity, as the country's relatively small population is unable to sustain lasting levels of elevated domestic activity. Lockdowns in the Auckland region are impacting traction in the domestic market.

To mitigate the impact of the loss of international guests, sell-down of the rental fleet has been accelerated and all planned additions to the rental fleet have been cancelled, for the remainder of the 30 June 2021 financial year.

Similar to Australia, retail demand has been strong in the region, as consumers explore alternative holiday options to international travel, with revenue from new and ex-fleet RV sales up 90% over the prior period, to $6,994,000 (31 December 2019: $3,690,000).

North America
The Company's USA operations remained in hibernation throughout the period, as the country's COVID-19 cases continued to escalate. The plan for recommencing operations in the USA will be revisited in the second half of the 2021 financial year.

Similar to Australia and New Zealand, ongoing travel restrictions and border closures continued to impact Canadian rental activity, with rental revenues down 63% over prior period, to $11,008,000 (31 December 2019: $29,649,000). Promisingly, Canadian domestic revenue increased by 161% over the prior period and it is expected that further increase is achievable over the 2021 summer period.

To right-size the fleet, relative to current and forecast rental demand, and access cash equity held in the rental fleet, the Canadian business accelerated its fleet sales activity and reduced fleet by approximately 500 units during the period. These unit sales generated $39,741,000 of revenue, which was a 140% increase over the prior period (31 December 2019: $16,555,000).

The impact of COVID-19 on the segment saw a decrease in EBIT from the prior period, to $1,730,000 (31 December 2019: $20,430,000).

Europe
Despite the escalating number of COVID-19 cases present within Europe during the period, the impact on segment performance was not as pronounced as that of other regions. The segment's guest profile is primarily intracontinental and the strict travel restrictions currently in place throughout the region were not implemented until after completion of the peak 2020 summer holiday season. This allowed for a significant portion of historical rental revenue levels to be achieved, with the total rental revenue for the period experiencing a 20% decline over the prior period.

Following the completion of the peak summer season, sale of ex-fleet vehicles was accelerated, in response to the expectation of decreased rental demand for the second half of the financial year, as COVID-19 cases began to multiply in the approach to winter. These sales, coupled with the sound peak summer rental season, resulted in the region generating EBIT of $868,000 (31 December 2019: $1,211,000).

Despite this relatively positive result for the period, the Company is cognisant of the current lockdown restrictions in place throughout the region and the impact this will have on the second half of the year and overall full year financial performance.

Net current liability position

The Consolidated Entity is in a consolidated net current liability position as at 31 December 2020 of $54,779,000. In accordance with AASB 101 *Presentation of Financial Statements*, the rental fleet borrowings payable in the next 12 months are treated as current liabilities, including any debt repayable on demand, with the assets that are being financed included as non-current assets. This results in current liabilities being in excess of current assets in the statement of financial position as at 31 December 2020.

The Directors consider that the Group will generate sufficient operating cash flows and has sufficient financing facilities in place to finance its ongoing operations and meets its financial obligations. Accordingly, the financial report has been prepared on a going concern basis. Refer to Note 1, significant accounting policies, located in the financial statements for further information of the Directors' conclusion in relation to the going concern basis for accounting.

The financing arrangements for the Consolidated Entity are shown below by combining the total current and non-current liabilities and aligning this with the related asset value:

Borrowings	Related asset	Liability Dec 2020 $'000	Asset Dec 2020 $'000	Difference Dec 2020 $'000
Property financing				
Bank loans	Land and buildings: PPE	25,728	34,009	8,281
Lease liability - land and buildings*	Land and buildings: ROU asset	47,418	23,839	(23,579)
		73,146	57,848	(15,298)
Vehicle financing				
Floorplan and loans from other financiers	New and used vehicles for retail sale and motor vehicle PPE	86,253	104,649	18,396
Lease liability - rental fleet	Motor vehicles: ROU asset	79,142	94,139	14,997
		165,395	198,788	33,393
Other Financing				
COVID-19 support loans		20,495	-	(20,495)
Total		259,036	256,636	(2,400)

* The right-of-use asset (ROU asset) recognised for leases on land and buildings is less than the lease liability due to the impairment on the ROU asset as a result of the COVID-19 pandemic on operations and the front loading effect whereby the ROU asset is depreciated on a straight-line basis and the effective interest rate method is applied to the lease liability, resulting in the liability being higher in the early years of the lease term. The effective interest rate method results in a decreasing total lease expense throughout the lease term and the lease liability decreasing unevenly over time.

Significant changes in the state of affairs

Apart from the impact of COVID-19 on operations and financing, which has been outlined in detail throughout the report, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial period.

Matters subsequent to the end of the financial period

The impact of the COVID-19 pandemic is ongoing. The situation is rapidly changing and is dependent on measures imposed by Governments in Australia and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Luke Trouchet
Director

23 February 2021
Brisbane

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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF APOLLO TOURISM & LEISURE LTD

As lead auditor for the review of Apollo Tourism & Leisure Ltd for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Apollo Tourism & Leisure Ltd and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 23 February 2021

General information

The financial statements cover Apollo Tourism & Leisure Ltd as a Consolidated Entity consisting of Apollo Tourism & Leisure Ltd and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Apollo Tourism & Leisure Ltd's functional and presentation currency.

Apollo Tourism & Leisure Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is 698 Nudgee Rd, Northgate QLD 4013, Australia.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 February 2021.

Apollo Tourism & Leisure Ltd
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2020

	Note	Consolidated December 2020 $'000	Consolidated December 2019 $'000
Revenue from contracts with customers	4	129,618	102,729
Rental income		30,088	94,156
Other income		544	295
Total revenue and other income		160,250	197,180
Expenses			
Cost of goods sold		(116,538)	(91,430)
Motor vehicle running expenses		(11,480)	(22,814)
Advertising, promotions and commissions paid		(1,772)	(3,570)
Employee benefits expense	5	(12,462)	(22,756)
Depreciation and amortisation expense		(14,847)	(19,715)
Share of profit/(loss) in associates		7	(252)
Impairment reversal		137	-
Other expenses		(8,226)	(11,769)
(Loss)/profit before tax and finance costs		(4,931)	24,874
Finance costs		(5,297)	(10,465)
(Loss)/profit before income tax benefit/(expense)		(10,228)	14,409
Income tax benefit/(expense)		2,689	(3,159)
(Loss)/profit after income tax benefit/(expense) for the period attributable to the owners of Apollo Tourism & Leisure Ltd		(7,539)	11,250
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gain/(loss)		(1,683)	427
Other comprehensive (loss)/income for the period, net of tax		(1,683)	427
Total comprehensive (loss)/income for the period attributable to the owners of Apollo Tourism & Leisure Ltd		(9,222)	11,677
		Cents	**Cents**
Basic (loss)/earnings per share	6	(4.05)	6.04
Diluted (loss)/earnings per share	6	(4.05)	6.04

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of financial position
As at 31 December 2020

	Note	Consolidated December 2020 $'000	June 2020 $'000
Assets			
Current assets			
Cash and cash equivalents		37,800	23,529
Trade and other receivables		3,508	4,926
Inventories	7	45,778	90,387
Income tax refund receivable		458	354
Prepayments and other assets		8,169	8,428
Total current assets		95,713	127,624
Non-current assets			
Investments accounted for using the equity method		1,593	1,586
Property, plant and equipment	8	232,626	272,628
Intangibles		23,045	24,068
Deferred tax asset		5,391	2,529
Prepayments and other assets		2,006	2,202
Total non-current assets		264,661	303,013
Total assets		360,374	430,637
Liabilities			
Current liabilities			
Trade and other payables		18,416	27,506
Contract liabilities		5,059	5,977
Borrowings	9	112,962	142,045
Income tax payable		487	99
Provisions		3,897	3,701
Unearned rental income	10	9,199	12,262
Other liabilities		472	624
Total current liabilities		150,492	192,214
Non-current liabilities			
Borrowings	9	146,074	164,000
Deferred tax liability		15,892	16,583
Provisions		257	360
Unearned rental income	10	11	450
Other liabilities		178	338
Total non-current liabilities		162,412	181,731
Total liabilities		312,904	373,945
Net assets		47,470	56,692
Equity			
Issued capital		83,709	83,709
Reserves		(13,180)	(11,497)
Retained (losses)/profits		(23,059)	(15,520)
Total equity		47,470	56,692

The above statement of financial position should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of changes in equity
For the period ended 31 December 2020

Consolidated	**Issued Capital $'000**	**Common Control Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Retained Profits $'000**	**Total equity $'000**
Balance at 1 July 2019	83,709	(13,821)	3,224	46,352	119,464
Adjustment - adoption of AASB16	-	-	-	(638)	(638)
Balance at 1 July 2019 - restated	83,709	(13,821)	3,224	45,714	118,826
Profit after income tax expense for the period	-	-	-	11,250	11,250
Other comprehensive income for the period, net of tax	-	-	427	-	427
Total comprehensive income for the period	-	-	427	11,250	11,677
Balance at 31 December 2019	83,709	(13,821)	3,651	56,964	130,503

Consolidated	**Issued Capital $'000**	**Common Control Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Retained Profits $'000**	**Total equity $'000**
Balance at 1 July 2020	83,709	(13,821)	2,324	(15,520)	56,692
Loss after income tax benefit for the period	-	-	-	(7,539)	(7,539)
Other comprehensive loss for the period, net of tax	-	-	(1,683)	-	(1,683)
Total comprehensive loss for the period	-	-	(1,683)	(7,539)	(9,222)
Balance at 31 December 2020	83,709	(13,821)	641	(23,059)	47,470

The above statement of changes in equity should be read in conjunction with the accompanying notes

Apollo Tourism & Leisure Ltd
Statement of cash flows
For the period ended 31 December 2020

	Note	Consolidated December 2020 $'000	Consolidated December 2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		116,219	188,335
Payments to suppliers and employees (inclusive of GST)		(104,309)	(155,496)
Interest paid		(5,618)	(9,632)
Proceeds from sale of rental fleet		61,351	23,669
Interest received		149	296
Income taxes paid		(42)	(2,470)
Net cash from operating activities		67,750	44,702
Cash flows from investing activities			
Payments for plant and equipment	8	(461)	(1,075)
Payments for intangibles		(492)	(1,328)
Payments for purchase of rental fleet		(6,206)	(7,709)
Proceeds from disposal of property, plant and equipment		9	204
Net cash used in investing activities		(7,150)	(9,908)
Cash flows from financing activities			
Proceeds from borrowings		48,367	67,106
Repayment of borrowings		(72,050)	(59,013)
Repayment of lease liabilities		(21,912)	(60,246)
Net cash used in financing activities		(45,595)	(52,153)
Net increase/(decrease) in cash and cash equivalents		15,005	(17,359)
Cash and cash equivalents at the beginning of the financial period		23,529	34,549
Effects of exchange rate changes on cash and cash equivalents		(734)	91
Cash and cash equivalents at the end of the financial period		37,800	17,281

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 supports compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those policies of the previous financial year and corresponding interim reporting period.

Comparatives have been restated where needed to conform to current-year classification and presentation.

Basis of preparation and going concern assumption

The accompanying consolidated half-year financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

The Consolidated Entity is in a consolidated net current liability position as at 31 December 2020 of $54,779,000 (30 June 2020 $64,590,000) whereby current assets are $95,713,000 and current liabilities are $150,492,000. The net current liability position is a result of lease liabilities on rental fleet of $32,106,000, loans from other financiers of $50,182,000, and unearned income of $9,199,000 being classified as current liabilities, including liabilities repayable on demand. Due to the terms associated with certain finance facilities and, in accordance with AASB 101 *Presentation of Financial Statements*, these facilities are treated as current liabilities, with the assets that are being financed included as non-current assets. This results in current liabilities being in excess of current assets in the statement of financial position as at 31 December 2020. The consolidated entity also incurred a loss of $7,539,000 for the half year ended 31 December 2020 as a result of the adverse economic impacts caused by the COVID-19 pandemic.

The Consolidated Entity is subject to lending covenants in New Zealand and Canada. Due to the impact of COVID-19 on the Group's rental activities, some of these covenants are currently forecast to be at risk of breach during the 2021 financial year. The Group has obtained waivers from the New Zealand and Canadian lenders in respect to the covenants at risk. The New Zealand lender has waived their covenants up to and including 30 June 2022, while the Canadian lenders have changed their debt service covenant and the date of measurement. One Canadian lender has a first measurement date of 30 September 2021 and the other Canadian lenders have a first measurement date of 30 June 2022.

The Directors believe that the preparation of the financial statements using the going concern basis of accounting is appropriate based on cash flow forecasts which show the Consolidated Entity is expected to be able to pay its debts as and when they fall due for the next 12 months to realise the value of its assets and discharge its liabilities in the ordinary course of business. Key factors in those forecasts include:

- Recovery from the effects of the COVID-19 pandemic at varying speeds over the next three years consistent with latest tourism market conditions and travel industry forecasts;
- Cost reduction and efficiency improvements which have continued from 2020 and are expected to provide positive results; and
- Continued government support including additional finance not drawn down at the reporting date representing: a $10,000,000 loan from the Queensland Government; two additional working capital facilities of $CAD6,250,000 from Business Development Bank of Canada and Export Development Canada; and a GBP500,000 British Bank Scheme overdraft.

Other options available to the Company, should additional liquidity be required, include monetising assets such as real estate holdings and existing equity in the global fleet.

Note 1. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Impairment testing

All CGUs were reviewed for indicators of impairment as at 31 December 2020. As a result of the continued impact of COVID-19 on border closures and travel restrictions, impairment indicators were identified and impairment testing was performed on the Australian Rental CGU and New Zealand CGU. The recoverable amount of the two CGU's was determined based on value-in-use calculations, consistent with the methods used as at 30 June 2020. Projected cash flows were updated from the models used at 30 June 2020 to reflect current and forecast market conditions. As a result of the assessment, management did not identify impairment for either of the CGU's tested. There were no impairment indicators for any of the other CGU's and therefore updated impairment calculations were not performed.

Revenue forecasts are based on historical rental volumes, adjusted for known and anticipated factors such as the impacts of COVID-19 by CGU and the estimated potential date of return for domestic and international travel. Costs are calculated taking into account COVID-19 cost reductions achieved, forecast cost increases and estimated inflation rates over the period, consistent with the locations in which the CGU's operate.

COVID-19 has had a significant impact on the business. Assumptions around border restrictions lifting and travel returning (international and domestic) are key assumptions in the impairment models. Any significant delay to return dates for domestic and international travel would have a further impact on the business and potentially give rise to future impairment.

	Australian Rental	New Zealand
	%	%
Key assumptions used in value in use calculations		
Average revenue growth and variable cost rate	3.00%	3.00%
Fixed cost growth rate	3.00%	3.00%
Pre-tax discount rate	12.60%	12.70%
Terminal value growth	2.50%	2.50%

Based on current market conditions and forecasts, there is no reasonably possible change in these assumptions that would result in an impairment charge for either CGU.

Note 3. Operating segments

Identification of reportable operating segments
The Consolidated Entity is organised into geographical operating segments: Australia, New Zealand, North America and Europe. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (which is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Given the manufacturing entities in Australia, New Zealand and Europe operate on a cost recovery basis in order to break even and manufacture only to order by the respective Australia, New Zealand and Europe operating entities, the Directors do not consider the manufacturing entities to be separate operating segments as they are not monitored standalone, but rather within the geographic segment operations.

Note 3. Operating segments (continued)

The CODM monitor the operating results of the geographical segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, as follows:

- The Australian segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet, manufactures motorhomes and caravans for sale direct to the public and operates vehicle sales activities for the sale of new units direct to the public and through a dealer network, as well as the sale of ex-rental fleet vehicles direct to the public and through a dealer network.
- The New Zealand segment provides short term hire of motorhomes and operates vehicle sales activities for the sale of new units and ex-rental fleet vehicles direct to the public and through a dealer network.
- The North American segment provides short term hire of motorhomes and operates vehicle sales activities for the sale of ex-rental fleet vehicles direct to the public and through a dealer network. In June 2020, the USA rental operation was put into hibernation as a result of COVID-19 and has remained in hibernation throughout the reporting period.
- The European segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet and operates vehicle sales activities for the sale of new and ex-rental fleet units direct to the public.
- The Other / Elimination segment represents intersegment eliminations.

Intersegment transactions
As transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties, the CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments. Intersegment transactions were made at market rates and are eliminated on consolidation. There have been no intersegment sales in the current or prior year.

Seasonality
The tourism industry is subject to seasonal fluctuations, with peak demand over tourism attractions and transportation over the summer months. New Zealand and Australia's rental profits are typically generated over the southern hemisphere summer months and North American and European operations experience stronger profits over the northern hemisphere summer.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - December 2020	Australia $'000	New Zealand $'000	North America $'000	Europe $'000	Others and Eliminations $'000	Total $'000
Revenue						
Rental income	10,881	4,107	11,017	4,083	-	30,088
Revenue from contracts with customers	78,321	6,994	39,741	4,562	-	129,618
Total sales revenue	89,202	11,101	50,758	8,645	-	159,706
Other income	634	3	369	(6)	(456)	544
Total revenue	89,836	11,104	51,127	8,639	(456)	160,250
Earnings/(loss) before interest and tax	(7,018)	(2,623)	1,730	868	2,112	(4,931)
Finance costs	(2,567)	(692)	(2,121)	(373)	456	(5,297)
(Loss)/profit before income tax benefit	(9,585)	(3,315)	(391)	495	2,568	(10,228)
Income tax benefit						2,689
Loss after income tax benefit						(7,539)
Material items include:						
Cost of goods sold	(68,927)	(6,088)	(37,257)	(4,266)	-	(116,538)
Motor vehicle running expenses	(6,215)	(2,165)	(2,183)	(917)	-	(11,480)
Net employee benefits expense	(7,912)	(731)	(2,582)	(1,237)	-	(12,462)
Depreciation and amortisation expense	(8,443)	(3,169)	(2,455)	(602)	(178)	(14,847)
Other expenses	(5,357)	(1,574)	(4,920)	(749)	2,746	(9,854)
Assets						
Segment assets	210,252	74,864	100,892	13,816	(44,841)	354,983
Unallocated assets:						
Deferred tax asset						5,391
Total assets						360,374
Total assets includes:						
Investments in associates	1,593	-	-	-	-	1,593
Acquisition of non-current assets	3,127	237	3,845	1,818	-	9,027
Liabilities						
Segment liabilities	148,867	50,813	77,503	19,898	(556)	296,525
Unallocated liabilities:						
Provision for income tax						487
Deferred tax liability						15,892
Total liabilities						312,904

Note 3. Operating segments (continued)

Consolidated - December 2019	Australia $'000	New Zealand $'000	North America $'000	Europe $'000	Others and Eliminations $'000	Total $'000
Revenue						
Rental income	29,515	11,321	48,190	5,130	-	94,156
Revenue from contracts with customers	80,504	3,690	16,555	1,980	-	102,729
Total sales revenue	110,019	15,011	64,745	7,110	-	196,885
Other income	752	-	230	-	(687)	295
Total revenue	110,771	15,011	64,975	7,110	(687)	197,180
Earnings/(loss) before interest and tax	1,764	2,345	20,430	1,211	(876)	24,874
Finance costs	(3,589)	(1,236)	(5,728)	(599)	687	(10,465)
(Loss)/profit before income tax expense	(1,825)	1,109	14,702	612	(189)	14,409
Income tax expense						(3,159)
Profit after income tax expense						11,250
Material items include:						
Cost of goods sold	(68,214)	(6,169)	(15,346)	(1,701)	-	(91,430)
Motor vehicle running expenses	(10,483)	(3,603)	(7,937)	(791)	-	(22,814)
Employee benefits expenses	(11,975)	(794)	(8,427)	(1,560)	-	(22,756)
Depreciation and amortisation expense	(9,472)	(2,905)	(6,165)	(984)	(189)	(19,715)
Other expenses	(6,132)	(1,927)	(6,668)	(864)	-	(15,591)
Consolidated - June 2020						
Assets						
Segment assets	236,247	83,242	133,027	19,204	(43,612)	428,108
Unallocated assets:						
Deferred tax asset						2,529
Total assets						430,637
Total assets includes:						
Investments in associates	1,586	-	-	-	-	1,586
Acquisition of non-current assets	16,825	6,866	13,243	754	-	37,688
Liabilities						
Segment liabilities	165,173	55,958	111,044	25,644	(556)	357,263
Unallocated liabilities:						
Provision for income tax						99
Deferred tax liability						16,583
Total liabilities						373,945

Note 4. Revenue from contracts with customers

	Consolidated December 2020 $'000	Consolidated December 2019 $'000
Vehicle sales	124,939	98,780
Repairs and servicing	2,664	2,091
Commissions and royalty	1,374	1,312
Other revenue	641	546
Revenue from contracts with customers	129,618	102,729

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated December 2020 $'000	Consolidated December 2019 $'000
Timing of revenue recognition		
Goods transferred at a point in time	126,954	100,638
Services transferred over time	2,664	2,091
	129,618	102,729

Note 5. Expenses

Government grants have been received in the form of wage subsidies in Australia, New Zealand, Canada and the United Kingdom, to assist with the impact of COVID-19. Employee benefits expense is offset by $4,021,000 of government grants (2019: $nil).

Note 6. Earnings per share

	Consolidated December 2020 $'000	Consolidated December 2019 $'000
(Loss)/profit after income tax attributable to the owners of Apollo Tourism & Leisure Ltd	(7,539)	11,250
	Cents	**Cents**
Basic (loss)/earnings per share	(4.05)	6.04
Diluted (loss)/earnings per share	(4.05)	6.04
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	186,150,908	186,150,908
Weighted average number of ordinary shares used in calculating diluted earnings per share	186,150,908	186,150,908

Note 7. Inventories

	Consolidated December 2020 $'000	June 2020 $'000
Current assets		
Raw materials (at cost)	8,678	7,359
Work in progress (at cost)	881	1,469
Retail vehicles for sale (at lower of cost and net realisable value)	14,566	27,718
Used rental vehicles for sale (at net realisable value)	15,486	46,297
Stock in transit and spare parts (at cost)	6,167	7,544
	45,778	90,387

During the half year, an increase of $137,000 (2019: $nil) was recorded to used rental vehicle for sale carried at net realisable value, due to higher than anticipated sales prices. This is recognised in impairment reversal.

Note 8. Property, plant and equipment

	Consolidated December 2020 $'000	June 2020 $'000
Non-current assets		
Land and buildings - at cost	37,206	38,914
Less: Accumulated depreciation	(3,197)	(2,942)
	34,009	35,972
Plant and equipment - at cost	31,747	32,203
Less: Accumulated depreciation	(22,301)	(21,766)
Less: Accumulated impairment	(3,404)	(3,441)
	6,042	6,996
Motor vehicles - at cost	92,366	116,751
Less: Accumulated depreciation	(17,769)	(24,759)
Less: Accumulated impairment	-	(50)
	74,597	91,942
Motor vehicles - right-of-use assets	126,449	139,743
Less: Accumulated depreciation	(32,310)	(30,582)
	94,139	109,161
Land and buildings - right-of-use assets	62,041	65,953
Less: Accumulated depreciation	(18,911)	(17,205)
Less: Accumulated impairment	(19,291)	(20,191)
	23,839	28,557
	232,626	272,628

Note 8. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out in the following table:

Consolidated	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Motor vehicles right-of-use asset $'000	Land and buildings right-of-use asset $'000	Total $'000
Balance at 1 July 2020	35,972	6,996	91,942	109,161	28,557	272,628
Additions	-	461	7,433	1,074	27	8,995
Disposals	-	(112)	(40,805)	-	-	(40,917)
Modification to lease terms	-	-	-	-	663	663
Lease termination	-	-	-	-	(2,527)	(2,527)
Exchange differences	(1,569)	(99)	(2,191)	(29)	(161)	(4,049)
Transfers in/(out)*	-	(60)	22,212	(10,102)	-	12,050
Depreciation expense**	(394)	(1,144)	(3,994)	(5,965)	(2,720)	(14,217)
Balance at 31 December 2020	34,009	6,042	74,597	94,139	23,839	232,626

* Net transfers out represent assets transferred to inventory.
** Depreciation charged to profit and loss for the year comprises depreciation expense of $14,172,000 and $45,000 capitalised as part of the cost of motor vehicle manufacture.

Note 9. Borrowings

	Consolidated	
	December 2020 $'000	**June 2020 $'000**
Current liabilities		
Bank loans	1,093	1,000
Floor Plan	16,024	31,349
Loans from other financiers	50,182	59,663
COVID-19 support loans	4,947	301
Lease liability - rental fleet	32,106	39,999
Lease liability - land and buildings	8,610	9,733
	112,962	142,045
Non-current liabilities		
Bank loans	24,635	26,291
Loans from other financiers	20,047	34,163
COVID-19 support loans	15,548	3,297
Lease liability - rental fleet	47,036	56,160
Lease liability - land and building	38,808	44,089
	146,074	164,000

Note 10. Unearned rental income

	Consolidated	
	December 2020 $'000	June 2020 $'000
Current liabilities		
Rental income in advance	8,529	11,861
Customer bonds held	670	401
	9,199	12,262
Non-current liabilities		
Rental income in advance	11	450

Note 11. Fair value measurement

The fair values of borrowings are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The estimated fair values are not materially different from their carrying values. For other financial instruments, the fair values are not materially different from their carrying values because they are short-term in nature.

Note 12. Related party disclosures

Parent entity
Apollo Tourism & Leisure Ltd is the parent entity.

Transactions with related parties
The Group continues to lease premise space from Director-related entities and incur rent expense under normal commercial terms.

The Group continues to pay advisory fees to Jones Day, a Director-related entity.

There were no loans to or from related parties at the current and previous reporting date.

Note 13. Commitments

	Consolidated	
	December 2020 $'000	June 2020 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	30,891	3,804

The December 2020 balance represents North American motor vehicle fleet commitments, which were made since 30 June 2020 commensurate with the timing of vehicle ordering for the Northern hemisphere summer.

Note 14. Events after the reporting period

The impact of the COVID-19 pandemic is ongoing. The situation is rapidly changing and is dependent on measures imposed by Governments in Australia and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apollo Tourism & Leisure Ltd
Directors' declaration
31 December 2020

In the Directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

- The attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and

- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Luke Trouchet
Director

23 February 2021
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Apollo Tourism & Leisure Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Apollo Tourism & Leisure Ltd (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 the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

(ii) 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the 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 the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company 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.

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 Group's financial position as at 31 December 2020 and its financial 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 other 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.

BDO Audit Pty Ltd

BDO

TMann

T R Mann
Director

Brisbane, 23 February 2021