Appendix 4E

For the year ended 30 June 2021

(Previous corresponding period being the year ended 30 June 2020)

Results for announcement to the market

	2021 $000	2020 $000
Revenue from continuing operations	44,449	87,402
Profit before impairment. interest, taxes. depreciation and amortisation (EBITDA) from continuing operations	6,359	5,223
Loss before tax from continuing operations	(3,046)	(42,280)
Loss after tax from continuing operations attributable to shareholders	(4,759)	(39,660)
Net loss after tax from continuing and discontinued operations attributable to shareholders	(4,301)	(51,413)
Net tangible assets	**64,164**	**65,779**
Net tangible assets per share	11.5 cents	11.8 cents

Dividends

No dividend has been paid or declared during the period.

Auditor's Report

This Appendix 4E is based on the Annual Report for the year ended 30 June 2021 (as attached) which has been audited by Experience Co Limited's auditors.

Other Information

The remainder of the information requiring disclosure to comply with the Listing Rule 4.3A is contained in the Annual Report that follows.

Annual General Meeting

Experience Co Limited advises that its Annual General Meeting will be held on Wednesday, 27 October 2021, 11:30AM (Australian Eastern Standard Time) and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX after dispatch.

In accordance with ASX listing rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company by 5PM (Australian Eastern Standard Time) on Monday, 6 September 2021.

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2021

ANNUAL REPORT

ExperienceCo™ LIMITED

ACN 167 320 470

EXPERIENCECO.COM

ABOUT US

Experience Co (EXP) was listed on the ASX in March 2015.

Founded in 1999 EXP has grown into a diversified adventure tourism business in premier locations across Australia and New Zealand.

EXP's operations are located primarily on Australia's eastern seaboard from the Great Ocean Road to Tropical North Queensland's Port Douglas and in New Zealand where operations are conducted in the world-renowned Queenstown region on the South Island.

Our purpose is to help you escape the ordinary.

Safety is at the heart of everything we do, and is core to delivering you an awesome experience.

CONTENTS

CHAIRMAN & CEO REPORT

On behalf of the Experience Co Limited Board and Management, we are pleased to present the Annual Report for the year ended 30 June 2021.

The year saw a continuation of the global pandemic that dramatically impacted the tourism industry from early 2020. As the year progressed, we saw improved momentum in trading volumes in key markets, with demand restricted to domestic customers and indeed for a large part of the year only local and intrastate customers.

Underlying EBITDA of $6.8 million reflected the impact of the pandemic on the Group's earnings. The Board and Management have been deliberate in maintaining the core capacity of the business to respond to demand.

We ended the year with a more robust financial position following the completion of business simplification initiatives, and look forward to welcoming acquisitions into the portfolio including Wild Bush Luxury and Maria Island Walk.

Since year end, we have seen the Delta COVID-19 strain have a significant impact on key operating locations and domestic source markets, in particular with lockdowns in the Sydney, Melbourne and South East Queensland metropolitan regions. This will have an impact on near term earnings into the first half of FY22, however it is encouraging to see vaccination rates improve in recent months which will be a catalyst for improved domestic and international tourism.

YEAR IN REVIEW

The year commenced with a reopening phase, with reopening of our Victoria skydiving drop zones in November 2020 representing the last significant operation to open up.

Trading was impacted by intermittent lock downs in key geographies and the closure of state borders, however we end the period with increased confidence in the ability of the business to flex and meet demand as we continue in the recovery phase. International visitation, so long a key contributor to our business, was negligible in the period with both Australian and New Zealand effectively closed to international tourists.

In these most trying of circumstances we are pleased to report that it was a year of achievement not just adversity.

The business simplification initiative was completed with the sale of the white water rafting and ballooning activities. Overall this project has been a key driver in deleveraging the balance sheet with net debt reducing from $9.0 million at 30 June 2020 to $2.8 million at 30 June 2021.

The Group has successfully worked with stakeholders at all levels and participated in government initiatives such as Jobkeeper (Australia), the Strategic Tourism Asset Protection Program (New Zealand) and Queensland Tourism Icons Program that have all been vital to the wellbeing of our workforce. We have also worked closely with our financiers to ensure we work with a common purpose to extend debt maturity and relax covenants, while meeting all obligations for interest and principal payments on time, every time.

INVESTING IN THE FUTURE

Our team in North Queensland are excited to be working with the Queensland Government on the Growing Tourism Infrastructure programme, for which they have pledged $3 million for our new Dreamtime Island pontoon product on the Great Barrier Reef scheduled to be launched in the coming Summer.

We are delighted to welcome Wild Bush Luxury and the Maria Island Walk to our portfolio. These domestic nature based offerings are award winning experiences and represent the start of a new Premium Adventure segment for our company. As part of this acquisition we are delighted that Charles Carlow will join EXP as the General Manager of this new segment.

BOARD AND MANAGEMENT

The Board and Management renewal in the FY20 period has placed the business in good stead to navigate the pandemic. There were no changes in the period, and reflects the commitment of both the Board and Management to see the Group through this crisis.

DIVIDEND

Given the COVID-19 pandemic's impact on the business, the Directors have determined that a final dividend for FY21 will not be declared.

OUTLOOK

The Group enters the new financial year with optimism for the medium to long term prospects for the business, with each segment of the business well positioned to grow our market leading positions as trading conditions improve.

Notwithstanding, FY22 earnings are expected to continue to be impacted by the pandemic and in particular the velocity and efficacy of vaccine implementation strategies domestically and globally. The Group anticipates international borders will remain closed to tourism for the coming financial year, and more locally, domestic border uncertainty and confidence are expected to be factors influencing volumes until the end of 2021.

The Group remains focused on prudently managing the business through the impacts of the pandemic in the short term and maintaining the ability of the business to scale up as demand returns.

ACKNOWLEDGEMENTS

We once again this year thank our fellow Directors, EXP Senior Management and staff for their continued commitment and performance in a constantly changing environment.

Thank you also to our customers, trading partners and all other stakeholders for their ongoing support of the Group.

Kerry Robert (Bob) East
Chairman

John O'Sullivan
Chief Executive Officer

OUR DIRECTORS

KERRY (BOB) EAST

Independent Non-Executive Director (Chair of Board)
Appointed as Non-Executive Director on 30 April 2018
Appointed Chair of the Board on 26 October 2018
Executive Chairman from February 2019 until 29 July 2019

Chair – Remuneration & Nomination Committee
Member – Audit & Risk Committee

BACKGROUND
Bob has extensive leadership experience and more than 30 years' experience in the tourism and hospitality industries. Prior to joining Experience Co, Bob formed the Mantra Group (ASX 200) which listed on the ASX in 2014 with over 140 hotels across Australia, the US and Asia. Bob holds Non- Executive Director roles in Gold Coast Football Club Ltd, Tourism Australia (Chair), Australia Venue Company Pty Ltd (Chair) and CETTIRE (ASX) (Chair).

Bob holds an MBA and is a Member of the Australian Institute of Company Directors (AICD).

Listed Company Directorships in last 3 years
Cettire Limited (ASX: CTT)
Non-Executive Chair

Mantra Group Limited (ASX:MTR) resigned 31 May 2018
CEO and Executive Director -

Equity Interests (Direct/Indirect)
1,586,362 Ordinary shares

172,910 Service Rights over Ordinary Shares

ANTHONY BOUCAUT

Appointed Non-Executive Director on 2 September 2019

Prior to transitioning to Non-Executive Director - Managing Director appointed on 19 December 2013

BACKGROUND
Anthony has over 25 years' experience in the skydiving industry and over 30 years' experience in the aviation industry. The Skydive the Beach concept and vision was the result of Anthony's passion for skydiving and love of sharing extreme adventures with others. During his final year of university, Anthony formed a business known as Adrenalin Sports Skydiving, which became Skydive the Beach, now known as Experience Co. Anthony, also ran a successful IPO of his company to become Australia's first listed adventure tourism Company in 2015. He was the CEO for 3 years before handing it over to professional employees. The first tandem skydives over North Wollongong beach were conducted in July 1999.

Anthony holds a Bachelor of Science, is an Aviation Electronics Engineer and is a Member of Australia Parachute Federation and the Australian Institute of Company Directors (AICD).

Listed Company Directorships in last 3 years
None

Equity Interests (Direct/Indirect)
182,808,239 Fully Paid Ordinary Shares

3,000,000 Options over Ordinary Shares

NEIL CATHIE

Independent Non-Executive Director

Appointed on 16 October 2019

Chair – Audit & Risk Committee

Member – Remuneration & Nomination Committee

BACKGROUND
Currently a Non-executive director of Coventry Group Limited, where he is Chair, independent Board advisor and Chair at Middendorp Electric and independent Board advisor at Bowens Timber & Hardware.

Previously Chief Financial Officer, Company Secretary and GM Finance and IT at Australia's largest and most successful plumbing and bathroom distributor Reece Ltd and Non-Executive director of Millennium Services Group Ltd.

Fellow of CPA Australia (FCPA), graduate member of the Australian Institute of Company Directors (GAICD) and a Fellow of the Governance Institute of Australia (FGIA).

Listed Company Directorships in last 3 years
Coventry Group Ltd (ASX: CYG) – Non-Executive Chair

Millennium Services Group Ltd (ASX: MIL) 16 October 2018 to 7 March 2019

Equity Interests (Direct/Indirect)
685,891 Ordinary shares

OUR DIRECTORS

MICHELLE COX

Independent Non-Executive Director

Appointed on 1 January 2020

Member – Audit & Risk Committee

Member – Remuneration & Nomination Committee

BACKGROUND
Michelle Cox (AD AppSc, GAICD) is the founder and director of tourism marketing and consulting firm, The Linchpin Company. She has over 25 years of executive experience and a track record in growing returns across Australia, Asia Pacific and global markets. She also has multinational experience in marketing, communications, travel and tourism, and acquisitions. Previous appointments include Executive Director, Mergers and Acquisitions for Bastion Collective; Managing Director, Asia Pacific for STA travel and General Manager Marketing for the APT Group.

Michelle has held executive and board appointments including executive director, Bastion Collective Global Board; chair of the Australian Tourism Export Council, Northern Territory; deputy chair, Central Australian Tourism Industry Association and director of Asia Pacific, STA Global Leadership Board.

Michelle currently sits on the board of BSA Limited (ASX: BSA) and has held a Director role on the Board of Tourism Tasmania for the past six years.

Listed Company Directorships in last 3 years
BSA Limited (ASX: BSA)
Non-Executive Director

Equity Interests (Direct/Indirect)
Nil

JOHN O'SULLIVAN

Executive Director and Chief Executive Officer

Appointed on 29 July 2019

BACKGROUND
John has over 25 years experience in the Travel & Tourism, Sport & Entertainment and Media sectors both in Australia and overseas. Prior to joining EXP, John was the Managing Director and CEO of Tourism Australia for 5 years and prior to this role has held senior executive positions with Fox Sports, Octagon CSI, Football Federation Australia and Events Queensland.

John is a Director of Tourism Tropical North Queensland and Netball Australia. He holds a Bachelor of Arts (Leisure Studies), Executive MBA from the Australian Graduate School of Management and is a Graduate Member of the Australian Institute of Company Directors.

Listed Company Directorships in last 3 years
None

Equity Interests (Direct/Indirect)
99,805 Ordinary shares

709,779 Service Rights over Ordinary Shares

2,868,268 Performance Rights over Ordinary Shares

DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Experience Co Limited and its controlled entities for the year ended 30 June 2021.

DIRECTORS

The following persons were directors of Experience Co Limited during or since the end of the period up to the date of this report:

Kerry (Bob) East	Chair, Independent Non-Executive Director
Anthony Boucaut	Non-Executive Director
Neil Cathie	Independent Non-Executive Director
Michelle Cox	Independent Non-Executive Director
John O'Sullivan	Chief Executive Officer and Executive Director

Directors' Meetings

The number of Board meetings held (including Board Committee meetings) and the number of meetings attended by each of the Directors of the Company, during the financial year are listed below:

	Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
Bob East	11	10	3	2	1	1
Anthony Boucaut	11	10	NA	NA	NA	NA
Neil Cathie	11	11	3	3	1	1
Michelle Cox	11	11	3	3	1	1
John O'Sullivan	11	11	NA	NA	NA	NA

Company Secretary

Fiona van Wyk retired as Company Secretary on 26 April 2021. Mark Licciardo was appointed to the role on 26 April 2021.

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services. A former Company Secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Company Secretaries and Administrators and the Governance Institute of Australia. Mark is a current director of a number of ASX listed public and private companies and a former Chairman of the Governance Institute of Australia Victoria division, Melbourne Fringe Festival and the Academy of Design Melbourne (LCI Melbourne).

Mr Licciardo holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice.

REVIEW OF OPERATIONS

Principal Activities

The principal activities of the Group during the period were the provision of adventure tourism and leisure experiences, comprising the core businesses:

- tandem skydiving in Australia and New Zealand,
- boat tours, snorkeling and diving on the Great Barrier Reef, and rainforest tours in the Daintree in North Queensland.

The experiences cater to international and domestic customers, with international visitors typically representing over 65% of pre pandemic volume.

In April 2021, the Group announced the acquisition of Wild Bush Luxury and Maria Island Walk. These acquisitions will form the beginning of a new Premium Adventure category. The entry into the Premium Adventure category and the acquired assets aligns with management's positive outlook for domestic, nature-based experiences. In the near term, the category is expected to benefit from the tailwinds of continued uncertainty on the timing of international tourism returning to pre COVID conditions.

Heading into the pandemic recovery period both businesses have strong forward bookings and potential for growth. The category is expected to benefit over time as international travel returns.

The divestment of non-core operations was completed during the period, with the sale of white water rafting and Cairns ballooning. This followed the divestment of GBR Helicopters, Cairns Canyoning, Byron Bay Ballooning and Hunter Valley Ballooning in FY20.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Group Financial Performance

	30 June 2021 $000	30 June 2020 $000	% change
Revenue from continuing operations	44,449	87,402	(49%)
Underlying EBITDA from continuing operations	6,761	9,230	(27%)
Net loss after tax from continuing and discontinued operations attributable to shareholders	(4,301)	(51,413)	(92%)
Net debt	2,779	9,019	(69%)

The Group incurred a net loss after tax from continuing and discontinued operations of $4.3 million (30 June 2020: $51.4 million loss).

The decrease in Underlying EBITDA from continuing operations to $6.8 million (30 June 2020: $9.2 million) was attributable to the full year impact of the pandemic on our business, with domestic and international border restrictions along with social distancing and health advice constraining demand and operational capacity in the period, in part offset by financial assistance provided by various levels of Government.

The Group's financial position at the end of the period demonstrates the success of the business simplification initiative to date, with the Group now in a more robust position to navigate the near term challenges of the pandemic and well positioned to execute growth opportunities in the recovery period.

As at 30 June 2021 the Group had cash and cash equivalents of $13.3 million and net debt had reduced to $2.8 million from $9.0 million at 30 June 2020. The Group is extremely pleased with this achievement, particularly in light of the challenging market conditions that have prevailed over the last twelve months.

COVID-19

The Group remains vigilant in its compliance with health advice and requirements in all aspects of our operation, and this will continue to be a priority as long as the pandemic continues. The recent Delta variant outbreaks in Australia and consequent lockdowns of major metropolitan populations, in particular Sydney, evidences the ongoing impact of the pandemic with lockdowns being a key tool to manage suppression until sufficient vaccination levels are achieved.

We continue to participate in and monitor developments in initiatives to assist our business navigate the pandemic.

Discontinued operations

The discontinued operations remained mothballed during the period with the financial contribution representing the holding costs for the period.

OUTLOOK

The Group enters the new financial year with growing optimism on the medium to long term prospects for the business, with each segment of the business well positioned to grow our market leading positions.

Notwithstanding, FY22 earnings are expected to continue to be impacted by the pandemic and in particular the velocity and efficacy of vaccine implementation strategies domestically and globally. The Group anticipates international borders will remain closed to tourism for the coming financial year, with the exception of the trans tasman bubble and potentially similar targeted destinations. More locally, domestic border uncertainty and confidence are expected to factor at least until the end of 2021.

The Group remains focused on prudently managing the business through the impacts of the pandemic in the short term and maintaining the ability of the business to scale up as demand returns.

DIVIDENDS

No dividend was paid or declared during the period.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Except for the divestment of non-core assets, in the opinion of the Directors, there have been no other significant changes in the Group's state of affairs during the year.

DIRECTORS' REPORT

SUBSEQUENT EVENTS

Subsequent to balance date the Group has completed the acquisitions of the business assets of Wild Bush Luxury on 19 July 2021. It is anticipated that the Maria Island Walk will be completed by the end the first quarter.

OPTIONS AND RIGHTS

Details on options and rights are set out in the Remuneration Report in relation to KMP.

ENVIRONMENTAL

The Group holds relevant and valid permits under regulatory bodies such as the Great Barrier Reef Marine Park Authority (GBRMPA) and Queensland Parks and Wildlife Service (QPWS) and the Group carries out its activities within the guidelines prescribed by such regulators. Compliance with existing environmental regulations and new regulations are monitored annually. The Group continues to support best practice operations with a focus on protection of the Great Barrier Reef and the environment as a whole. The directors are not aware of any material breaches during the period covered by this report.

For the financial year ended 30 June 2021 and as at the date of this report, the Group has not been prosecuted nor incurred any infringement penalty for environmental incidents.

Respecting the environment in which we operate is a core value of the Group. Moving forward, the Group will continue to build on this foundation with a view to implementing more formalised measuring and monitoring initiatives..

CORPORATE GOVERNANCE STATEMENT

The Group's corporate governance statement current as at the date of this report can be found on the Company's website (www.experienceco.com).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

INSURANCE OF OFFICERS AND AUDITOR

The Company insures all past, present and future directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity as directors of the company, other than conduct involving a willful breach of duty in relation to the Company. These contracts prohibit further disclosure of the nature of the liabilities and the amounts of premiums.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to ensure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit and Risk Committee, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- The nature of the non-audit services provided do not materially affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid to the auditor of the Company, RSM and its related practices, for audit and non-audit services provided during the year, are set out in Note 7 to the audited financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration made in accordance with Section 307C of the Corporations Act 2001 forms part of this directors' report.

DIRECTORS' REPORT

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 issued by ASIC relating to rounding off applies and in accordance with that instrument amounts in the Financial Statements and Directors' Reports have been rounded to the nearest thousand dollars unless otherwise stated.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of directors.

John O'Sullivan
Chief Executive Officer

Kerry Robert (Bob) East
Chairman

Dated: **26 August 2021**

REMUNERATION REPORT

REMUNERATION POLICY AND GOVERNANCE

The Remuneration and Nomination Committee reviews Senior Executive remuneration packages annually with reference to the Group's financial performance, the performance of the individual Senior Executive and relevant comparable industry information.

The remuneration policy aims to ensure that the remuneration structures:

- Are aligned to the business needs, goals, values and objectives
- Are competitive and reasonable
- Enable the Company to motivate, attract and retain Senior Executives
- Promotes long-term sustainable growth in shareholder value

The EXP Employee Incentive Plan (EEIP) is designed to encourage employees to share in the ownership and promote the long-term success of the Company. Employees under the EEIP include full-time or permanent part-time employees or officers and Directors of the Company or any related body corporate of the Company.

The EEIP is designed with flexibility to grant awards including Service Rights (subject to service based vesting conditions) and Performance Rights (subject to long-term performance based vesting conditions and the Board's discretion) as part of STIs and LTIs. Participation in the EEIP is at the Board's discretion.

At the 2020 Annual General Meeting, EXP received over 99% of "in favour" votes on its remuneration report for the 2020 financial year.

KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) for the Group for FY21, are those persons whose remuneration must be disclosed in this report and includes Non-Executive Directors, Executive Directors and members of the Senior Executive who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Directors	Other KMPs
Non-Executive Directors	Owen Kemp, Chief Financial Officer
Bob East, Chair of the Board	
Anthony Boucaut	
Neil Cathie	
Michelle Cox	
Executive Director and CEO	
John O'Sullivan	

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board's policy is to remunerate Non-Executive Directors (NEDs) based on market related fees for time, commitment and responsibilities as NEDs of the Company. The Remuneration and Nomination Committee determines fees payable to NEDs and reviews their remuneration regularly, based on market practice, duties and accountability.

Non-Executive Directors receive a director's fee and fees (inclusive of Superannuation), for chairing or participating on Board Committees, refer below. A portion of Director fees may be sacrificed by each NED in lieu of the grant of Service Rights.

It is Company policy that Non-Executive Directors do not participate in performance-based remuneration.

Annual Remuneration

Role	2021	2020
Chairman	200,000	200,000
Non-Executive Directors[1]	85,000	85,000
Chair of Committee	15,000	15,000
Member of Committee	5,000	5,000

[1] Anthony Boucaut is remunerated $140,000 per annum for Non-Executive Director duties and $30,000 for aviation services.

The maximum annual aggregate of the Director's fee pool is $750,000 approved by shareholders at the Annual General Meeting of the company on 27 November 2015. Any change to this aggregate annual amount is required to be approved by Shareholders.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment.

EXECUTIVE KMP AND SENIOR EXECUTIVE REMUNERATION

Remuneration for Executive KMPs and Senior Executives comprise three elements:

- Fixed Remuneration: comprising salary, superannuation and benefits
- Eligibility to participate in the Short Term Incentive (STI) Plan
- Eligibility to participate in the Long Term Incentive (LTI) Plan

REMUNERATION REPORT

EXECUTIVE KMP AND SENIOR EXECUTIVE REMUNERATION (CONTINUED)

Fixed Remuneration

Composition	Fixed remuneration comprises salary, superannuation and other fixed elements of remuneration such as vehicle allowances
Determination	Fixed remuneration is determined based on market comparisons for similar positions, taking into account the experience and skills of the Executive involved

STI Plan

Purpose	Reward for annual performance using performance metrics aimed at driving longer term shareholder value
Participation	Executive KMP and other Senior Executives
Opportunity	Maximum STI opportunity as a percentage of fixed remuneration is 50% for the CEO and CFO and 45% for other Senior Executives
Performance Period	Performance is measured from 1 July to 30 June
Performance Measures	STI awards are based on the Group achieving internal Group budgeted EBITDA as well as individual Key Performance Indicators (KPIs) covering financial or non financial related metrics. Assessment and payment of any incentive is based on the audited financial results of the respective financial year and remains at the discretion of the EXP Board
Payment	Any outcome from the STI is settled with a combination of cash, Performance Rights and Deferred Service Rights (DFRs) subject to Board discretion.

LTI Plan

Purpose	Reward for annual performance using performance metrics that will drive longer term shareholder value
Participation	Executive KMP and other Senior Executives
Opportunity	LTI opportunity as a percentage of fixed remuneration is up to 50%
Performance Period	Performance is measured over three years
Performance Measures	Performance Rights will vest subject to meeting absolute targets and Board discretion
Delivery	Performance Rights

FY21 Long Term Incentive

Aimed at aligning the longer term interests of Executive KMP and Senior Executives with that of shareholders, the Board approved the award of Performance Rights subject to long-term performance based vesting conditions referred to on the prior page. The grant of Performance Rights in accordance with the Company's Long Term Incentive Plan to the CEO was approved at the 2020 Annual General and the grant to the Executive KMP and other Senior Executives was made on 11 November 2020. The criteria for the LTI is set out in *LTI Plan.*

Executive KMP Employment Conditions

	Term of Agreement	Notice Period	Termination Entitlements
John O'Sullivan	No definite term	6 months	6 months
Owen Kemp	No definite term	6 months	6 months

REMUNERATION REPORT

KMP DETAILS OF COMPENSATION

The following table sets out the components of the current year and comparative year remuneration for each member of KMP of the group.

		Short-term				Post-employment	Other long-term			
	Year	Cash Salary, leave paid and fees	STI cash bonus	Non-monetary benefits	Total Short Term	Super-annuation	Long-service & annual leave accrual	Share based payment expense[1]	Total	Proportion performance related
Group KMP										
Bob East	**2021**	**151,942**	-	-	**151,942**	**20,134**	-	**90,491**	**262,567**	-
	2020	114,850	-	-	114,850	12,185	-	198,346	325,381	-
Anthony Boucaut	**2021**	**188,206**			**188,206**	**17,880**	-	-	**206,086**	
	2020	138,672	-	-	138,672	13,174	-	-	151,846	-
Neil Cathie	**2021**	**94,842**			**94,842**	**9,010**	-	-	**103,852**	
	2020	**58,657**	-	-	58,657	5,572	-	-	64,229	-
Michelle Cox	**2021**	**92,005**			**92,005**	**8,740**	-	-	**100,745**	-
	2020	32,044	-	-	32,044	3,044	-	-	35,089	-
John Diddams	**2021**	-	-	-	-	-	-	-	-	-
	2020	90,000	-	-	90,000	-	-	49,114	139,114	-
Colin Hughes	**2021**	-	-	-	-	-	-	-	-	-
	2020	39,120	-	-	39,120	4,724	-	22,460	66,305	-
Directors	**2021**	**526,994**	-	-	**526,994**	**55,764**	-	**90,491**	**673,249**	-
	2020	473,344	-	-	473,344	38,699	-	269,920	781,963	-
John O'Sullivan	**2021**	**496,540**			**496,540**	**23,459**	**18,952**	**210,535**	**749,486**	**16%**
	2020	419,231	-	-	419,231	20,359	34,911	54,967	529,468	10%
Owen Kemp	**2021**	**357,512**			**357,512**	**23,552**	**21,227**	**139,782**	**542,073**	**20%**
	2020	335,078	-	-	335,078	21,984	24,497	116,971	498,531	23%
Anthony Boucaut	**2021**	-	-	-	-	-	-	-	-	-
	2020	288,381	-	-	288,381	27,396	-	-	315,777	-
Anthony Ritter	**2021**	-	-	-	-	-	-	-	-	-
	2020	76,268	-	-	76,268	-	-	-	76,268	-
Executive KMP	**2021**	**854,052**	-	-	**854,052**	**47,011**	**40,179**	**350,317**	**1,291,559**	-
	2020	1,118,958	-	-	1,118,958	69,740	59,408	171,939	1,420,044	-
Total	**2021**	**1,381,046**	-	-	**1,381,046**	**102,775**	**40,179**	**440,808**	**1,964,808**	**n/a**
	2020	1,592,302	-	-	1,592,302	108,439	59,408	441,858	2,202,007	n/a

1 Share based payment expenses are based on the accounting expense recognised in the audited financial statements for the respective period.

KMP EQUITY INTERESTS

Movement in ordinary shareholdings

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 30 Jun 20	Purchases	Conversion of Performance Rights	Conversion of Service Rights	Sales	Held at 30 Jun 21
Bob East	1,413,451	-	-	172,911	-	1,586,362
Anthony Boucaut	181,837,233	1,373,163	-	-	(402,157)	182,808,239
John O'Sullivan	99,805	-	-	-	-	99,805
Neil Cathie	685,891	-	-	-	-	685,891
Michelle Cox	NIL	-	-	-	-	NIL
Owen Kemp	360,360	-	-	-	-	360,360

REMUNERATION REPORT

KMP EQUITY INTERESTS (CONTINUED)

Options, Service Rights and Performance Rights

	Held at 30-Jun-20	Granted	Vested and Exercised	Lapsed	Held at 30-Jun-21	Exercise Price $	Expiry Date
Options[1]							
Anthony Boucaut	3,000,000	-	-	-	3,000,000	0.25	9-Feb-25
Service Rights							
NED Service Rights[2]							
Bob East	345,821	-	172,911	-	172,910	Nil	Refer below[3]
CEO Service Rights[3]							
John O'Sullivan	439,560	-	-	-	439,560	Nil	29-Jul-22
Service Rights[4]							
John O'Sullivan	-	270,219	-	-	270,219	Nil	12-Nov-21
Owen Kemp	-	194,559	-	-	194,559	Nil	12-Nov-21
Performance Rights							
LTI Performance Rights							
John O'Sullivan	916,668	1,951,600	-	-	2,868,268	Nil	30-Nov-23
Owen Kemp[6]	1,020,000	1,405,152	-	-	2,425,152	Nil	30-Nov-23

[1] No Options were issued or exercised during the year.

[2] In FY21 a total of 172,911 Service Rights vested and were exercised with no cash consideration payable. In March 2021, shares were purchased on-market to satisfy vesting.

[3] During the year the Board approved the grant of one-off Service Rights, in lieu of fixed remuneration foregone, to key KMP and Senior Executives. No cash consideration is payable on exercise. Each grantee subject to meeting the service criteria of continuing employment as at 12 November 2021 is entitled receive one EXP share for each service right upon vesting and exercise. The grant to the CEO was approved at the 2020 Annual General Meeting.

BUSINESS PERFORMANCE

EXP aligns Senior Executive remuneration to objectives aimed at business needs, goals, values, achieving objectives and creation of shareholder value. Incentives for Senior Executives are largely based on achieving internal Group financial and non-financial metrics.

The table below shows the Group's financial performance over the last five years as required by the Corporations Act.

	2021	2020	2019	2018	2017
Sales revenue ($'000)	44,453	98,875	161,296	135,300	89,566
EBITDA ($'000)	6,841	5,049	19,265	27,411	20,988
Underlying EBITDA ($'000)	6,761	9,230	27,183	30,172	20,988
Net profit/(loss) for the year ($'000)	(4,301)	(51,413)	(48,258)	6,785	9,482
Market capitalisation ($'000)	166,744	69,476	141,730	355,720	287,019
Dividends paid ($'000)	-	-	5,558	4,349	3,963
Earnings per share (cents)	(0.86)	(7.14)	(8.68)	1.34	2.24
Share price at financial year end ($)	0.300	0.125	0.230	0.640	0.660
Dividends paid (cents per share)	-	-	0.01	0.01	0.01

Underlying EBITDA presented above for the financial years ended 30 June 2021 and 30 June 2020 is for continuing operations and includes the application of AASB 16 Leases.

REMUNERATION REPORT

KMP PERFORMANCE RIGHTS KEY INPUTS

	FY19	FY20	FY21
No. of Performance Rights granted	360,360	2,736,668	3,356,752
Grant Date	4 Mar 2019	29 Nov 2019	16 Nov 2020
Share Price at Grant Date	0.355	0.265	0.260
Vesting Date	4 Mar 2020	15 Sep 2022	15 Sep 2023
No. of Performance Rights Vested	360,360	-	-
No. of Performance Rights Exercised	360,360	-	-
No. of Performance Rights Lapsed	-	800,000	117,096
No. of Performance Rights Outstanding	-	1,936,668	3,239,656
Share-based payments expense	$124,432	$87,618	$293,583

[1] Share-based payments expense represents the expenses recognised in the year attributable to Performance Rights on issue.

TRANSACTIONS WITH RELATED PARTIES

Apart from those transactions disclosed in this Remuneration Report relating to equity, compensation and loans, the only other transactions with related parties relates to operating leases which are set out in further detail in in Note 24 to the Financial Report.

ANNUAL FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30 June 2021 $000	30 June 2020 $000
Sales revenue		44,449	87,402
Cost of sales		(26,878)	(56,100)
Gross profit		**17,571**	**31,302**
Other income	3	13,001	4,611
Employee expenses		(13,285)	(15,912)
Depreciation and amortisation expenses		(7,880)	(9,948)
Impairment of property, plant and equipment and other assets		(199)	(7,385)
Impairment of intangible assets		-	(28,279)
Marketing and advertising expenses		(1,255)	(2,028)
Repairs and maintenance expenses		(1,356)	(1,479)
Operating expenses		(5,215)	(6,437)
Restructure and other significant expenses	4	(3,020)	(3,440)
(Loss)/profit on disposal of assets		(82)	(567)
(Loss)/profit before financial income and taxes		**(1,720)**	**(40,389)**
Net finance costs	6	(1,326)	(1,891)
(Loss)/profit before income tax from continuing operations		**(3,046)**	**(42,280)**
Income tax benefit	8	(1,713)	2,620
Net (loss)/ profit for the year from continuing operations		**(4,759)**	**(39,660)**
Discontinued operations			
Profit/(loss) after tax for the year from discontinued operations	5	458	(11,753)
Loss for the year from continuing and discontinued operations		**(4,301)**	**(51,413)**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Revaluation of property, plant and equipment, net of tax		-	(3,016)
Exchange differences on translating foreign operations, net of income tax		(53)	580
Other comprehensive (loss)/income for the year		**(53)**	**(2,436)**
Total comprehensive loss for the year		**(4,354)**	**(53,849)**
Earnings per share for continuing operations			
Basic earnings per share (cents)	9	(0.86)	(7.14)
Diluted earnings per share (cents)		(0.86)	(7.14)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2021 $000	As at 30 June 2020 $000
Assets			
Current assets			
Cash and cash equivalents	10	13,321	12,469
Trade and other receivables	11	1,841	2,935
Inventories		3,932	3,009
Other assets	12	2,875	1,550
		21,969	**19,963**
Non-current assets classified as assets held for sale	5	2,958	8,350
Total current assets		**24,927**	**28,313**
Non-current assets			
Trade and other receivables		-	164
Property, plant and equipment	14	64,840	68,926
Asset under construction		4,887	-
Right-of-use assets	13	11,741	12,381
Deferred tax assets	8	8,970	11,149
Intangible assets	15	1,264	895
Total non-current assets		**91,702**	**93,515**
Total assets		**116,629**	**121,828**
Liabilities			
Current liabilities			
Trade and other payables	16	5,168	4,571
Lease liabilities	13	5,539	4,749
Employee benefits		1,707	1,576
Current tax liability		742	1,459
Contract liabilities		5,692	1,292
		18,848	**13,647**
Liabilities directly associated with assets classified as held for sale		851	1,020
Total current liabilities		**19,699**	**14,667**
Non-current liabilities			
Borrowings	17	7,850	9,760
Lease liabilities	13	14,899	19,396
Employee benefits		230	218
Total non-current liabilities		**22,979**	**29,374**
Total liabilities		**42,678**	**44,041**
Net assets		**73,951**	**77,787**
Equity			
Issued capital	19	168,547	168,645
Accumulated losses		(92,739)	(88,438)
Reserves	20	(1,857)	(2,420)
Total equity		**73,951**	**77,787**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Note	Issued Capital $000	Accumulated Losses $000	Asset Revaluation Reserve $000	Common Control Reserve $000	Share Option Reserve $000	Foreign Currency Translation Reserve $000	Total $000
Balance at 1 Jul 2019		**168,860**	**(38,713)**	**6,051**	**(4,171)**	**250**	**122**	**132,399**
Reduction in share capital		**(215)**	-	-	-	-	-	-
Transfer from asset revaluation reserve to retained earnings		-	1,688	(1,688)	-	-	-	-
Comprehensive income								-
Loss for the year		-	(51,413)	-	-	-	-	**(51,413)**
Other comprehensive loss for the year				(3,016)	-		(314)	**(3,330)**
Total comprehensive loss for the year		**(215)**	**(49,725)**	**(4,704)**	-	-	**(314)**	**(54,743)**
Options issued during the year	18	-	-	-	-	346	-	**346**
Total transactions with owners and other transfers		-	-	-	-	**346**	-	**346**
Balance at 30 Jun 2020		**168,645**	**(88,438)**	**1,347**	**(4,171)**	**596**	**(192)**	**77,787**
Amounts are stated net of tax								
Balance at 1 July 2020		**168,645**	**(88,438)**	**1,347**	**(4,171)**	**596**	**(192)**	**77,787**
Reduction in share capital		(98)	-	-	-	-	-	-
Transfer from asset revaluation reserve to retained earnings		-	-	-	-	-	-	-
Comprehensive income		-	-	-	-	-	-	-
Loss for the year		-	(4,301)	-	-	-	-	(4,301)
Other comprehensive loss for the year		-	-	-	-	-	(53)	(53)
Total comprehensive loss for the year		**(98)**	**(4,301)**	-	-	-	**(53)**	**(4,452)**
Transactions with owners, in their capacity as owners, and other transfers		-	-	-	-	-	-	-
Options issued during the year	18	-	-	-	-	616	-	616
Total transactions with owners and other transfers		-	-	-	-	**616**	-	**616**
Balance at 30 June 2021		**168,547**	**(92,739)**	**1,347**	**(4,171)**	**1,212**	**(245)**	**73,951**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	30 June 2021 $000	30 June 2020 $000
Operating activities			
Receipts from customers (GST inclusive)		54,285	110,953
Interest received		57	41
Payments to suppliers and employees (GST inclusive)		(48,632)	(105,860)
Finance costs		(925)	(1,535)
Income tax (paid) / refund		(251)	2,934
Net cash provided by operating activities		**4,534**	**6,533**
Investing activities			
Sale of property, plant and equipment		6,017	5,132
Proceeds from the sale of discontinued operations		680	16,740
Proceeds from grant contribution to assets under construction		2,700	-
Payments for assets under construction		(4,887)	-
Purchase of property, plant and equipment		(2,718)	(7,647)
Net cash provided by / (used in) investing activities		**1,792**	**14,225**
Financing activities			
Share purchases		(98)	(248)
Proceeds from borrowings		1,958	9,849
Repayment of borrowings		(3,776)	(20,392)
Repayment of leases liabilities		(3,479)	(2,424)
Loan repayments to related parties		(79)	123
Net cash used in financing activities		**(5,474)**	**(13,092)**
Net increase in cash held		852	7,666
Cash and cash equivalents at beginning of the period	10	12,469	4,803
Cash and cash equivalents at end of the period		**13,321**	**12,469**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The financial report of Experience Co Limited (the Company) and its controlled entities (collectively, the Group) for the financial year ended 30 June 2021 were authorised for issue in accordance with the resolution of the directors.

Experience Co Limited is listed on the Australian Securities Exchange, incorporated and domiciled in Australia and whose shares are publicly traded. The registered office is located at Level 1, 17 Castlereagh Street, Sydney, New South Wales, Australia.

BASIS OF PREPARATION

This financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, Australian Accounting Standards (AAS) and Interpretations of the Australian Accounting Standards Board (AASB). The consolidated financial report complies with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

All amounts are presented in Australian dollars, unless otherwise noted.

The financial report is prepared on a historical cost basis except for the revaluation of financial assets and liabilities and a class of property plant and equipment which are stated at fair value.

The company is of a kind referred to in Corporations Instruments 2016/191 issued by ASIC, 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.

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. Certain comparative information has been reclassified to conform with the presentation of the current year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

New AAS and Interpretations not yet mandatory or early adopted AAS that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2021. The Group does not expect that new or amended AAS and Interpretations would have a material impact.

CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING (CONCEPTUAL FRAMEWORK)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

GOING CONCERN

In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business.

For the period ended 30 June 2021, COVID-19 has been a key factor in the Group's operations and we note the following:

- Cash and cash equivalents of $13.3 million (30 June 2020: $12.5 million) and net debt decreased to $2.8 million (30 June 2020: $9.0 million).
- Trading volumes improved over the period following the recommencement of operations from late in the previous financial year and the Group reported net cash inflows over the period.
- The Group continued to work with its lender, National Australia Bank ('NAB'), and extended the maturity of corporate debt facility to 31 August 2022 and the resetting of covenants to take into account the impact of the pandemic.
- The Group has met all interest and scheduled amortisation payments during the period, and as at the end of the period has no material financing or rental deferrals repayable.
- The Group has participated in the Jobkeeper and Wage Subsidy programmes in Australia and New Zealand respectively and continues to work with various levels of Government on eligible financial assistance programmes.

The Directors have assessed cash flow projections for the two years from 30 June 2021 taking into consideration the estimation of the continued business impacts of COVID-19. These projections indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, based on an assessment of forward earnings, existing cash levels and ongoing communications with debt and equity providers.

Based on these forecasts, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will continue to meet its obligations as and when they fall due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF CONSOLIDATION

Controlled entities

Controlled entities are entities controlled by the Company. Control exists when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Non-controlling interests (NCI)

NCI are initially measured at their proportionate share of the acquiree's identifiable net assets as at acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Business Combinations

Business combinations are accounted for applying the acquisition method as at acquisition date, unless it is a combination involving entities or businesses under common control.

When measuring consideration, any asset or liability arising from a contingent consideration arrangement is included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration that is an asset or liability is remeasured at each reporting period to fair value, recognising any change in fair value in profit or loss.

Transaction costs, other than those associated with the issue of a financial instrument are recognised as expenses as incurred.

Goodwill at acquisition date is measured based on the excess of the sum of:

- the fair value of consideration transferred;
- any non-controlling interest determined under either the full goodwill or proportionate interest method; and
- the fair value of any previously held equity interest

over the acquisition date fair value of identifiable net assets acquired.

Intercompany transactions

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Loss of control

In the event the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the previously controlled subsidiary is measured at fair value as at the date control ceased.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished for the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinate plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs at the earlier of the date of disposal or when the operation meets the criteria to be classified as held for sale.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

FOREIGN CURRENCY

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Foreign currency differences arising on translation are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOREIGN CURRENCY (CONTINUED)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Australian dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 30 days or less.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted or specific item basis. An impairment allowance is made for obsolete, damaged and slow moving inventories.

PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss, except for aircraft.

Aircraft assets are measured under the revaluation model and accounted for at their fair value, being the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on periodic valuations by external independent valuers or director valuations, less subsequent depreciation.

Subsequent expenditure

Subsequent expenditure, is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Maintenance costs are expenses as incurred.

Depreciation

Each asset, except for aircraft engine assets, is depreciated on a straight line basis over the estimated useful life from the date of acquisition, or for internally constructed assets from the time the asset is completed and available for use.

Aircraft engines are depreciated based on operating hours over the estimated useful life being time before overhaul, which is determined by manufacturer specifications and regulatory requirements.

The depreciation rate and residual value estimates for each asset class are:

ASSET CLASS	DEPRECIATION RATE	RESIDUAL VALUE (%)
Aircraft frames	5%	Specific to aircraft
Aircraft engines	Operating hours	Specific to aircraft
Motor vehicles	10%	0%
Buildings	2.5%	0%
Leasehold improvements	2.5%	0%
Office equipment	25%	0%
Vessels	5% - 20%	0% - 30%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTANGIBLE ASSETS

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to acquisition, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software

Computer software comprises licence costs and direct costs incurred in developing and/or preparing for the operation of that software. Computer software is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets

Trademarks, customer relationships and leases and licences acquired in a business combination are recognised at fair value as at acquisition date. Trademarks have an indefinite useful life and are measured at cost less accumulated impairment losses. Customer relationships, leases and licences have a finite useful life and are measure at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Except for goodwill and trademarks, intangible assets are amortised on a straight line basis over their estimated useful life. The estimated useful life for customer relationships is 10 to 20 years, leases and licenses 4 to 20 years and software 3 to 5 years.

FINANCIAL INSTRUMENTS

The accounting polices for the Group's financial instruments are explained in Note 21.

IMPAIRMENT OF ASSETS

Financial

Financial assets are tested for impairment at each financial year end.

Non-financial

Goodwill and intangible assets that have an indefinite useful life are tested for impairment annually or as otherwise required under AASB 136. Other assets are tested for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds the recoverable amount. The recoverable amount of an asset is defined as the higher the fair value less costs of disposal and value in use.

TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

EMPLOYEE BENEFITS

A provision is made for the Group's liability for employee benefits arising from the services rendered by employees to balance date. These benefits includes wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for.

Liabilities for wages and salaries, including non-monetary benefits, annual and long service leave that are expected to be settled wholly within 12 months after the end of the period are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, applying a company probability factor based on the probability the employee will become entitled to long service leave.

SHARED BASED PAYMENTS/EQUITY SETTLED COMPENSATION

The Group operates a share based employee incentive program. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event for which it is probable an outflow of economic benefits will be required to settle the obligation.

CONTRACT LIABILITIES

Contract liabilities represent the Group 's obligation to transfer goods or services to a Group customer and are recognised when a customer exchanges consideration or when the Group recognise a receivable to reflect its unconditional right to consideration in advance of the Group transferring goods or services to the customer.

LEASES

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

COVID-19

In May 2020, the International Accounting Standards Board (Board) issued *Covid-19-Related Rent Concessions*, which amended IFRS 16 *Leases* such that rent concessions are not accounted for as lease modifications.

The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The Group adopted the COVID-19 concession as it met the applicable criteria.

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price based on separate performance obligations; and
- recognises revenue when or as each performance obligation is satisfied and in the case of unused vouchers or tickets an assessment of probability that the performance obligation will need to be satisfied.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rental income

Rental income is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on loan advances and funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and leases.

Borrowing costs that are not directly attributable to an acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INCOME TAX

Tax Consolidation – Australia

Experience Co Limited and its Australian wholly-owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The Group notified the Australian Taxation Office (ATO) that it had formed an income tax consolidated group to apply from 1 July 2014. The tax consolidated group has also entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between amounts of net assets and liabilities derecognised and the net amounts recognised pursuant to their funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

Tax Consolidation – New Zealand

Skydive (New Zealand) Limited and its New Zealand wholly-owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The New Zealand group of companies notified the Inland Revenue Department (IRD) that it had formed an income tax consolidated group to apply from 30 October 2015. The New Zealand tax consolidated group has also entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between amounts of net assets and liabilities derecognised and the net amounts recognised pursuant to their funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant tax authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the relevant tax authority is included with other receivables or payables in the statement of financial position.

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

ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and on factors it believes to be reasonable under the circumstances, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The judgements, estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are:

- impairment of property, plant and equipment and intangibles – refer to Note 14
- useful life and residual value of property, plant and equipment and finite life intangible assets – refer *Property, Plant & Equipment* above.
- fair value for aircraft assets and fair value hierarchy- refer to Note 14 and 22
- allowance for expected credit loss on trade and other receivables – refer to Note 21
- current and deferred tax assets – refer to Note 8
- lease arrangement beyond the current lease contract period – For a number of land and buildings leases as well as vessel's berth leases which are rolling on a month to month basis, the Group has made assumptions around the likelihood of re-signing these leases and estimated terms of agreement.
- contract liabilities, or deferred income, for unused vouchers and tickets is estimated based on historical results and industry trends.

JOBKEEPER INCOME

Jobkeeper is presented as other income, and a corresponding expense in employee expenses. Income is recognised as a receivable when the associated wage payments are made.

GOVERNMENT GRANTS

Government grant income is recognised when the obligations under the relevant agreement have been satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group has identified the following reportable operational segments based on a combination of factors including products and services, geographical areas and regulatory environment:

- **Skydiving**: comprises tandem skydive and related products, with ancillary aircraft maintenance activities.
- **GBR Experiences**: reef based dive and snorkel experiences and rainforest tours operating out of Cairns and Port Douglas in the Tropical North Queensland region.
- **Corporate**: comprises the centralized management and business administration services.

These operating segments are based on the internal reports that are reviewed and used by the CEO in determining the allocation of resources. The CEO reviews Earnings before interest, taxes, depreciation and amortisation (EBITDA) at the segment level. The accounting policies adopted for internal reporting to the CEO are consistent with those adopted in the financial statements..

OPERATING SEGMENT INFORMATION

30 June 2021	Skydiving $000	GBR Experiences $000	Corporate $000	Continuing operations $000
Sales to external customers at a point in time	30,241	14,159	49	44,449
Sales revenue	**30,241**	**14,159**	**49**	**44,449**
Other income	3,518	8,833	650	13,001
Total segment revenue	**33,759**	**22,992**	**699**	**57,450**
EBITDA	**6,244**	**7,088**	**(6,973)**	**6,359**
Restructure and other significant expenses	784	277	1,959	3,020
Net gain/loss on sale of assets	185	(104)	1	82
Queensland Growing Tourism Infrastructure Program	-	(2,700)	-	(2,700)
Underlying EBITDA	**7,213**	**4,561**	**(5,013)**	**6,761**
Depreciation and amortisation	(3,442)	(3,856)	(582)	(7,880)
Segment profit before financial income and taxes	**2,802**	**3,232**	**(7,555)**	**(1,521)**
Total assets as at 30 June 2021	**62,640**	**29,940**	**21,091**	**113,671**
Total liabilities as at 30 June 2021	**(17,529)**	**(2,072)**	**(22,226)**	**(41,827)**

Finance costs, finance income are not allocated to individual segments as these are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

30 June 2020	Skydiving $000	GBR Experiences $000	Corporate $000	Continuing operations $000
Sales to external customers at a point in time	58,525	28,777	100	87,402
Sales revenue	**58,525**	**28,777**	**100**	**87,402**
Other income	1,792	2,506	313	4,611
Total segment revenue	**60,317**	**31,283**	**413**	**92,013**
EBITDA	**10,238**	**2,321**	**(7,336)**	**5,223**
Restructure and other significant expenses	658	424	2,358	3,440
Net gain/loss on sale of assets	93	476	(2)	567
Underlying EBITDA	**10,989**	**3,221**	**(4,980)**	**9,230**
Depreciation and amortisation	(4,273)	(4,243)	(1,432)	(9,948)
Segment profit before financial income and taxes	**5,965**	**(1,922)**	**(8,768)**	**(4,725)**
Total assets as at 30 June 2020	**64,634**	**28,528**	**20,316**	**113,478**
Total liabilities as at 30 June 2020	**(16,294)**	**(1,458)**	**(25,269)**	**(43,021)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS (CONTINUED)

GEOGRAPHICAL DISCLOSURES

	Australia	New Zealand	Total
Revenue from continuing operations			
30 June 2021	38,771	5,678	**44,449**
30 June 2020	65,906	21,496	**87,402**

A reconciliation of profit / (loss) from continuing operations to Underlying EBITDA for continuing operations is as follows:

	30 June 2021 $000	30 June 2020 $000
Loss for the year from continuing operations	**(4,759)**	**(39,660)**
Finance costs	1,326	1,891
Depreciation and amortisation	7,880	9,948
Impairment	199	35,664
Income tax expense	1,713	(2,620)
EBITDA from continuing operations	**6,359**	**5,223**
Restructure and other significant expenses	3,020	3,440
Profit on Disposal of Assets	82	567
Queensland Growing Tourism Infrastructure Program	(2,700)	-
Underlying EBITDA from continuing operations	**6,761**	**9,230**

Underlying EBITDA has been presented on a AASB 16 Leases basis, whereby relevant lease expenses are recognised below the line.

NOTE 3 OTHER INCOME

	30 June 2021 $000	30 June 2020 $000
Jobkeeper income	6,967	2,862
Wages subsidy income	180	535
Queensland Tourism Icons Program	1,000	-
Queensland Growing Tourism Infrastructure Program	2,700	-
New Zealand Strategic Tourism Asset Protection Program	154	-
Diesel Fuel Rebate	498	670
Insurance Recoveries	227	196
Other	1,275	348
	13,001	**4,611**

NOTE 4 RESTRUCTURE AND OTHER SIGNIFICANT EXPENSES

Restructure and other expenses from continuing operations in the period included a number of non-recurring items, principally due to the Group's strategic review and senior management transition in the period.

	30 June 2021 $000	30 June 2020 $000
Restructuring costs	1,587	1,915
Strategic review costs	868	808
Share based payments	616	380
Other (net)	(51)	337
Restructure and other significant expenses	**3,020**	**3,440**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the period ended 30 June 2021 the following asset sales were completed:

- Raging Thunder white water rafting and Cairns ballooning businesses were divested in November 2020, for total net proceeds of $680,000; and
- Surplus property, plant and equipment net proceeds of $6 million.

These discontinued operations are no longer included in the operating segment note disclosures. The results of these discontinued operations are presented below.

	30 June 2021 $000	30 June 2020 $000
Sales revenue	4	11,473
Expenses	(69)	(12,338)
Profit / (Loss) on disposal of assets	498	(394)
Impairment loss recognised on the remeasurement to fair value less costs to sell	-	(6,904)
Profit / (Loss) before tax from discontinued operations	**433**	**(8,163)**
Income tax expense	25	(3,590)
Profit / (Loss) after tax from discontinued operations	**458**	**(11,753)**

Assets held for sale

The assets and liabilities held for sale have been appropriately disclosed in the Consolidated Statement of Financial Position as follows:

	30 June 2021 $000	30 June 2020 $000
Assets		
Property, plant & equipment	2,873	8,290
Deferred tax assets	85	60
Assets held for sale	**2,958**	**8,350**
Liabilities		
Employee benefits - Current	-	27
Employee benefits - Non-Current	-	16
Provisions - Non-Current	739	857
Contract liabilities	112	120
Liabilities directly associated with assets held for sale	**851**	**1020**
Net assets directly associated with assets held for sale	**2,107**	**7,330**

NOTE 6 NET FINANCE COSTS

	30 June 2021 $000	30 June 2020 $000
Interest income	57	74
Amortisation borrowing costs	(53)	(47)
Interest expense - borrowings	(332)	(762)
Interest expense - asset finance leases	(541)	(718)
Interest expense - other leases	(457)	(432)
Other	-	(6)
Finance expense	**(1,383)**	**(1,965)**
Net finance costs	**(1,326)**	**(1,891)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 AUDITOR'S REMUNERATION

	30 June 2021 $	30 June 2020 $
Audit services	142,000	177,655
Taxation services	100,763	100,437
Transaction services	59,400	-
	302,163	**278,092**

NOTE 8 INCOME TAXES

COMPONENTS OF INCOME TAX EXPENSE/(BENEFIT)

	30 June 2021 $000	30 June 2020 $000
Current tax	1,309	(1,505)
Deferred tax	(2,902)	1,065
Underprovision/(overprovision) prior year	(95)	(530)
Income tax expense/(benefit)	**(1,688)**	**(970)**
Income tax expense/(benefit) is attributable to:		
Continuing operations	(1,713)	**2,620**
Discontinued operations	25	**(3,590)**
	(1,688)	**(970)**

RECONCILIATION OF EFFECTIVE TAX RATE

	30 June 2021 $000	30 June 2020 $000
Loss from continuing operations for the period	(3,046)	(42,280)
Profit / (Loss) from discontinued operations for the period	433	(8,162)
Loss before income tax	**(2,613)**	**(50,442)**
Income tax using the Company's tax rate of 30%	784	15,133
Non-allowable items	(811)	(489)
Non-deductible impairment	(60)	(8,989)
Abnormal items	108	(279)
Recognition of transferred tax losses	-	(5,302)
Recognition of other deferred tax balances	(1,707)	(601)
Deductible acquisition costs	-	-
Under and Over Provision	95	(530)
Effect of lower tax rate attributable to foreign controlled entities	(97)	86
Income tax expense	**(1,688)**	**(970)**

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

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	Assets		Liabilities	
	30 June 2021 $000	30 June 2020 $000	30 June 2021 $000	30 June 2020 $000
Property, Plant & Equipment	-	-	(2,693)	(2,837)
Intangible assets	2,419	2,926		-
Lease Liability	52	2,535		-
Provisions	1,999	468		-
Capital Raising Costs	206	1,408		-
Unutilised tax losses	6,858	5,924		
Other	129	761		-
Tax assets/(liabilities)	**11,663**	**14,022**		**(2,873)**
Set off	(2,693)	(2,873)		
Deferred tax asset	**8,970**	**11,149**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 INCOME TAXES (CONTINUED)

The Australian tax consolidated group has unutilised carried forward tax losses of $22,858,382 (30 June 2020: $19,749,848) which have been recognised as deferred tax assets which are expected to be utilised in years 2 to 5 in the projections used in the impairment disclosures set out in Note 14.

TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	2021			2020		
Consolidated Group	Before-tax amount $000	Tax (expense) benefit $000	Net-of-tax amount $000	Before-tax amount $000	Tax (expense) benefit $000	Net-of-tax amount $000
Revaluation of property, plant and equipment	-	-	-	(3,016)	905	(2,111)
Exchange differences on translating foreign operations	(53)	16	(37)	580	(174)	406
	(53)	**16**	**(37)**	**(2,436)**	**731**	**(1,705)**

NOTE 9 EARNINGS PER SHARE

	30 June 2021	30 June 2020
Weighted average of shares in year used in basic earnings per share	555,811,840	555,811,840
Weighted average of dilutive options and rights outstanding	11,675,328	14,241,338
Weighted average of ordinary shares in year used in calculating dilutive earnings per share	**567,487,168**	**570,053,178**
Continuing operations		
Earnings used in basic and diluted earnings per share ($000)	(4,759)	(39,660)
Basic earnings per share (cents)	(0.86)	(7.14)
Diluted earnings per share (cents)	(0.86)	(7.14)
Discontinued operations		
Earnings used in basic and diluted earnings per share ($000)	458	(11,753)
Basic earnings per share (cents)	0.08	(2.11)
Diluted earnings per share (cents)	0.08	(2.11)

NOTE 10 CASH & CASH EQUIVALENTS

	30 June 2021 $000	30 June 2020 $000
Cash at bank and on hand	13,285	12,416
Short term cash deposits	36	53
Cash and cash equivalents	**13,321**	**12,469**

The effective interest rate on short-term deposits was 0.61% (30 June 2020: 0.65%), these have an average maturity of 365 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 TRADE AND OTHER RECEIVABLES

	30 June 2021 $000	30 June 2020 $000
Trade receivables	2,520	2,601
Allowance for expected credit loss	(968)	(1,348)
	1,552	1,253
Loan receivable from related party	-	100
Other receivables	289	1,582
Current trade and other receivables	**1,841**	**2,935**
Loan receivable from related party	-	164
Non current trade and other receivables	-	**164**

NOTE 12 OTHER ASSETS

	30 June 2021 $000	30 June 2020 $000
Prepayments	1,332	1,031
Other current assets	1,543	519
Other assets	**2,875**	**1,550**

NOTE 13 RIGHT OF USE ASSETS AND LEASE LIABILITIES

Amounts recognised in the profit and loss statement

	30 June 2021 $000	30 June 2020 $000
Depreciation charge on ROUA	(1,626)	(1,697)
Interest expense	(457)	(432)
Expense related to out-of-scope leases	(474)	(908)
Gain relating to rent concessions where COVID-19 practical expedient applied	523	304

The weighted average of the lessee's incremental borrowing rate including the date of initial application of AASB 16 as well as subsequent additions is 3.97%.

Right-of-use assets

	Land & buildings $000	Marine Leases $000	Office Suppliers $000	Total $000
Right-of-use at transition - 1 July 2019	**8,717**	**2,078**	**170**	**10,965**
Additions: New Leases and In-Scope Leases	1,701	1,179	-	2,880
Modifications and Re-assessments of leases	(756)	986	-	230
Less: Depreciation expense	(1,322)	(319)	(53)	(1,694)
Carrying amount at 30 June 2020	**8,340**	**3,924**	**117**	**12,381**
Additions: New Leases	1,378	-	-	1,378
Modifications and Re-assessments of leases	(392)	-	-	(392)
Less: Depreciation expense	(730)	(766)	(131)	(1,626)
Carrying amount at 30 June 2021	**8,597**	**3,158**	**(14)**	**11,741**

Included in lease liabilities are amounts in relation to asset finance on specific aircraft assets. Asset finance facility obligations at 30 June 2021 totaled $8.2 million (30 June 2020: $11.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 PROPERTY PLANT & EQUIPMENT

	Land & Buildings $000	Plant & Equipment $000	Leasehold Improv. $000	Aircraft $000	Motor Vehicles $000	Office Equipment $000	Vessels $000	Total $000
Cost 1 July 2019	8,345	12,486	4,608	66,023	7,061	1,754	34,107	**134,384**
Accumulated depreciation	(181)	(5,306)	(1,158)	-	(2,382)	(1,150)	(5,339)	**(15,516)**
Carrying amount 1 July 2020	8,164	7,180	3,450	66,023	4,679	604	28,768	**118,868**
Additions	225	805	149	3,752	316	156	1,977	**7,380**
Depreciation expense	(80)	(1,373)	(167)	(2,404)	(680)	(228)	(3,426)	**(8,359)**
Disposal	(2,334)	(412)	(373)	(16,717)	(1,080)	(97)	(2,388)	**(23,402)**
Revaluations	-	-	-	(3,016)	-	-	-	**(3,016)**
Impairment	(2,409)	-	-	(10,294)	(300)	-	(1,261)	**(14,263)**
Movement in foreign exchange	(18)	(8)	(59)	130	(8)	(9)	(21)	**7**
Transfer between asset classes		18		(18)				-
Assets held for sale	(2,075)	(617)	-	(5,001)	(456)	-	(141)	**(8,290)**
Cost 30 June 2020	1,735	12,272	4,325	32,456	5,533	1,804	32,273	**92,801**
Accumulated depreciation	(261)	(6,679)	(1,325)	-	(3,062)	(1,378)	(8,765)	**(23,875)**
Carrying amount 30 June 2020	1,474	5,593	2,999	32,456	2,471	426	23,508	**68,926**
Cost 1 July 2020	**1,735**	**12,272**	**4,325**	**32,456**	**5,533**	**1,804**	**32,273**	**92,801**
Accumulated depreciation	**(261)**	**(6,679)**	**(1,325)**	**-**	**(3,062)**	**(1,378)**	**(8,765)**	**(23,875)**
Carrying amount 1 July 2020	**1,474**	**5,593**	**2,999**	**32,456**	**2,471**	**426**	**23,508**	**68,926**
Additions	168	167	30	1,067	10	139	1,029	**2,610**
Depreciation expense	(13)	(976)	(85)	(1,058)	(382)	(185)	(2,875)	**(5,574)**
Disposals	(1)	(110)	(23)	(671)	(338)	(3)	(124)	**(1,270)**
Impairment	-	-	-	-	-	-	(43)	**(43)**
Movement in foreign exchange	(2)	(1)	(7)	52	(2)	(1)	-	**39**
Transfer between asset classes	221	-	(91)	23	-	-	-	**153**
Assets held for sale	(474)	(84)	-	(2,275)	(40)	-	-	**(2,873)**
Cost 30 June 2021	**1,696**	**11,682**	**3,694**	**33,114**	**3,709**	**1,837**	**31,292**	**87,024**
Accumulated depreciation	**(57)**	**(6,622)**	**(872)**	**(1,245)**	**(2,130)**	**(1,461)**	**(9,797)**	**(22,184)**
Carrying amount 30 June 2021	**1,639**	**5,060**	**2,822**	**31,869**	**1,579**	**376**	**21,495**	**64,840**

At the date of revaluation, the carrying amount of aircraft is adjusted to the revalued amount. Accumulated depreciation is eliminated against the gross carrying amount of the asset.

The Group's fixed wing aircraft were revalued at 30 June 2020 by independent valuers and the Directors. Valuations were based on the price that would be received to sell the asset in an orderly transaction between market participants. Due to the COVID-19 event there was no an active and liquid market in place to support an orderly transaction as at 30 June 2021 and as such the reliability of independent valuations at this point in time is inherently limited by market events. As a consequence, directors valuations were adopted for the 30 June 2021 balance date.

The directors valuations were determined on a aircraft by aircraft basis, taking into consideration the condition of the aircraft, including airframe and engine hours and discussion with independent valuers and desktop research on information available in the public domain. The valuation of aircraft is subject to a degree of judgement and factors such as the nature, condition and location of the aircraft.

Where an aircraft is taken out of regular service and held for sale, the item is reclassified to non current assets held for resale and the carrying amount stated at the net realisable value based on indicative offers, market valuations and other available information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 INTANGIBLE ASSETS

	Goodwill	Trademarks	Computer Software	Customer relationships and other	Leases & Licences	Total
	$000	$000	$000	$000	$000	$000
Cost 1 July 2019	36,660	14,589	909	23,033	11,279	**86,470**
Accumulated amortisation and impairment	(23,483)	(5,351)	(147)	(17,950)	(9,553)	**(56,484)**
Carrying amount 1 July 2019	13,177	9,238	762	5,083	1,726	**29,986**
Additions	-	40	494	38	-	**572**
Amortisation expense	-	-	(353)	(600)	(21)	**(974)**
Disposals	-	(13)	(12)	(12)	-	**(37)**
Impairment	(12,980)	(9,140)	-	(4,480)	(1,631)	**(28,231)**
Movement in foreign exchange	(197)	(125)	-	(73)	(32)	**(427)**
Transfers to other asset classes	-	-	4	44	(42)	-
Cost 30 June 2020	**23,483**	**5,351**	**1,395**	**18,550**	**9,574**	58,353
Accumulated amortisation and impairment	(23,483)	(5,351)	(500)	(18,550)	(9,574)	(57,458)
Carrying amount 30 June 2020	-	-	**895**	-	-	**895**
Cost 1 July 2020	**23,483**	**5,351**	**1,395**	**18,550**	**9,574**	**58,353**
Accumulated amortisation and impairment	**(23,483)**	**(5,351)**	**(500)**	**(18,550)**	**(9,574)**	**(57,458)**
Carrying amount 1 July 2020	-	-	**895**	-	-	**895**
Additions	-	-	575	-	212	787
Amortisation expense	-	-	(418)	-	-	(418)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Movement in foreign exchange	-	-	-	-	-	-
Transfers to other asset classes	-	-	-	-	-	-
Cost 30 June 2021	**23,483**	**5,351**	**1,970**	**18,550**	**9,786**	**59,140**
Accumulated amortisation and impairment	**(23,483)**	**(5,351)**	**(918)**	**(18,550)**	**(9,574)**	**(57,876)**
Carrying amount 30 June 2021	-	-	**1,052**	-	**212**	**1,264**

IMPAIRMENT DISCLOSURES

Intangible assets, other than goodwill and trademarks, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill and trademarks have an indefinite useful life.

The recoverable amount of each of the Group's CGUs has been determined based on value in use calculations. The future cash flow projections for the Group are subject to a significant level of pandemic uncertainty and are sensitive to the following key assumptions:

- Continuing closure of international borders into 2022 with a return to FY19 inbound visitation not expected until 2023.
- Domestic travel restrictions which the Group expects to materially impact operations for the remainder of 2021.
- Social distancing requirements that impact operations may lead to changes in operating capacity and efficiency of operations.
- Government assistance available to the Group.
- Emerging macroeconomic trends, in particular the impact on consumer discretionary spending by our target markets.

Cash flows are based on five year management projections, terminal growth rate of 2.0% and a pre tax discount rates of 19.9% for Skydive Australia and GBR Experiences (30 June 2020: 19.9%) and 22.4% for New Zealand Skydive (30 June 2020: 22.4%)

The Group notes cash flow projections are subject to a significant level of uncertainty, and accordingly actual future cash flows may be significantly more or less favourable than that determined as at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 TRADE AND OTHER PAYABLES

	30 June 2021 $000	30 June 2020 $000
Trade payables	1,281	548
Sundry payables and accrued expenses	3,887	4,023
Trade and other payables	**5,168**	**4,571**

NOTE 17 BORROWINGS

	30 June 2021 $000	30 June 2020 $000
Non-current		
Government loan	465	
Bank loans	7,385	9,760
Total non-current borrowings	**7,850**	**9,760**
Total borrowings	**7,850**	**9,760**

During the period the Group's Multi Option Facility Agreement with the National Australia Bank (NAB) was amended in response to the impact of COVID-19.

This included an extension of the Facility to 31 August 2022 and previous covenants being replaced by a minimum cash requirement of $6 million.

The facility limits have been revised to the following as at 30 June 2021:

- Cash Advance Facility: $7.4 million (30 June 2020: $9.8 million), fully drawn at 30 June 2021.
- Master Asset Finance Facility: $11.3 million (30 June 2020: $11.3 million). Drawn to $8.2 million as at 30 June 2021.

The Group has entered into a General Security Deed with NAB for both the Australian and New Zealand operations. NAB holds a security interest in and over all the secured property of the Group. The NAB Finance leases are generally 3 to 5 year maturity and are repayable on a monthly basis. Interest rates on these leases currently range from 3% to 5%. Interest on the Cash Advance Facility is payable quarterly and interest rates on this facility currently range from 2% to 3%.

NOTE 18 SHARE BASED PAYMENTS

	30 June 2021 $000	30 June 2020 $000
Expenses arising from equity-settled share-based payment transactions	616	478
Other	-	(132)
Share-based payment expense	**616**	**346**

Options

In 2015, a total of 10,300,000 share options were granted to KMP under the STB Share Option Plan to take up ordinary shares at an exercise price of $0.25 each. These share options expire 9 February 2025. No share options were exercised during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 SHARE BASED PAYMENTS (CONTINUED)

Performance rights and service rights

Set out below is a summary of performance rights and service rights granted.

Grant date	Expiry date	Exercise price $	Opening balance	Granted	Exercised /vested	Expired/forfeited/other	Ending balance	Share price at grant date $	Expected volatility	Risk free rate	Fair value at grant date $
30 Nov 2018	30 Nov 2021	-	402,305	-	(172,911)	(56,484)	172,910	$0.35	N/A	N/A	130,670
29 Nov 2019	15 Sep 2022	-	2,736,668	-	-	(800,000)	1,936,668	$0.27	62.73%	0.62%	418,026
29 Nov 2019	29 Jul 2022	-	439,560	-	-	-	439,560	$0.27	N/A	N/A	116,483
16 Nov 2020	15 Nov 2023	-	-	5,871,193	-	(117,096)	5,754,097	$0.26	82.25%	0.09%	1,001,038
16 Nov 2020	12 Nov 2021	-	-	1,207,994	-	(64,848)	1,143,146	$0.26	N/A	N/A	314,078

The weighted average share price during the financial year was $0.210 (2020: $0.181). The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.8 years (2020: 2 years).

Vesting conditions other than market conditions are not taken into account when estimating the fair value and any service requirement to be rendered is presumed to be satisfied.

The fair value at grant date is based on the market price of the shares reduced by the present value of dividends expected to be paid during the vesting period.

NOTE 19 CAPITAL

MOVEMENTS IN ORDINARY SHARE CAPITAL

	2021 $000	2020 $000	2021 No.	2020 No.
Opening balance	**168,645**	**168,860**	**555,811,840**	**555,811,840**
Employee Share Plan purchases	(98)	(248)	-	-
Transfer from option reserve	-	33	-	-
Closing balance	**168,547**	**168,645**	**555,811,840**	**555,811,840**

CAPITAL MANAGEMENT

The Group aims to meet their strategic objectives and operational needs through the appropriate use of debt and equity, while taking account of the additional financial risks of higher debt levels. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

	30 June 2021 $000	30 June 2020 $000
Borrowings	7,850	9,760
Amounts outstanding under asset finance	8,250	11,728
Cash and cash equivalents	13,321	12,469
Net debt	**2,779**	**9,019**
Equity	**73,951**	**77,787**
Total	**76,730**	**86,806**
Gearing ratio	**4%**	**12%**
Underlying EBITDA	6,761	9,230
Net Debt to Underlying EBITDA	**0.4x**	**1.0x**

DIVIDENDS AND FRANKING ACCOUNT

No dividend paid or declared during the period (30 June 2020: nil). 30% franking credits available to shareholders for subsequent periods were $7,953,000 at 30 June 2021 (30 June 2020: $7,953,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20 RESERVES

NATURE AND PURPOSE OF RESERVES

- **Asset Revaluation Reserve:** records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.
- **Option Reserve:** records items recognised as expenses on valuation of employee share options.
- **Common Control Reserve:** represents the excess purchase consideration over the carrying value of assets and liabilities acquired in the group reorganization which occurred on 1 July 2014.
- **Foreign Currency Translation Reserve:** records exchange differences arising on translation of a foreign controlled subsidiary.

MOVEMENTS IN RESERVES

The movement in each class of reserves during the current and previous year is set out below.

	30 June 2021 $000	30 June 2020 $000
Asset revaluation reserve		
Opening balance	1,347	6,051
Revaluation gain/(loss) on property, plant & equipment	-	(4,704)
	1,347	**1,347**
Share options reserve		
Opening balance	596	250
Amount recognised in income statement during period	616	346
	1,212	**596**
Common control reserve		
Opening balance	(4,171)	(4,171)
Amounts acquired during period	-	-
	(4,171)	**(4,171)**
Foreign currency translation reserve		
Opening balance	(192)	122
Translation differences from foreign operations during period	(53)	(314)
	(245)	**(192)**
Reserves	**(1,857)**	**(2,420)**

NOTE 21 FINANCIAL RISK MANAGEMENT

The Group has exposure to credit risk, liquidity risk and market risk arising from the use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit Risk Exposures

The carrying amount of the Group's financial assets represents the maximum credit exposure.

	Notes	30 June 2021 $000	30 June 2020 $000
Cash and cash equivalents		13,321	12,469
Trade and other receivables		1,841	3,099
Loans		-	528
Financial assets		**15,162**	**16,096**

Cash and cash equivalents

Cash at bank and short-term deposits are held with Australian and New Zealand banks with acceptable credit ratings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade and other receivables

Credit risk is managed through regular monitoring of customer accounts and payments. Such monitoring is used in assessing receivables for impairment. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Credit risk is principally attributable to local and international travel agents and inbound tour operators, including online and traditional high street travel agents.

The Group does not normally require or hold collateral for the purposes of securing receivables.

Impairment of trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses trade receivables have been grouped based on shared credit risk characteristics and historical credit loss.
The Group has sought to determine risk on characteristics of certain groups and their respective risk categories.

	Category 1 $000	Category 2 $000	Category 3 $000	Category 4 $000	Category 5 $000	Total $000
30 June 2021						
Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding ($000)	1,375	44	69	-	1,031	2,520
Expected credit loss	-	4	31	-	933	968
30 June 2020						
Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding ($000)	292	339	57	1,217	695	2,601
Expected credit loss	-	44	24	729	551	1,348

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The Group maintains a general corporate facility and cash reserves to mitigate this exposure.

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Financial liability maturity analysis

	Carrying amount $000	Contracted cash flow $000	6 months or less $000	6 to 12 months $000	1 to 2 years $000	More than 2 years $000
30 June 2021						
Government loan	465	465				465
Bank loans	7,385	7,385	-	-	7,385	-
Trade and other payables	5,166	5,166	5,166	-	-	-
Lease liabilities	20,438	20,438	3,337	2,203	5,428	9,470
Financial liabilities	**33,454**	**33,454**	**8,503**	**2,203**	**12,813**	**9,935**
30 June 2020						
Bank loans	9,760	9,760		-	9,760	-
Trade and other payables	4,571	4,571	4,571	-	-	-
Lease liabilities	24,145	24,145	3,107	1,834	5,601	13,603
Financial liabilities	**38,476**	**38,476**	**7,678**	**1,834**	**15,361**	**13,603**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2021 approximately 54% (2020: 54%) of group debt is fixed.

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the NZ Dollar may impact on the Group's financial results.

There are currently no hedging arrangements in place to manage foreign currency risk.

Sensitivities

The Group does not account for any financial assets or liabilities at fair value through the profit and loss, and has no derivatives designated as hedging instruments under fair value hedge accounting model. As such, a change in interest rates at reporting date would not impact profit and loss.

In relation to variable interest rate instruments, principally being bank borrowings under the general purpose corporate facility, the impact of a 100 basis point change in interest rates at the reporting date is immaterial.

Fair values

The fair values of financial assets and financial liabilities approximate their carrying amounts in the statement of financial position.

NOTE 22 FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following tables detail the assets and liabilities of the Group, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- **Level 3:** Unobservable inputs for the asset or liability

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

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
30 June 2021				
Non-current assets held for sale			2,958	2,958
Aircraft			31,869	31,869
Total assets	-	-	**34,827**	**34,827**
30 June 2020				
Non-current assets held for sale			8,350	8,350
Aircraft			32,456	32,456
Total assets	-	-	**40,806**	**40,806**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 FAIR VALUE MEASUREMENT (CONTINUED)

Non-current assets held for sale

Non-current assets held for sale are carried at their market value assessed at the time when the assets were designated as held for sale. The fair value of assets held for sale is designated within level 2 of the fair value hierarchy when contracts have been exchanged for the subject assets. Level 3 assets are those being actively marketed but no contracts have been exchanged at year end.

Aircraft

The fair value of aircraft equipment is expected to be determined at least every two years based on valuations by an independent valuer, with the last revaluation being 30 June 2020. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data.

		Level 3		
	Aircraft	Non-current assets held for sale	Unlisted Investments	Total
	$000	$000	$000	$000
Balance at 1 July 2019	**66,022**	-	**1**	**66,023**
Additions	3,752	3,289	-	7,041
Disposals	(16,717)	-	-	(16,717)
Revaluations increments	(3,016)	-	-	(3,016)
Loss recognised in profit and loss	(10,294)	-	(1)	(10,295)
Depreciation	(2,404)	-	-	(2,404)
Other	113	-	-	113
Transfer from non-fair value asset class	(5,001)	5,001	-	-
Balance at 30 June 2020	**32,456**	**8,290**	-	**40,746**
Balance at 1 July 2020	**32,456**	**8,290**	-	**40,746**
Additions	1,067	108	-	1,175
Disposals	(671)	(4,743)	-	(5,414)
Revaluations increments	-	-	-	-
Loss recognised in profit and loss	-	(472)	-	(472)
Depreciation	(1,058)	(310)	-	(1,368)
Other	52	85	-	137
Transfer between asset class	23	-	-	23
Balance at 30 June 2021	**31,869**	**2,958**	-	**34,827**

Due to the COVID-19 event there was not an active and liquid market in place to support an orderly transaction as at 30 June 2021 and as such the reliability of independent valuations at this point in time is inherently limited by market events. As a consequence, directors valuations were adopted for the 30 June 2021 balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 CASH FLOW INFORMATION

RECONCILIATION OF LOSS AFTER INCOME TAX TO OPERATING CASH FLOWS

	30 June 2021 $000	30 June 2020 $000
(Loss) / Profit after income tax	(4,301)	(51,413)
Non-cash items in profit		
Depreciation and amortisation	7,929	11,031
Impairment	199	42,568
One off items - Non Cash	(307)	(880)
Net loss on sale of assets	(416)	961
	3,104	2,267
Changes in assets and liabilities:		
Decrease in trade and other receivables	2,687	2,190
(Increase)/Decrease in other current assets	(1,024)	1,192
(Increase)/Decrease in inventories	(923)	1,954
(Increase) in trade and other payables	(729)	(3,539)
(Increase)/Decrease in income taxes payable	(717)	5,579
(Increase) in deferred taxes payable	2,154	(1,674)
(Increase) in provisions	(18)	(1,436)
Cash flows from operating activities	**4,534**	**6,533**

NOTE 24 RELATED PARTY DISCLOSURES

RELATED PARTIES

The Group's related parties are as follows:

- **Entities exercising control over the Group**: the ultimate parent entity that exercises control over the Group is Experience Co Limited, which is incorporated in Australia.
- **Key Management Personnel**: persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors (executive and non-executive) of that entity.
- **Other Related Parties**: other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

KEY MANAGEMENT PERSONNEL REMUNERATION

	30 June 2021 $	30 June 2020 $
Short-term employee benefits	1,421,225	1,651,710
Post-employment benefits	102,775	108,439
Share based payments	440,808	441,858
Total KMP remuneration	**1,964,808**	**2,202,007**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 RELATED PARTY DISCLOSURES (CONTINUED)

RELATED PARTY TRANSACTIONS AND BALANCES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	30 June 2021	30 June 2020
	$	$
Property leases and outgoings (i)	328,262	692,404
Other non remuneration services	72,980	113,072
Related party expenses	**401,242**	**805,476**

Property lease transactions

During the period, property lease and outgoing costs were incurred in relation to entities controlled by Anthony Boucaut (Director):

- **Newcastle Drop Zone:** IGMAITB Pty Ltd atf IGMAITB Discretionary Trust for the property located at Belmont Airport, NSW.
- **Shellharbour Airport Hangar facilities:** Illawarra Hangar Pty Ltd atf Illawarra Hangar Unit Trust for properties located at Shellharbour Airport, NSW.

NOTE 25 SUBSEQUENT EVENTS

Subsequent to balance date the Group has completed the acquisitions of the business assets of Wild Bush Luxury on 19 July 2021. It is anticipated that the Maria Island Walk will be completed in first quarter of FY22.

NOTE 26 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2021, the Group had drawn bank guarantees amounting to $289,867 (30 June 2020: $287,319).

The Group is defending a claim lodged in the Federal Court of Australia by certain contractor pilots of STBAUS Pty Ltd, a Group subsidiary, for an amount of approximately $1.2 million. As at the date of this report, the Group is defending the claim.

There are no other contingent liabilities or assets requiring disclosure as at the date of this report.

NOTE 27 CONTROLLED ENTITIES

The subsidiaries listed have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation. Other than banking covenants there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST 2021	OWNERSHIP INTEREST 2020
Aircraft Maintenance Centre Pty Ltd	Australia	**100%**	100%
Australia Skydive Pty Ltd	Australia	**100%**	100%
B & B No 2 Pty Ltd	Australia	**100%**	100%
Bill & Ben Investments Pty Ltd	Australia	**100%**	100%
Skydive Holdings Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Airlie Beach Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond BB Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Central Coast Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Great Ocean Road Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Hunter Valley Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Melbourne Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Newcastle Pty Ltd	Australia	**100%**	100%
SBB Trading Pty Ltd	Australia	**100%**	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST 2021	OWNERSHIP INTEREST 2020
Skydive the Beach and Beyond Sydney Wollongong Pty Ltd	Australia	**100%**	100%
Skydive the Beach and Beyond Yarra Valley Pty Ltd	Australia	**100%**	100%
Skydive.com.au Pty Ltd	Australia	**100%**	100%
STBAUS Pty Ltd	Australia	**100%**	100%
Skydive International Holdings Pty Ltd	Australia	**100%**	100%
Skydive Investments Pty Ltd	Australia	**100%**	100%
Raging Thunder Pty Ltd	Australia	**100%**	100%
Fitzroy Island Ferries Pty Ltd	Australia	**100%**	100%
Fitzroy Island Pty Ltd	Australia	**100%**	100%
Martheno Pty Ltd	Australia	**100%**	100%
Raging Thunder Retail Pty Ltd[1]	Australia	**100%**	100%
White Water Rafting Qld Pty Ltd	Australia	**100%**	100%
Raging Thunder Balloon Adventures Pty Ltd	Australia	**100%**	100%
ILB Pty Ltd	Australia	**100%**	100%
Reef Magic Cruises Pty Ltd	Australia	**100%**	100%
ACN 123 520 874 Pty Ltd [2]	Australia	**100%**	100%
Air Vistas Pty Ltd	Australia	**100%**	100%
Calypso Reef Charters Pty Ltd	Australia	**100%**	100%
Fish for Fish Investments Pty Ltd	Australia	**100%**	100%
Experience Daintree Pty Ltd	Australia	**100%**	100%
J & J Wallace (Holdings) Pty. Ltd.	Australia	**100%**	100%
J & J Wallace (Projects) Pty Ltd	Australia	**100%**	100%
J & J Wallace (Tours) Pty Ltd	Australia	**100%**	100%
J & J Wallace (Permits) Pty. Ltd.	Australia	**100%**	100%
Performance Helicopters Pty Ltd[3]	Australia	**-**	100%
Experience Marine Pty Ltd	Australia	**100%**	100%
Experience Co Admin Pty Ltd	Australia	**100%**	100%
Experience Co Admin QLD Pty Ltd	Australia	**100%**	100%
Skydive Australia Collections Pty Ltd	Australia	**100%**	100%
Experience Co NZ Holdings Limited	New Zealand	**100%**	100%
Skydive Queenstown Limited	New Zealand	**100%**	100%
Ultimate Adventure Group Ltd	New Zealand	**100%**	100%
Parachute Adventure Queenstown Limited	New Zealand	**100%**	100%
Skydive Wanaka Limited	New Zealand	**100%**	100%
Performance Aviation (New Zealand) Limited	New Zealand	**100%**	100%

[1] Entered voluntary administration in March 2021. In accordance with a Deed of Company Arrangement the company will be deregistered in FY22
[2] Changed name on 29 June 2020, having previously been named Byron Bay Ballooning Pty Ltd
[3] Deregistered on 30 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 PARENT ENTITY DISCLOSURES

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

	30 June 2021 $000	30 June 2020 $000
Profit / (Loss) for the period	5,752	(14,173)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the period after tax	5,752	(14,173)
Current assets	18,109	9,058
Non-current assets	132,717	144,628
Total assets	150,826	153,686
Current liabilities	3,025	2,289
Non-current liabilities	14,448	15,664
Total liabilities	17,473	17,953
Issued capital	167,516	167,580
Retained earnings	(35,467)	(32,830)
Reserves	1,305	(983)
Total Equity	**133,353**	**133,767**

Significant accounting policies are consistent with those applied by the Group.

The parent entity had no guarantees, contingent liabilities or commitments as at balance date.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The financial statements and notes thereto:

   (a) comply with the Corporations Act 2001, Australian Account Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and

   (c) give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the period ended on that date.

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

The directors have been given the declarations required by section 295A of the Corporate Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors.

John O'Sullivan
Chief Executive Officer

Kerry Robert (Bob) East
Chairman

Dated: **26 August 2021**

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Experience Co Limited and controlled entities for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 26 August 2021

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Experience Co Limited

Opinion

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

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

INDEPENDENT AUDITORS REVIEW REPORT

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Revenue

Refer to the financial statements</td></tr>
<tr><td>The recognition of revenue and the associated deferred revenue is significant to the audit and is considered to be a key audit matter due to the nature of the revenue, which is often paid in advance of the services being rendered. The group is therefore required to recognise such receipts as deferred revenue until such time as the services are rendered under AASB 15.

There are potential risks in relation to the following:
Revenues may be deliberately overstated as a result of management override of internal controls. The management of the Group considers sales as a key performance measure which could create an incentive for sales to be recognised before the services have been provided.
In accordance with AASB 15, Experience Co Group is entitled to recognize revenue from variable consideration, being the probabilities applied to gift card sales and advance bookings in respect of management's assessment of the likelihood that the advance bookings and gift vouchers will result in a tandem jump occurring.</td><td>Our audit procedures in relation to revenue recognition, deferred revenue and breakage revenue included the following:
Obtaining a detailed understanding of each of the sources of revenue and the related systems processes for quantifying and recording revenue and deferred revenue.
Understanding the process and control over changeover of booking system from Respax to IBIS. Understanding the ITGC control on new booking system in IBIS and how it drives the revenue recognition.
Considered the adequacy of the Group's revenue recognition policies and assessing them for compliance with Australian Accounting Standards.
Where applicable, testing the operating effectiveness of key controls in relation to bookings and revenue recognition.
Selecting a sample of entries in the sales ledger accounts and testing that the amounts recognised are consistent with cash banked.
Obtaining deferred revenue schedule from management as at year end, on a sample basis, testing the completeness and accuracy of the deferred revenue schedule by selecting a sample of payment received before year end from the risky cut-off period based on the nature of the activities and trace to evidence as to whether the services have been rendered before year end and confirmed.
Obtaining the breakage revenue calculated by management, auditing managements estimates utilised in the process to determine the redemption rate. Assessing the reasonability of managements estimations, judgements, and calculations in accordance with AASB 15.
Assessing the adequacy of the disclosures in the financial statements for the critical accounting estimates and judgements in the accounting policy notes and ensure the disclosures are consistent with the applied practices.</td></tr>
</table>

INDEPENDENT AUDITORS REVIEW REPORT

<table>
<tr><th colspan="2">Property, Plant and Equipment
Refer to the financial statements</th></tr>
<tr><td>Experience Co Group currently owns aircraft and other operating equipment with a carrying value of $ 67,713,359 as of 30 June 2021.

The more significant classes of property, plant and equipment include aircraft and vessels.

The accounting in respect of the property, plant and equipment for Experience Co Group is complex and non-routine due to the nature of the equipment specially aircraft and vessels and the judgement required in determining useful lives, residual values, and the valuation of the major components of the assets.

Property, plant and equipment carrying at cost model subject to impairment review if there is an impairment indicator noted during the period of the review. Given the continuous impact of COVID-19 on the operation of Experience Co Group, the assessment of impairment indicators will be complex and involve significant judgements from management.</td><td>Our audit procedure in relation to property, plant and equipment included following:

Residual Values and Asset Components
• Obtaining the accounting memoranda of aircraft and vessel depreciation method to assess the reasonableness of evidence provided by management to support the residual value and component split of the assets by comparing it to external evidence and historical sales values.
• Assessing the adequacy of the disclosures in the financial statements for the critical accounting estimates and judgements in the accounting policy notes and ensure the disclosures are consistent with the applied practices.

Useful lives
• Obtaining the accounting memorandum prepared for aircraft and vessel depreciation method to assess the reasonableness of evidence provided by management to support the useful lives of the assets.
• Reviewing the depreciation method used in the fixed asset register to ensure it is in line with depreciation method prescribed in accounting memorandum.
• For newly acquired aircraft and vessel, assessing the reasonableness of the useful lives by comparing to similar planes, vessels and engines in the Groups.

Impairment
• Obtaining and reviewing the accounting memorandum prepared by management regarding assessing impairment indicator as at 30 June 2021 and assess the appropriateness of management's assessment.</td></tr>
</table>

Responsibilities of the Directors for the Financial Report

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

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

INDEPENDENT AUDITORS REVIEW REPORT

RSM

Other Information

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2021.

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

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

Hume

C J Hume
Partner

Sydney, 26 August 2021

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 3 August 2021.

1. Shareholding

a) Distribution of Shareholders

CATEGORY (SIZE OF HOLDING)	NUMBER OF HOLDERS	NUMBER ORDINARY SHARES	% HELD BY CATEGORY
1-1,000	166	63,124	0.01%
1,001-5,000	409	1,194,060	0.21%
5,001-10,000	235	1,819,363	0.33%
10,001-100,000	461	15,316,944	2.76%
100,000 - and over	80	537,418,349	96.69%
	1,351	**555,811,840**	**100.00%**

b) Shareholdings in less than marketable parcels

The number of shareholdings held in less than marketable parcels is 250.

c) Substantial shareholders

The names of the substantial shareholders listed in the holding company's register are:

SHAREHOLDER	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
BOUCAUT ENTERPRISES PTY LTD	182,808,239	32.89%
J P MORGAN NOMINEES AUSTRALIA	127,163,328	22.88%
NATIONAL NOMINEES LIMITED	114,796,149	20.65%
UBS NOMINEES PTY LTD	46,775,420	8.42%

d) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Shareholding (continued)

e) 20 Largest Shareholders – Ordinary Shares

NAME	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
BOUCAUT ENTERPRISES PTY LTD	182,808,239	32.89%
J P MORGAN NOMINEES AUSTRALIA	127,163,328	22.88%
NATIONAL NOMINEES LIMITED	114,796,149	20.65%
UBS NOMINEES PTY LTD	46,775,420	8.42%
CITICORP NOMINEES PTY LIMITED	27,711,863	4.99%
BNP PARIBAS NOMS PTY LTD	8,354,324	1.50%
MS ARIANE RADFORD	6,227,940	1.12%
BNP PARIBAS NOMS (NZ) LTD	2,315,271	0.42%
BNP PARIBAS NOMINEES PTY LTD	1,545,059	0.28%
EQUITY TRUSTEES LIMITED	1,246,722	0.22%
BLACK SNAKEBYTE PTY LTD	1,231,200	0.22%
MR ANDRE WALL ELLIS	1,100,000	0.20%
HSBC CUSTODY NOMINEES	1,023,380	0.18%
MR MICHAEL CHARLES BOWDEN	813,908	0.15%
MR GEOFFREY JAMES WOODS	762,403	0.14%
MR WARWICK IAN PROWSE	750,802	0.14%
MR KERRY ROBERT EAST	700,000	0.13%
RADROB PTY LTD	696,086	0.13%
ROMNEY LODGE PTY LTD	685,891	0.12%
MR GREG PRICE	461,175	0.08%
Total Shares of Top 20 Holdings	**527,169,160**	**94.85%**

2. Company Secretary

Mark Licciardo

3. The address of the principle office in Australia is:

Level 1, 17 Castlereagh Street Sydney 2000
Telephone 1300 663 634

4. Registers of securities are held at the following addresses:

Boardroom Pty Ltd Level 12, 225 George Street, Sydney NSW 2000

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

CORPORATE DIRECTORY

Directors:	Kerry (Bob) East Neil Cathie Michelle Cox Anthony Boucaut John O'Sullivan
Company Secretary:	Mark Licciardo
Registered Office:	Level 1, 17 Castlereagh Street, Sydney, NSW 2000
Principal Place of Business:	Level 1, 17 Castlereagh Street, Sydney, NSW 2000
Lawyers:	Bird & Bird Level 22, MLC Centre, 19 Martin Place, Sydney NSW 2000
Auditors:	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000
Share Registry:	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000
Bankers:	National Australia Bank Limited Level 22, 255 George Street Sydney NSW 2000
Stock Exchange Listing Code:	**ASX**: EXP
Website:	www.experienceco.com