EVENT

HOSPITALITY & ENTERTAINMENT

EST 1910

ABN 51 000 005 103

EVENT HOSPITALITY & ENTERTAINMENT LIMITED

Annual Report 2022

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2022 ANNUAL REPORT

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DIRECTORS' REPORT

The directors present their report together with the financial report of EVENT Hospitality & Entertainment Limited, being the Company and its controlled entities ("Group"), for the year ended 30 June 2022 and the auditor's report thereon.

DIRECTORS
The directors of the Company in office at any time during or since the end of the year are:

AG Rydge (Chairman)
Director since 1978

PR Coates
Director since 2009

VA Davies
Director since 2011

DC Grant
Director since 2013

JM Hastings (Managing Director and Chief Executive Officer)
Director since 2017

PM Mann
Director since 2013

RG Newton
Director since 2008.

Directors' qualifications, experience and independence status

Alan Rydge *AM*
Non-executive Chairman, Board member since 1978, Chairman of the Board since 1980. Member of the Audit and Risk Committee and member of the Nomination and Remuneration Committee.
Experience
A company director with more than 50 years of experience in the film, hospitality, leisure and tourism industries. Joined the Greater Union group in 1971 and was formerly the Group Managing Director. He was made a Member of the Order of Australia in 2022.
Directorships
Mr Rydge is also a director of the listed company, Carlton Investments Limited (appointed 1980, chairman since 1980). In addition, Mr Rydge is chairman of Alphoeb Pty Limited and Enbeear Pty Limited.

Peter Coates *AO, BSc (Mining Engineering), FAICD, FAusIMM*
Independent non-executive director and Board member since 2009, and Chairman of the Nomination and Remuneration Committee. Mr Coates is the lead independent director.
Experience
A company director with more than 50 years of industry experience including as chief executive officer of Xstrata and Glencore's global coal businesses until his retirement in December 2007. Mr Coates was a past non-executive chairman of Santos Limited, Sphere Minerals Limited and Minara Resources Ltd, and a past chairman of the Minerals Council of Australia, NSW Minerals Council and Australian Coal Association. He was made an Officer of the Order of Australia in 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal in 2011.
Directorships
Positions held by Mr Coates currently, or during the last three years, include:
- director of Glencore plc; and
- chairman of the Industry Advisory Council for the School of Minerals and Energy Resource Engineering, UNSW.

Directors' qualifications, experience and independence status (continued)

Valerie Davies *FAICD*
Independent non-executive director and Board member since 2011. Member of the Nomination and Remuneration Committee.
Experience
A company director with more than 25 years of broad experience across diverse sectors, including tourism, property, technology, resources, labour-hire, health and media. Ms Davies also operated her own consultancy in corporate communications, working at the leadership level with numerous tier 1 national and international business organisations addressing the complexities of issues management, communications, coaching and mentoring. She is a member of Chief Executive Women, a former Telstra Business Woman of the Year (WA), a Fellow of the Australian Institute of Company Directors as well as being a past Vice-President of the AICD (WA).
Directorships
Positions held by Ms Davies currently, or during the last three years, include:
- director of Cedar Woods Properties Limited (ASX: CWP); and
- commissioner of Tourism Western Australia (resigned 30 June 2021).

David Grant *BComm, CA, GAICD*
Independent non-executive director, Board member since 2013, and Chairman of the Audit and Risk Committee.
Experience
A company director and a Chartered Accountant with more than 25 years of accounting and finance experience spanning both the accounting profession and the commercial sector. Mr Grant's executive career included roles with Goodman Fielder Limited and Iluka Resources Limited. Mr Grant was formerly a non-executive director of iiNet Limited.
Directorships
Positions held by Mr Grant currently, or during the last three years, include:
- director of Retail Food Group Limited (ASX: RFG);
- director of The Reject Shop Limited (ASX: TRS);
- director of A2B Australia Limited (ASX: A2B); and
- director of Murray Goulburn Co-operative Co. Limited (appointed 27 October 2017 and resigned 26 June 2020).

Jane Hastings *BComm*
Managing Director and Chief Executive Officer ("CEO") since 1 July 2017.
Experience
More than 20 years of experience in the tourism, hospitality and entertainment sectors. Ms Hastings was previously CEO of New Zealand Media and Entertainment (NZME) (2014 – 2016). Ms Hastings was appointed as the Group's Chief Operating Officer in 2016 and CEO in 2017.
Directorships
Ms Hastings is currently a director of Les Mills International Limited and was previously a New Zealand Film Commission board member.

Patria Mann BEc, FAICD
Independent non-executive director and Board member since 2013. Member of the Audit and Risk Committee.
Experience
An experienced non-executive director with 20 years' board experience across various sectors and geographies. She has significant insight and understanding of market development, business transformation, including digital and technological change and mergers and acquisitions and financial transactions. She also brings strong ASX, audit, risk management and governance experience. Mrs Mann qualified as a Chartered Accountant and was formerly a partner at KPMG. She is a Fellow of the Australian Institute of Company Directors.
Directorships
Positions held by Mrs Mann currently, or during the last three years, include:
- director of Ridley Corporation Limited (ASX: RIC);
- director of Bega Cheese Limited (ASX: BGA); and
- director of Allianz Australia Limited (retired 30 June 2020).

Directors' qualifications, experience and independence status (continued)

Richard Newton ***BBus (Marketing), FAICD***
Independent non-executive director and Board member since 2008.
Experience
A company director with over 30 years of senior executive experience in property investment and development, specifically in hotel operations.
Directorships
Positions held by Mr Newton currently, or during the last three years, include:

- chairman of Capricorn Village Joint Venture, WA;
- chairman and director of Selpam (Australia) Pty Limited and a director of various companies wholly owned by Selpam (Australia) Pty Limited; and
- director of Bonsey Jaden Pte Ltd, a digital advertising agency.

Explanation of abbreviations and degrees: ***AM*** Member of the Order of Australia; ***AO*** Officer of the Order of Australia; ***BBus (Marketing)*** Bachelor of Business (Marketing)*;* ***BComm*** Bachelor of Commerce*;* ***BEc*** Bachelor of Economics*;* ***BSc (Mining Engineering)*** Bachelor of Science (Mining Engineering)*;* ***CA*** Member of Chartered Accountants Australia and New Zealand; ***FAICD*** Fellow of the Australian Institute of Company Directors; ***FAusIMM*** Fellow of the Australasian Institute of Mining and Metallurgy; and ***GAICD*** Graduate Member of the Australian Institute of Company Directors.

COMPANY SECRETARIES

GC Dean CA, ACG (CS, CGP) was appointed to the position of Company Secretary for EVENT Hospitality & Entertainment Limited in December 2002. GC Dean was Accounting Manager for the Company (2001 – 2002) and is a Chartered Accountant and a member of the Governance Institute of Australia.

DI Stone FCA, ACG was appointed to the position of Company Secretary for EVENT Hospitality & Entertainment Limited in February 2012. Prior to this appointment, DI Stone was an audit senior manager at KPMG. DI Stone is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Governance Institute of Australia.

CORPORATE GOVERNANCE

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition. The Group has disclosed its 2022 Corporate Governance Statement in the corporate governance section on its website (https://www.evt.com/investors/). As required, the Group has also lodged the 2022 Corporate Governance Statement and Appendix 4G with the ASX.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the year are set out below:

	Directors' meetings		Audit and Risk Committee meetings		Nomination and Remuneration Committee meetings		Other special purpose committee meetings [(a)]	
	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended
AG Rydge	7	7	4	4	8	8	4	4
PR Coates	7	7	–	–	8	8	4	4
VA Davies	7	7	–	–	5	5	–	–
DC Grant	7	7	4	4	–	–	4	4
JM Hastings [(b)]	7	7	4	4	7	7	4	4
PM Mann	7	7	4	4	3	3	–	–
RG Newton	7	7	–	–	–	–	–	–

(a) Other special purpose committees were formed during the year to assist the Board with confirming final approval of the half year and year end financial statements and its oversight of the CineStar Germany transaction.

(b) JM Hastings attended Audit and Risk Committee and certain Nomination and Remuneration Committee meetings by invitation. Other directors who are not members of a committee may attend meetings by invitation from time to time.

From time to time, directors visit various sites to improve their understanding of the Group's locations and operations. Director site visits have been limited during the year ended 30 June 2022 due to travel restrictions implemented as a result of the impact of the global coronavirus pandemic ("COVID-19").

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the year included the following:

- cinema exhibition operations in Australia and New Zealand, including technology equipment supply and servicing, and the State Theatre;
- cinema exhibition operations in Germany;
- ownership, operation and management of hotels and resorts in Australia and overseas;
- operation of the Thredbo resort including property development activities; and
- property development, investment properties, and investment in shares in unlisted companies.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

COVID-19 has had, and continues to have, a material impact on the Group's operating divisions. The government mandated temporary closure of certain businesses, and subsequent periodic closures, lockdowns and travel restrictions, have materially impacted all of the Group's businesses. Further information regarding the impact of COVID-19 on the Group is set out below in the Operating and Financial Review.

There were no other significant changes in the state of affairs of the Group during the year.

OPERATING AND FINANCIAL REVIEW

The result for the year ended 30 June 2022 represented a significant improvement on the prior year, despite the first half impact of materially greater government lockdowns and restrictions in Australia and New Zealand, and the cessation of JobKeeper in Australia in June 2021.

The Group's normalised revenue was $953.8 million, up $300.6 million or 46.0%, and normalised earnings before interest, tax, depreciation, amortisation, the impact of AASB 16 *Leases* and individually significant items ("EBITDA") was $138.3 million, up $111.1 million or 408.1%. Excluding the benefit of the German government's Bridging Aid programs, which principally relate to losses in the prior year period associated with government mandated COVID restrictions, Group revenue was $890.8 million, up $237.6 million or 36.4%, and EBITDA was $75.3 million, up $48.1 million.

As lockdowns and restrictions eased, the second half result demonstrated the strength of demand for the Group's operating divisions. Excluding the benefit of government subsidies, second half revenue was $486.0 million, up 31.4% on first half revenue of $370.0 million and up 58.8% on the prior year second half.

The Entertainment businesses benefited from strong pent-up demand for the cinema experience, a growing preference for premium experiences, and a desire to spend more on food and beverage. This was underpinned by the release and performance of key blockbuster titles including *Top Gun: Maverick* and *Spider-Man: No Way Home*, which are now two of the top five highest grossing titles of all time in the Australian market.

The Hotels result was a tale of two halves, with the first half materially impacted by lockdowns and restrictions, followed by a strong second half recovery. Record rate growth was achieved, with the average room rate for the Group's owned hotels up 5% on the year ended 30 June 2019 ("FY19"), and the fourth quarter of the year up 23.3% on the comparable period in FY19. Demand continues to grow steadily, assisted by the recent relaxation of New Zealand border restrictions, and the return of corporate travel.

Whilst Thredbo was materially impacted by the forced closure of the resort during the 2021 winter season, this was followed by a strong second half result with normalised EBITDA of $6.3 million, up 6.0% on the prior year. The second half result reflects the success of the Thredbo growth strategy including the expansion of the mountain biking experience and the new business model which maximised the strong June 2022 pre-season snowfall.

The Group's unallocated corporate costs increased $7.5 million to $20.2 million due to an increase in insurance premiums and the cessation of JobKeeper. Underlying unallocated costs were 3.7% below FY19 unallocated costs, adjusting for the impact of insurance premium increases and short term incentive payments.

The Group has exceeded its target to realise total gross proceeds of $250 million from the sale of non-core property assets following the sale of The Miller Hotel (formerly Rydges North Sydney), which settled in July 2022. The hotel will be retained in the Group's portfolio under a management agreement. Total proceeds from the non-core property sales to date are $275.3 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. The Group's property portfolio at 30 June 2022 has been independently valued at approximately $2.0 billion.

The normalised EBITDA result for the Group's Property division was $7.8 million, down $9.0 million on the prior year, which included a favourable investment property fair value adjustment of $6.8 million in relation to the Canberra Civic Building, which was sold during the year.

The Group's net debt at 30 June 2022, before the settlement of the sale of the North Sydney property, was $210.4 million, below pre-COVID-19 net debt levels and significantly below net debt of $355.5 million at 30 June 2021. The enduring strength of the Group's balance sheet will enable the Group to invest for growth and capitalise on opportunities that may arise in the future.

The Group has continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. The priority is 525 George Street, a mixed-use development including prime George Street retail space, a premium Event Cinema, a 292-room hotel with conference space, and 115 residential apartments which are intended to be sold off-the-plan to assist in funding the project. A Stage One Development Application has been approved and design competition completed, with the Stage Two Development Application lodged in May 2022. The City of Sydney has approved a Development Application for the podium component of the 458-472 George Street development, which will include ground floor retail space, an extension of the QT Sydney hotel, conference centre and rooftop bar. In March 2022, the Group lodged a Stage One Development Application for a commercial officer tower above the podium with 33 levels and approximately 35,000m^2 of office space. The timing of commencement of these developments will be subject to market conditions.

The Group continues to invest in its key hotel assets, including upgrades of Rydges Melbourne and QT Gold Coast, which are well underway. During the year, the Group entered into an agreement to increase its interest in Rydges Latimer Christchurch from 16% to 100% over a period of two years. The recently upgraded 175-room hotel opened in 2013 and has extensive conference and food and beverage facilities, including the Bloody Mary's restaurant, representing an excellent addition to the Group's portfolio of owned hotels.

The Group's hotel strategy has evolved to include all segments of the market from luxury to budget accommodation. This evolution is enabled through acquisition of key city assets, new management agreements for existing brands, acquisition of the innovative market leading budget brand Jucy Snooze and the creation of The Independent Collection to better leverage the Group's expertise by introducing new and innovative hotel management and service models. The Independent Collection offers solutions to independently branded luxury to budget hotel owners, and has grown to 12 hotels with the addition in the year of Hotel Motel Adelaide, The Terrace Adelaide, and The Kennigo Hotel Brisbane, and the more recent addition post year end of The Miller Hotel (formerly Rydges North Sydney), Arawa Park Hotel Rotorua (formerly Rydges Rotorua) and Hotel Totto, located in Wollongong. A new flagship Jucy Snooze property is due to open in Auckland later this year.

Employee engagement continues to be a key area of focus in the context of the need to rebuild teams post COVID-19 mandated closures, a competitive market, and the impact of staff absenteeism due to COVID-19 and influenza. These challenges are being managed as effectively as possible, and the Group's unique value proposition is being leveraged to appeal to candidates, in particular the ability to offer benefits such as flexible work options, wellbeing programs and a broad range of experience perks. Employment engagement is actively measured through internal surveys, and the Group's employee net promoter score measures favourably against comparable companies in similar industries. Employee engagement is enhanced and supported by a focus on diversity and inclusion and the Group has increased the percentage of female employees in senior executive positions to 38%, with 51% of all Group employees being female.

The Group has transformed during the COVID period and is ready to leverage the significant improvements made. This includes repositioning the Group to better reflect extensive expertise across the Entertainment businesses, Ventures for growth and the Travel businesses. To better reflect the Group's strategy and operations, the Board has approved a change of the Company's name to EVT Limited, subject to shareholder approval. This new corporate identity will also assist in raising awareness of the Group's ELEVATE programme including its people, community, and environment strategic initiatives. This repositioning will also provide more insights for partners and investors to enhance the appeal of the Group and increase the attractiveness of the Group for new talent that may consider joining.

In relation to the ELEVATE our environment strategy, a climate related risk and opportunity assessment has been completed and the results of this assessment are set out below on pages 24 to 28 of the Directors' Report. The Group remains on track to fully align with the Task Force on Climate-related Financial Disclosures ("TCFD") framework by no later than the year ending 30 June 2024 ("FY24"). The Group has also disclosed specific and measurable sustainability goals for the year ending 30 June 2023 ("FY23"), achievement of which now form part of the short-term incentive framework for the CEO and other key management personnel and executives.

FY23 outlook

The financial year has started positively with key blockbuster titles continuing to perform well into the July school holiday period in Australia and New Zealand, growing demand for the Group's Hotels, and similarly strong demand for Thredbo despite limited natural snowfall since early June 2022.

The Entertainment Group's performance will be subject, as always, to the overall appeal of the film line-up, with limited blockbuster releases scheduled for August and September 2022, and only partial visibility on titles to be released in the second half of the year. The long-anticipated release of *Avatar: The Way of Water* is expected to underpin performance over the key December and January trading period. When blockbuster titles are released, the Group expects to continue to benefit from its new operating model with improved margins.

Demand for the Group's Hotels continues to grow, with record average room rates being achieved on steadily growing occupancy. Continued recovery in corporate travel and the return of international travel are expected to assist in recovery for FY23. However, it is anticipated that a full recovery of the hotels market will be dependent on airlines returning to a pre-COVID model. The industry has indicated through various reports an estimated recovery in FY24.

A solid winter 2022 result is expected for Thredbo with the Group's new business model delivering pleasing results following excellent early season snowfall. Summer performance is expected to be relatively in line with the year ended 30 June 2022, subject to weather conditions.

The Property segment result will continue to track below the year ended 30 June 2022 following the completion of non-core property sales.

Headwinds anticipated in the year ahead include energy cost increases, particularly in Germany, and other inflationary cost increases including in salaries and wages, food and beverage, and cinema rents linked to the Consumer Price Index. From a corporate perspective, the investment required in compliance and risk management continues to grow, whilst the Group is also investing in its sustainability initiatives. Whilst it appears that most government mandated closures and restrictions may now be in the past, the Group's operating divisions continue to be exposed to the risk of any reintroduction of such measures in response to future COVID-19 infection waves.

The transformation across the Group throughout the pandemic has been material from new business models to increased adoption of customer and business technology. The Group has a strong foundation for the future and greater agility to respond to market challenges.

Overview of the Group

Reported net profit after tax and individually significant items was $53,322,000 (2021: loss of $48,036,000), $101,358,000 above the prior year result. The normalised result before interest and income tax expense was a profit of $61,493,000 (2021: loss of $51,061,000), and the normalised result after tax was a profit of $46,198,000 (2021: loss of $54,051,000). A summary of the normalised result is outlined below:

	30 June 2022					30 June 2021				
CONSOLIDATED GROUP RESULT	Normalised EBITDA[1] $'000	Depreciation and amortisation[2] $'000	Normalised Result[3] $'000	Impact of AASB16 *Leases* $'000	Reconciliation to reported net profit $'000	Normalised EBITDA[1] $'000	Depreciation and amortisation[2] $'000	Normalised Result[3] $'000	Impact of AASB16 *Leases* $'000	Reconciliation to reported net profit $'000
Entertainment										
Australia and New Zealand	32,206	(31,330)	876	18,560	19,436	(6,400)	(32,201)	(38,601)	15,316	(23,285)
Germany	75,630	(8,735)	66,895	1,854	68,749	(33,616)	(8,976)	(42,592)	139	(42,453)
Hospitality and Leisure										
Hotels and Resorts	26,576	(27,733)	(1,157)	(183)	(1,340)	33,449	(27,494)	5,955	(138)	5,817
Thredbo Alpine Resort	16,292	(4,974)	11,318	—	11,318	29,775	(4,651)	25,124	—	25,124
Property and Other Investments	7,790	(2,130)	5,660	—	5,660	16,748	(2,745)	14,003	—	14,003
Unallocated revenues and expenses	(20,185)	(1,914)	(22,099)	—	(22,099)	(12,735)	(2,215)	(14,950)	—	(14,950)
	138,309	**(76,816)**	**61,493**	**20,231**	**81,724**	**27,221**	**(78,282)**	**(51,061)**	**15,317**	**(35,744)**
Net finance costs			(15,994)	(25,033)	(41,027)			(17,914)	(23,280)	(41,194)
			45,499	**(4,802)**	**40,697**			**(68,975)**	(7,963)	**(76,938)**
Income tax credit			699	1,385	2,084			14,924	2,204	17,128
Profit before individually significant items			**46,198**	**(3,417)**	**42,781**			**(54,051)**	**(5,759)**	**(59,810)**
Individually significant items – net of tax					10,541					11,774
Reported net profit/(loss)					**53,322**					**(48,036)**

1. Normalised EBITDA is the normalised result (see below) for the year before depreciation and amortisation and excluding the impact of AASB 16 *Leases*.
2. Depreciation and amortisation excludes the impact of AASB 16 *Leases*.
3. Normalised result is profit for the year before individually significant items (as outlined in Note 2.2 to the financial statements) and excluding the impact of AASB 16 *Leases*. As outlined in Note 2.2 to the financial statements, this measure is used by the Group's Chief Executive Officer to allocate resources and in assessing the relative performance of the Group's operations. The normalised result is an unaudited non–International Financial Reporting Standards ("IFRS") measure.

Overview of the Group (continued)

An analysis of the last five years is outlined below:

	2022	2021	2020	2019	2018
Total revenue and other income ($'000)	987,794	692,474	1,030,921	1,304,288	1,289,738
Basic earnings per share (cents)	33.1	(29.8)	(35.4)	69.6	69.8
Dividends declared[(a)] ($'000)	–	–	33,851	83,822	83,670
Dividends per share (cents)	–	–	21	52	52

(a) No dividends were declared in relation to the 30 June 2022 and 30 June 2021 years. No final dividend was declared in relation to the year ended 30 June 2020.

Individually significant items

Individually significant items comprised the following:

	2022 $'000	2021 $'000
Profit on sale of properties	28,212	35,205
Reversal of impairment charges booked in previous years	1,548	3,997
Impairment charges	(6,148)	(9,920)
Disposal of assets on redevelopment or damage	(5,156)	–
Restructure costs, redundancies and staff retention costs arising as a result of COVID-19	(3,723)	(5,895)
Legal and other costs associated with the sale of a business segment	(810)	(4,683)
Other expenses (net of income items)	(800)	(4,794)
Individually significant items before tax	13,123	13,910
Income tax expense	(2,582)	(2,136)
Individually significant items after tax	10,541	11,774

Investments

The Group acquired property, plant and equipment totalling $98,247,000 during the year. The significant acquisitions and capital additions include the following:

- hotel refurbishments at Rydges Melbourne and QT Gold Coast;
- cinema refurbishments at EVENT Shellharbour in New South Wales, EVENT Innaloo in Western Australia and EVENT Queensgate in New Zealand; and
- other refurbishment requirements for Thredbo, cinemas, hotels and resorts.

On 30 September 2021, the Group acquired an additional 54% interest in Rydges Latimer Holdings Limited ("Latimer") taking the Group's total ownership interest in Latimer to 70%. Prior to the acquisition, the Group had owned a 16% interest in Latimer that had been acquired in August 2017. Latimer owns and operate the Rydges Latimer Christchurch hotel. The net consideration paid for the acquisition of 54% of the total share capital of Latimer was NZ$14,208,000 (A$13,614,000). Further information relating to the acquisition has been outlined within Note 5.1 to the financial statements.

Property

The Group has exceeded its target to realise total gross proceeds of $250 million from the sale of non-core property assets following the sale of The Miller Hotel (formerly Rydges North Sydney), which settled in July 2022. Total proceeds from the non-core property sales to date are $275.3 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. The Group has also continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. Further information regarding these matters is set out below in the Review of Operations by Division.

The Group's interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, is independently valued by registered qualified valuers on a progressive three-year cycle. Independent valuations for the majority of the Group's properties were obtained at 30 June 2021, and the total value of the Group's interest in land and buildings based on these independent valuations is $2,014,182,000 (refer to Notes 3.3, 3.4 and 3.5 to the financial statements) whilst the total written-down book value of these land and buildings including integral plant and equipment at 30 June 2022 was $1,074,990,000.

The total value of the Group's properties as at 30 June 2022 included:

	Valuations 2022 [(a)] $'000	Carrying value 2022 $'000	Valuations 2021 [(a)] $'000	Carrying value 2021 [(a)] $'000
Valuation of:				
Interest in land and buildings	1,935,287	1,052,032	1,965,563	1,030,447
Investment properties	6,300	6,300	64,500	64,500
Assets held for sale	72,595	16,658	27,380	17,973
	2,014,182	**1,074,990**	**2,057,443**	**1,112,920**
Less: assets subsequently sold	(66,000)	(14,126)	(158,464)	(96,477)
Total	**1,948,182**	**1,060,864**	**1,898,979**	**1,016,443**

(a) Valuations are based on independent valuations (as outlined in Note 3.3 to the financial statements).

Capital structure

Cash and term deposits at 30 June 2022 totalled $175,158,000 (2021: $120,978,000) and total bank debt outstanding was $385,562,000 (2021: $476,428,000).

Treasury policy

The Group manages interest rate risk in accordance with a Board approved treasury policy covering the types of instruments, range of protection and duration of instruments. The financial instruments cover interest rate swaps and forward rate agreements. Maturities of these instruments are up to a maximum of five years. Interest rate swaps and forward rate agreements allow the Group to raise long term borrowings at floating rates and swap a portion of those borrowings into fixed rates.

The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. At 30 June 2022, the Group had no interest rate hedges (2021: nil).

Liquidity and funding

As at 30 June 2022, the Group's secured bank debt facilities was comprised a $650,000,000 revolving multi-currency loan facility and a $2,500,000 credit support facility (for the issue of letters of credit and bank guarantees). The debt facilities mature on 3 July 2023 and are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages. The debt facilities were amended and restated on 3 July 2020 and initially consisted of the $650,000,000 revolving multi-currency loan, a $100,000,000 non-revolving loan and $2,500,000 credit support facility. In relation to the non-revolving loan, the Group repaid and cancelled $43,500,000 (2021: $56,500,000) of that facility during the year.

Debt drawn under the loan facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.75% and 3.60% per annum. As at 30 June 2022, the Group had drawn $365,510,000 (2021: $476,428,000) under the loan facilities and $1,349,000 under the credit support facility (2021: $1,225,000).

Cash flows from operations

Net cash inflows from operating activities as reported increased to $279,907,000 from $148,137,000 in the prior year. After adjusting to include the payment of lease liabilities, net cash inflows from operating activities increased to $175,631,000 from $45,412,000 in the prior year. This movement was driven by the recovery in the Group's trading operations, particularly in the second half of the year.

Impact of legislation and other external requirements

From March 2020, a number of statutory requirements were introduced in Australia, New Zealand and Germany by relevant authorities in response to COVID-19. Where applicable, these requirements have been satisfied by the Group in each territory. Safety and wellbeing remain the Group's highest priority. Detailed COVID-19 safety plans and staff training programs were developed for each of the Group's operating divisions. In addition, to ensure these plans were consistent with best practice in Australia, advice was also sought from infectious diseases experts and the advice was incorporated into the Group's safety plans.

There were no other changes in environmental or other legislative requirements during the year that have significantly impacted the results of operations of the Group.

REVIEW OF OPERATIONS BY DIVISION

Entertainment Australia

As at 30 June	2022	2021	Movement
Cinema locations*	68	71	(3)
Cinema screens*	658	680	(22)

* Managed and joint venture cinema sites (excludes Moonlight Cinema sites and screens and the State Theatre).

Entertainment Australia revenue was $318.6 million, a 45.3% increase on the prior year. Excluding JobKeeper which benefited the prior year, revenue increased 71.7% on the prior comparable period.

The first half of the year was disrupted by the various state government mandated closures and COVID-19 operating restrictions, with the majority of these in NSW and VIC as outlined below.

- NSW: Greater Sydney was locked down from 1 July to 10 October, whilst Newcastle and certain other regional areas were locked down from 9 August to 10 October. Capacity restrictions, mandatory face masks and vaccine certificate requirements applied following reopening from 11 October.
- VIC: Greater Melbourne was locked down from 6 August to 29 October, with regional areas locked down from 22 August to 27 September. Capacity restrictions applied during the first two weeks of November, and mandatory face masks and vaccine certificate requirements also applied.
- QLD: Brisbane sites were only closed for nine days in the year, and Gold Coast sites were closed for seven days in the year. Capacity restrictions were lifted in December 2021 in conjunction with the introduction of vaccine certificate requirements. Mandatory face mask requirements also applied.
- SA: An eight-day lockdown was in place at the end of July, whilst capacity restrictions were in operation from August through to May 2022. Mandatory face mask requirements also applied.
- WA: There were no closures during the period, and capacity restrictions were in place for the first two weeks of July and also for three weeks in January 2022. Mandatory face mask requirements also applied.

Despite the increased restrictions, the Australian box office increased by 73.4% on the prior year, noting that the prior year was impacted by studios delaying blockbuster releases due to COVID-19 related global cinema closures. The Group's box office revenue increased by 83.2% on the prior year. During the period, eight titles were released that grossed over $20 million each, compared to only five titles in the prior year. The increase in blockbuster films resulted in the top 10 films grossing $370.5 million, an increase of 103.4% on the collective gross of the top 10 titles in the prior year. For the two key trading months of December and June, the Group box office revenue was back in line with pre-COVID levels. For December, the Group box office revenue was down only 2% on December 2018, and without the impact of the Omicron wave in late December the Group's month of December 2021 box office revenue would have exceeded the December 2018 month. For June, the Group box office revenue exceeded June 2019 by 9.7%.

Top Gun: Maverick (released 28 May) has cumulatively grossed $87.7 million making it the third highest grossing film in Australian history and *Spider-Man: No Way Home* (released 16 December) grossed $81.0 million making it the fifth highest grossing film and grossing 117.4% more than the previous Spider-Man title (*Spider-Man: Far from Home*). *Doctor Strange in the Multiverse of Madness* (released 5 May) grossed $38.2 million, 82.4% more than the previous Doctor Strange title and *No Time to Die* (released 11 November) grossed $36.1 million at the Australian box office, which is in line with the previous James Bond title, *Spectre* ($35.7 million). Fewer government mandated COVID restrictions were in effect when these films were released, and there was an immediate return of customers to cinemas.

Premium concepts were strongly favoured by customers, with admission contribution from premium concepts increasing by 6.5 percentage points over the prior year. The premiumisation strategy resulted in a record yield result with average ticket price increasing by 17.7% over the pre-COVID FY19. In addition, a period of record merchandising spend per head was achieved, increasing 18.4% over the prior year and by 48.9% over the pre-COVID FY19.

The Group's direct customer relationships remain exceptionally strong with Cinebuzz representing 68% of cinema visits and 84% of online transactions.

The new variable operating model resulted in a significantly improved result for the period over the comparable prior period. As a result of the premiumisation strategy and new operating model, growth in cinema EBITDA margin of 3.8 percentage points was achieved in June 2022 when compared to the pre-COVID-19 June 2019 month.

The overall normalised EBITDA profit for the year ended 30 June 2022 was $30,446,000, which compared favourably with an EBITDA loss of $3,280,000 in the prior comparable period, an improvement of $33,726,000.

During the year, the Group completed the premiumisation upgrade to the eight screen Shellharbour (NSW) complex. This included a new self-service Marketplace and the remaining six auditoriums were refurbished with either the new three seat concept format of daybeds, reclining seats and premium fixed back seating or two seat concept with reclining seats and premium fixed back seating introduced. The key sites at Chermside (Brisbane) and Innaloo (Perth) are currently being refurbished.

As part of the pre-COVID-19 strategy to divest or close the underperforming cinemas in the portfolio, the Group exited the leases at BCC Coolangatta (6 screens) in March and BCC Morayfield (eight screens) in April. The eight screen BCC Toombul complex was flood damaged in February and closed; because of this event, the landlord for the Toombul Shopping Centre subsequently announced closure of the entire centre and the lease was terminated in June. At year end, the four screen cinema at Lismore is currently closed after being flood damaged in February and the three screen cinema at Wollongong is also closed after sustaining significant storm damage in February.

Entertainment New Zealand

(*Note: all amounts in Australian dollars unless otherwise stated)*

As at 30 June	2022	2021	Movement
Cinema locations*	20	20	–
Cinema screens*	140	140	–

* Managed and joint venture cinema sites.

Entertainment New Zealand revenue was $58.2 million or 39.6% up on the prior year, and excluding government wage subsidies revenue increased 35.9%. The impact of the New Zealand Government COVID-19 restrictions and closures was more significant in the year ended 30 June 2022 than it had been in the prior year; in the prior year, cinemas remained open with the exception of the mandated closure of the Auckland cinemas for a 19-day period in August, whilst in the current year there was a nationwide shutdown for 21 days and Auckland shutdown for a further 107 days.

Despite the increased impact of COVID-19 restrictions in New Zealand, nationwide box office increased by 39.5% over the prior year. As in Australia, the prior year was impacted by studios delaying blockbuster releases due to COVID-19 related global cinema closures. There were five titles that grossed over $4 million each at the New Zealand box office during the year: *Spider-Man: No Way Home* (NZ$11.6 million); *Top Gun: Maverick* (NZ$10.8 million); *Doctor Strange in the Multiverse of Madness* (NZ$6.1 million); *No Time to Die* (NZ$5.7 million); and *The Batman* (NZ$4.4 million), compared to only one title in the prior year. The return of blockbuster films resulted in the top 10 grossing $55.8 million, an increase of 82.7% on the collective gross of the top 10 in the prior year.

The top four films were sequel titles, all of which performed very well when compared to the prior release in the respective series. For the titles with comparatives, *Spider-Man: No Way Home* grossed NZ$11.6 million which is 110.6% up on the prior Spider-Man title (*Spider-Man: Far from Home*); *No Time to Die* grossed NZ$5.7 million, only 2.6% down on the prior James Bond (*Spectre*), despite releasing whilst Auckland cinemas were mandated to close; and *Doctor Strange in the Multiverse of Madness* grossed NZ$6.1 million up 94.4% on the prior Doctor Strange title.

As evidenced in Australia, the 'Cinema of the Future' premiumisation strategy resulted in customers spending more per visit and the operational model changes reduced the cost to serve whilst customer sentiment improved relative to the pre-COVID period. These initiatives resulted in average ticket price increasing by 31.1% over the pre-COVID FY19 with every month representing a record for that month. In addition, a record period of merchandising spend per head was achieved, up 14.1% on the prior year and up 43.1% on pre-COVID spend per head. Cinebuzz maintained its strong influence, with Cinebuzz representing approximately 76% of all online transactions.

The EBITDA result for the year ended 30 June 2022 was a profit of $1,760,000, which was a significant improvement on the EBITDA loss of $3,120,000 in the prior year.

Entertainment Germany

As at 30 June	2022	2021	Movement
Cinema locations*	48	49	(1)
Cinema screens*	376	384	(8)

* Managed and joint venture cinema sites.

The Entertainment Germany division reopened on 1 July 2021 following an eight-month closure period from November 2020 to June 2021. Initial trading results have been encouraging despite the capacity restrictions applicable across the various German states. "3G" rules, referring to the German words *geimpft* (vaccinated), *getestet* (tested) and *genesen* (recovered), applied in certain regions and required customers admitted to a cinema provide evidence that they were vaccinated, had a recent negative COVID-19 test, or had recovered from COVID-19. This changed to a "2G+" rule across a number of states requiring customers to show evidence of vaccination and a negative COVID test. Furthermore, as a result of the Omicron outbreak, approximately 16% of screens across the Cinestar circuit were mandated to close during part or all of December and January. All screens have reopened as at the end of January 2022, and "2G" rules were no longer applicable from 27 April 2022.

The highest grossing titles within the German market included: *No Time to Die* (6.01 million admissions), an outstanding result and the best performing title in the German market since the pre-COVID-19 release of *Frozen 2*; *Spider-Man: No Way Home* (4.54 million admissions), the second-best performing Marvel title in Germany of all time after *Avengers: Endgame*; and *Fantastic Beasts – The Secrets of Dumbledore* (2.82 million admissions). The top 10 films achieved total market admissions of 26.24 million, which was 407.0% higher than the prior year, noting that cinemas were closed in Germany in November 2020 through to the end of June 2021. Merchandising spend per head increased by 17.6% over the prior year and by 29% over the pre-COVID FY19.

Given the extended lockdown period in Germany in the prior year and access and capacity restrictions during most of the year, the Group mitigated some of the financial impact with active cost management initiatives and pursuing available German government subsidies. Subsidy programs included a damage compensation program for affected businesses for the November and December 2020 lockdown period, a subsidy program for the January to September 2021 period referred to as Bridging Aid III, and a subsidy program for the January to June 2022 period referred to as Bridging Aid III+ and Bridging Aid IV. Furthermore, the Group has received support under the German Government's Culture Fund, which provides compensation in cases where a spike in coronavirus infections forces events to be cancelled, postponed or capacity restricted, and the venue is not mandated to close.

Entertainment Germany revenue was $283.6 million, including government subsidies, which was 224.1% above the prior year. Excluding the Bridging Aid programs, which relate to material COVID-19 related losses principally incurred in the year ended 30 June 2021, Entertainment Germany revenue was $220.6 million, 152.1% above the prior year. EBITDA for year was $75.6 million, which compared favourably with an EBITDA loss of $33.6 million in the prior year, an improvement of $109.2 million. Excluding the German Government's Bridging Aid programs, EBITDA was $12.6 million or $46.3 million above the prior year.

Hotels and Resorts

As at 30 June	2022	2021	Movement
Locations*	71	70	1
Rooms*	11,109	11,071	38
Locations (owned)	23	25	(2)
Rooms (owned)	3,547	3,705	(158)

* Owned, managed and other hotels with which the Group has a branding, license or affiliate agreement.

Overall Hotels and Resorts revenue was $217.7 million, an increase of 7.4% on the prior year. Revenue was up 16.4% to $216.0 million excluding government subsidies received in the prior year.

Two diametrically opposed half year periods characterised the result. Trade was suppressed in the first half by the longest and harshest government-imposed border closures and lockdowns since the onset of the COVID-19 pandemic. Conversely, high community-wide vaccination rates enabled the easing of restrictions and the progressive opening of travel markets throughout the second half. A solid recovery followed, particularly in the final quarter of the year.

Government wage subsidies across Australia and New Zealand declined by $11.1 million over the prior year and EBITDA of $26.6 million declined over the prior year by $6.9 million or 20.5%, whilst normalised profit before interest and income tax expense was a loss of $1.2 million, $7.1 million below the prior comparable period. Excluding the net benefit of government subsidies received in the prior year, underlying EBITDA increased 20.6%.

Occupancy in the Group's owned hotels was 46.7% with a revenue per available room ("revpar") of $86. Occupancy was down on the prior comparable period by 5.0 percentage points, whilst revpar decreased by 2.3%. There was a strong escalation in the average room rate, up 8.2% on the prior year, and on a like-for-like basis, the average room rate was up 5% on the pre-COVID FY19 year.

Recovery momentum is evident throughout the result, best illustrated by the contrast between the first half EBITDA loss of $1.9 million, compared to second half EBITDA profit of $29.8 million. The fourth quarter of the financial year was especially pleasing, with EBITDA on a like-for-like basis excluding divested properties exceeding the comparative fourth quarter of FY19, and margin approaching FY19 levels. Record average room rate performance was achieved across the Group, average room rate growth of 23.3% and revpar growth of 16.3% was achieved on the comparable period in FY19.

As volatility in trading levels eased, the Group's hotels began the journey towards normalised operating rhythms. The continued application of new operating models, originally deployed in the early stages of the pandemic, assisted in enabling tight management of the emerging inflationary impacts on costs. These factors, combined by record levels of rate growth in the second half, saw rooms and food and beverage margins trend up.

At a brand level, Rydges, QT and Atura hotels continue to attract greater than fair market share. Performance across the portfolio was underpinned by continued strong growth from the domestic leisure segment and a recovery in corporate travel. In addition, the return of conference and events business became evident in the latter part of the year.

Technological innovations, designed to improve efficiencies and the guest experience, continue to be rolled out, including advanced management reporting tools, automated check in kiosks and in-hotel guest digital applications.

The Group's hotel strategy has evolved to include all segments of the market from luxury to budget accommodation. The Independent Collection has been created to better leverage the Group's expertise by introducing new and innovative hotel management and service models. The Independent Collection has grown to 12 hotels with the addition in the year of Hotel Motel Adelaide, The Terrace Adelaide, and The Kennigo Hotel Brisbane, and the more recent addition post year end of The Miller Hotel (formerly Rydges North Sydney), Arawa Park Hotel Rotorua (formerly Rydges Rotorua) and Hotel Totto, located in Wollongong. The Group will be opening a new flagship Jucy Snooze location in Auckland later this year.

In addition to the new hotels referenced above, three additional properties will join the Group early in FY23: Rydges Darling Square Sydney (formerly Radisson), Rydges King Square Perth (formerly Peppers) and Rydges Rotorua (formerly Holiday Inn).

Consistent with the Group's strategy of divesting or upgrading older assets, Rydges hotels in Bankstown and North Sydney were sold during the period with total proceeds of $103 million. Both properties have been retained within the Group under management agreements.

Major refurbishments of QT Gold Coast and Rydges Melbourne are underway. The Gold Coast refurbishment is due for completion later in the 2022 calendar year, whilst Rydges Melbourne, which is currently closed, is expected to reopen late in FY23.

Thredbo Alpine Resort

The full year result for Thredbo was a tale of two seasons. Winter revenue was materially affected by COVID-19 related government mandated restrictions which resulted in total closure of the resort in August 2021 for five peak trading weeks. This was the first time in Thredbo's history that winter operations had ceased for an extended period. As a result, skier days were down 55.7% on the prior year. The continued expansion of the mountain biking offer resulted in 24.8% growth in Mountain biking revenue. Reported EBITDA for summer of $7.4 million included $7 million of revenue from property sales. On an adjusted basis, this was only the second time in Thredbo's history that the summer months have been profitable.

The strong response by management in developing industry leading COVID-19 practices and defining the business model enabled Thredbo to operate very efficiently and safely as restrictions eased. COVID-19 and influenza have continued to challenge staffing levels particularly in food and beverage venues and strategies have been deployed to minimise any impact. All other parts of the business are fully staffed.

The success of the Group's new business model is now being reflected year-round. Customer sentiment remained high with an improved net promoter score across winter and into the summer months. Winter trade in June showed revenue growth across all areas of the business based on the continued success of this model and solid opening weekend conditions.

As part of the property development strategy, the Group continues to unlock value from unutilised bed rights at Thredbo. During the period, the Group agreed terms for the development of two separate lots, realising total revenue of $7.0 million. Further initiatives are in progress to unlock more development opportunities.

EBITDA for the full year was $16.3 million, 45.3% below the prior comparable full year, and the normalised profit before income tax expense was $11.3 million, 55.0% below the prior comparable full year result. This was a solid result in the context of the COVID-19 closures outlined above.

Progress continues to be made with Thredbo's strategic growth plan. Construction of a further three mountain bike trails in the Cruiser area has commenced, with completion scheduled for prior to the 2022/23 summer season. Major upgrades to the snowmaking system including pipe replacement and the installation of 10 new snowmaking fan guns on Friday Flat were completed in time for the 2022 winter season. The proposed Alpine Coaster installation is expected to add a further year-round attraction to the resort and is scheduled to be completed for the 2024 winter season. Preparatory work has commenced for the replacement of the two-seater Snowgums chairlift with a new six-seater chairlift, with construction scheduled for completion for the 2025 winter season.

Property and Other Investments
The Group has exceeded the goal of $250 million gross proceeds (before selling costs and tax) from non-core asset disposals following the settlement of the sale of The Miller Hotel (formerly Rydges North Sydney) on 25 July 2022 for $75 million, with total gross sale proceeds since commencement of the non-core asset divestment strategy of $275.4 million. To date, the total gross proceeds achieved from this strategy have exceeded the most recent valuations by 28%.

The other assets sold in the year were Rydges Bankstown, Canberra Civic (commercial office), Newcastle Cinema (cinema operations ceased in 2020), Hindley Street Adelaide (cinema operations ceased in 2020) and the management rights and associated property relating to QT Falls Creek. As noted above, the Group has maintained management agreements for The Miller Hotel under the Independent Collection by Event (formerly Rydges North Sydney) and Rydges Bankstown.

The Group has continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. A Stage One Development Application has been approved and design competition completed for the proposed 525 George Street, Sydney development for a mixed-use development of up to 43 storeys to include a podium with ground floor retail space on George Street (560m^2), a five-screen cinema complex, and a tower including a new hotel with 292 rooms, conference centre, 115 residential apartments and 165 car parking spaces. The Group submitted its Stage Two Development Application in May 2022 and anticipates final approval in FY23. Detailed interior design work is now in progress. Subject to market conditions and the success of residential sales, construction is targeted to commence at the end of FY24 or early in the year ending 30 June 2025, with completion estimated in the year ending 30 June 2028.

In November 2020, the City of Sydney approved the Development Application for the podium component of the proposed 458-472 George Street, Sydney development. This will include ground floor retail space (340m^2) on George Street, an extension of the QT Sydney hotel with 72 additional rooms and conference centre and QT rooftop bar. A second Stage One Development Application was lodged in March 2022 for a commercial office tower above the podium with 33 levels and approximately 35,000m^2 of commercial office space. Timing of the development will be subject to market conditions, noting that following the Stage One Development Application approval of the commercial tower component, a Design Competition and a Stage Two Development Application process will be required. It is anticipated that should the Group proceed with the commercial office tower development, a joint venture partner will be identified to assist in funding and developing the commercial office tower component.

Segment revenue was down 49.0% to $11.2 million, primarily due to the property divestments of Canberra Civic in the current year and the Forum Brisbane and Double Bay buildings in the prior year. The normalised profit before interest and income tax expense of $5.7 million was 59.6% below the prior year.

Unallocated revenues and expenses
Unallocated corporate costs increased $7.5 million to $20.2 million due to an increase in insurance premiums and the cessation of JobKeeper. Underlying unallocated costs were 3.7% below FY19 unallocated costs adjusting for the impact of insurance premium increases and short term incentive payments. No short term incentive payments were made to key management personnel in the year.

BUSINESS STRATEGIES

The Group's business is comprised of:

- **E**ntertainment – including cinema operations in Australia, New Zealand and Germany, restaurants, bars and wellness offerings such as spas and golf courses.
- **V**entures – including the management and development of the Group's property portfolio, valued at around $2 billion, hotel management solutions, joint venture partnerships, and business customers for media and entertainment technology.
- **T**ravel – including the Group's hotel operations, from luxury to budget accommodation, and Thredbo Alpine Resort for year-round recreation and adventure activities.

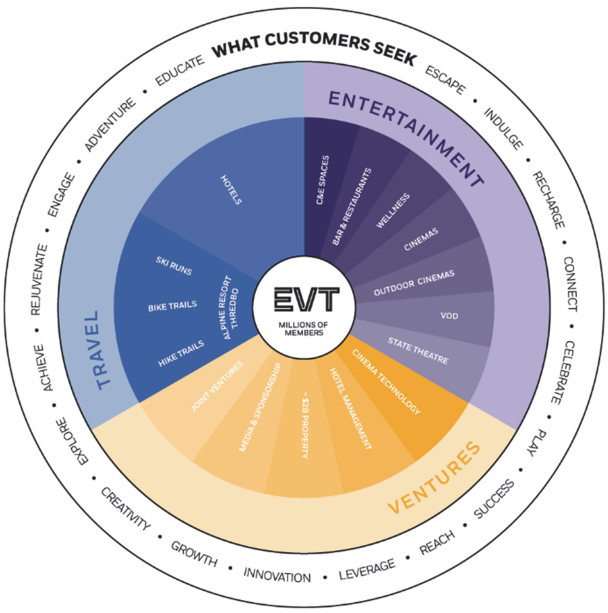
To better reflect the Group's strategy and operations, the Board has approved a change of the Company's name to **EVT Limited**, subject to shareholder approval.

The Group's values of empowerment, possibilities and community enable it to drive positive employee engagement and fulfil its purpose, which is to be leaders in creating experiences that escape the ordinary. Measuring and improving customer sentiment, having a positive social impact in the communities in which the Group operates, and creating a better tomorrow through environmental sustainability initiatives are at the core of how the Group operates and creates value for its stakeholders.

The Group's strategy is visually represented below:

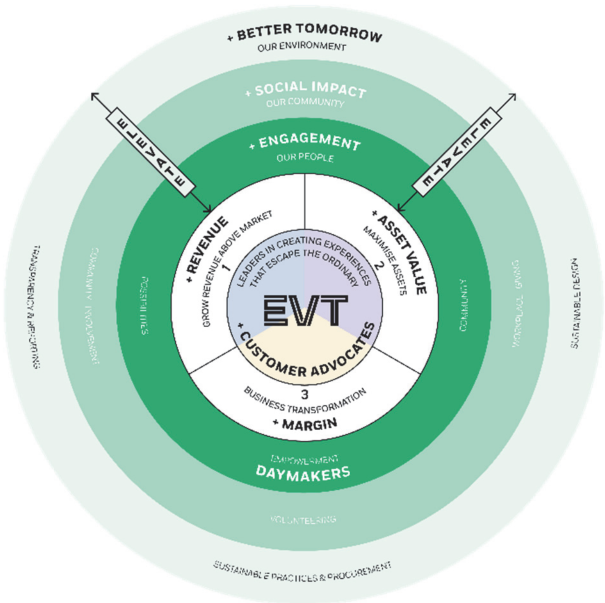
WHAT we do

EVT Experiences



HOW we do it

EVT Way



The Group's business goals and specific strategic initiatives for each division are outlined below.

	Grow revenue above market *Optimise our share of revenue within each market, listening and responding to customer feedback to outperform our competitors*	**Maximise assets** *Maximise the potential of our property portfolio and other assets, continually evolving to find new ways to generate revenue and add value*	**Business transformation** *Optimise margin by transforming how we operate, always looking for more effective ways to do what we do best*
Entertainment	• Implementing new pricing strategies. • Developing new food and beverage concepts. • Growing and enhancing the quality and value of the Group's leading customer data position. • Identifying other sources of entertainment income and growing alternative content.	• Continuing to develop the 'Cinemas of the Future' model to deliver a greater return from assets. • Investing in the best locations and reviewing options for underperforming locations including potential divestment.	• Leveraging technology to increase efficiency through automation. • Developing talent locally and maintaining a strong culture of retention of key talent.
Hotels and Resorts	• Continual improvement of brands and customer experiences to improve customer sentiment. • Enhancing sales practices and product innovation to adapt and secure new and emerging market opportunities. • Enhancing the Priority Guest Rewards loyalty program as a competitive advantage in Australia and New Zealand markets. • Improving and innovating food and beverage offerings.	• Investing in upgrades of key properties and redevelopment of existing properties. • Leveraging and monetising capabilities by adding new rooms to the Group's portfolio through innovative commercial structures.	• Leveraging technology to increase customer engagement and operational efficiency. • Developing talent locally and maintaining a strong culture of retention of key talent.
Thredbo Alpine Resort	• Innovating with new experiences, products and associated pricing strategies to continue to be market leaders. • Increasing the number and quality of events and year-round attractions to increase visitation outside of the snow season. • Expanding the mountain bike trail network to appeal to a broader range of riders. • Introducing new year-round experiences such as the proposed Alpine Coaster.	• Continuing to ensure the popularity, high quality and ambience of the winter-time resort facility with continued upgrading of resort infrastructure. • Realising the value of underutilised property and bed rights. • Ensuring that the environmental integrity of the Resort is maintained and, where possible, improved.	• Continuing to improve snowmaking capability to mitigate risk in poor snow seasons. • Leveraging technology to increase customer engagement and operational efficiency. • Developing talent locally and maintaining a strong culture of retention of key talent.
Property		• Optimising the potential future development of the properties located at 525 George Street and 458-472 George Street, Sydney. • Identifying other potential future developments of the Group's freehold properties. • Divesting underperforming and non-core assets. • Considering opportunities to acquire assets that generate positive earnings and complement the Group's portfolio.	

MATERIAL RISKS AND OPPORTUNITIES

The Group's principal business risks and opportunities are outlined below. The risks identified below may materially adversely affect the Group's business strategy, financial position or future prospects. It is not possible to identify every risk that could affect the business and the actions taken to mitigate risks cannot provide absolute assurance that a risk will not materialise. Details of the Group's risk management framework can be found in the Corporate Governance Statement, available at www.evt.com/investors.

Key risks and opportunities	Potential impact	How we are responding
Safety	Safety and wellbeing remain the Group's highest priority. The Group is subject to inherent operational risks that could potentially result in serious injury or fatality of employees, contractors or members of the public, including an earthquake, bushfire or extreme weather event, a terrorist incident, a fire at one of the Group's locations, a food poisoning outbreak, an avalanche or landslide, and a lift incident or failure.	The Group's highest priority is the safety of all those impacted by its operations, including the Group's employees, guests, contractors, and the communities in which it operates. The Group has implemented a comprehensive and robust safety management system which was independently reviewed in the year ended 30 June 2020, and an update of this review is currently in progress. The Group monitors and reports on safety metrics which measure work-related injuries and lost time, with regular reporting to the Board.
Pandemics	As COVID-19 has demonstrated, a pandemic, epidemic or flu outbreak has the potential to materially impact the Group's operations, including due to government mandated closures or domestic or international travel restrictions.	In response to COVID-19, detailed COVID-19 safety plans and staff training programs were developed for, and implemented by, each of the Group's operating divisions. In addition, to ensure these plans were consistent with best practice in Australia, advice was also sought from infectious diseases experts. The Group implemented a comprehensive internal and external audit process to ensure that each location complied with the relevant COVID-19 safety plans. The operational and financial impacts of COVID-19 were partially mitigated by the development of new, more flexible operating models, delivering cost savings during periods of forced closure or restricted trading. It is anticipated that similar strategies may be adopted in response to a future pandemic, if required.
People	A failure to attract, develop and retain high performing individuals could adversely impact the Group's ability to achieve its strategic objectives, including due to the loss of key staff and labour shortages in key roles. In addition, the Group operates in industries that have an elevated risk of the underpayment of staff, including the hospitality industry.	The Group considers that its ability to attract, develop and retain high-performing individuals is a competitive advantage and key to achievement of its strategic objectives. The Group regularly monitors and measures employee engagement through internal surveys. The Group has also undertaken talent management and succession planning processes to identify high potential employees and prepare successors for senior executive positions. The Group has implemented a comprehensive and robust system to manage compliance with employment law, including modern awards and enterprise bargaining agreements, and this system is subject to periodic external reviews.
Capital Management	Maintaining an appropriate capital structure, consideration of hedging exposures and strategies, and compliance with banking covenants will enable the Group to achieve its future strategic objectives, including the planned major property developments.	The Group has implemented detailed treasury policies and procedures to manage and monitor compliance with banking covenants and hedging policies approved by the Board.

Key risks and opportunities	Potential impact	How we are responding
Property Values	The Group's property portfolio has a fair value at 30 June 2022 of approximately $2.0 billion. Whilst the majority of the portfolio remains core to the Group's operations, a decline in property values may negatively impact market perception of the Group's value and share price.	The Group has recently completed a successful divestment of non-core properties, realising proceeds to date of $275.3 million, representing a premium of 28% over the most recent valuations of the properties sold. Substantially all the remaining Group properties remain core to the Group's operations, reducing the Group's exposure to cyclical changes in property valuations.
Property Resilience	The Group is subject to inherent operational risks that could potentially result in damage or loss of one or more of the Group's properties, including because of earthquake, bushfire or extreme weather event, a terrorist incident, a fire at one of the Group's locations.	The Group maintains a comprehensive insurance program including in respect of property damage and business interruption. Independent insurance valuations are obtained periodically to ensure that declared insurance values remain appropriate. Due to the exposure of certain Group properties to an elevated risk of earthquake or flood, increased deductibles or reduced policy limits may apply for certain categories of events at certain locations.
Interruption to Film Product Supply and a Shortening of the Cinema Release Window	The Group's Entertainment division is reliant on a high-quality global film release schedule, which may be disrupted including due to a pandemic, a deterioration in international relations and war, geo-economic breakdown or collapse, or a change in strategy by one or more of the major film production studios. In addition, a shortening of the cinema release window could reduce the appeal of cinema for customers.	The Group has limited ability to mitigate exposure to its reliance on global film release dates and cinema release windows, other than through programming of local and alternative content which may be expected to result in generally lower admission levels when compared with blockbuster Hollywood film content.
Customers, Partners and Competitors	The Group operates in highly competitive markets, and customers have alternatives to the Group's entertainment and travel products and services. Increasing intensity of competitor activity could affect the Group's market share. The Group also maintains key strategic relationships with partners including joint venture partners and hotel owners, and a deterioration in relations with those partners may negatively impact on the Group's ability to meet its strategic objectives.	The Group maintains proactive and constructive relationships with its key partners, and where appropriate seeks to develop relationships with other potential partners to assist in mitigating the impact of a future breakdown in relations with existing partners.
Supply Chain	The Group is reliant on a broad range of suppliers providing a diverse range of goods and services. An interruption to supply of key products may negatively impact on the Group's operations or program of property developments, upgrades, and refurbishments. The Group's supply chain may also include risks associated with modern slavery or environmental sustainability.	The Group maintains proactive and constructive relationships with key suppliers. The Group identifies key supplier risk and where appropriate develops contingency plans and alternative suppliers for key products and services. The Group's response to the risk of modern slavery is set out in its Modern Slavery Statements, available at www.evt.com/investors.

Key risks and opportunities	Potential impact	How we are responding
Cyber Security and Data Privacy	The unauthorised access to, or use of, the Group's information technology systems could adversely impact the Group's ability to serve its customers or compromise customer or employee data, resulting in reputational damage, financial loss or adverse operational consequences.	The Group applies the National Institute of Standards and Technology Framework and has implemented a cyber security program that is subject to periodic external reviews. The Group has a robust information and cyber security and data governance strategy and framework which are subject to periodic testing, review and enhancement. Information technology general controls testing, including business continuity and disaster recovery, and penetration testing are performed annually.
Legal and Regulatory Compliance	The Group operates in several geographic regions with differing legal regimes and legislative requirements. A failure to comply with regulatory obligations and local laws could adversely affect the Group's operational and financial performance and its reputation. The Group is also required to maintain compliance with key leases and other contracts, some of which are critical to the ongoing operation of its businesses. A failure to maintain compliance with key leases and contracts may have a material adverse impact on the Group's operations.	The Group has implemented a comprehensive compliance management framework, including policies, procedures, training, and exception reporting. The compliance management framework is subject to periodic internal and external review. Any exceptions are reported to the Board, together with remediation action plans.
Environmental Sustainability and Climate Change	The Group's assets and operations are exposed to risks associated with climate change, including physical risks, such as an increase in frequency and severity of severe weather events and a reliance on natural snowfall in Thredbo, and transitional risks, such as the imposition of a carbon price. Physical climate-related risks may increase the cost of insurance or result in underinsurance of assets in the future. In addition, the Group is exposed to specific environmental sustainability and compliance risks, including in respect of the operation of a sewerage treatment plant and compliance with water licence requirements in Thredbo.	The Group has begun responding to the TCFD recommendations and further information regarding the Group's response to climate-related risks and opportunities is set out below. The Group has implemented a robust risk management framework to manage compliance with its specific environmental obligations in Thredbo.

ENVIRONMENTAL SUSTAINABILITY

The Group is focused on contributing to a sustainable future. Protecting the environment is important to the Group, its people, customers, partners, and the communities in which it operates. Climate change presents risks and opportunities that may have a material impact on the Group in the future. To address these risks and opportunities, the Group has developed a framework of focus areas and goals for FY23 and has begun to respond to the TCFD framework, details of which are set out below.

Focus areas and goals for FY23

The Group's environmental sustainability focus areas include:

- sustainable practices and procurement;
- sustainable design; and
- transparency and reporting.

A summary of the goals developed for the year ending 30 June 2023 for each of these focus areas is set out in the table below:

Focus area	Goal	Goal description	Purpose	Level of performance
Sustainable practices and procurement	**1**	Reduce the environmental impact of packaging across the Group and manage waste in a sustainable way	Reduce impact	Improve on current state
	2	Reduce energy and natural resource consumption and purchase renewable electricity	Reduce impact	Improve on current state
Sustainable design	**3**	Obtain National Australian Built Environment Rating System ("NABERS") ratings for owned property	Align with standard	Benchmarked
	4	Consider and target sustainable design outcomes including appropriate certifications for capital expenditure projects	Align with standard	Benchmarked
Transparency and reporting	**5**	Respond to climate-related risks and opportunities with TCFD reporting	Align with standard	Benchmarked
	6	Raise awareness for environmental protection initiatives to support our customers and team members	Actively improve	Improve on current state
Supporting our focus areas	**7**	Strengthen the implementation of our goals through integrated and collaborative partnerships	Actively improve	Improve on current state

An update regarding the Group's response to climate-related risks and opportunities and the TCFD reporting framework has been provided below. A further update regarding the Group's progress with achieving the goals set out above will be provided in the 2023 Annual Report.

Transparency and reporting – carbon emissions

Set out below is a summary of the Group's Scope 1 and 2 carbon emissions (tCO_2e) for the financial year ended 30 June 2022. The carbon emission data has been compiled based on information provided by the Group's energy retailers and other relevant source data and the location-based data has been independently verified. In some cases, careful estimates have been used for certain locations and periods where source data could not be obtained prior to the finalisation of the Directors' Report.

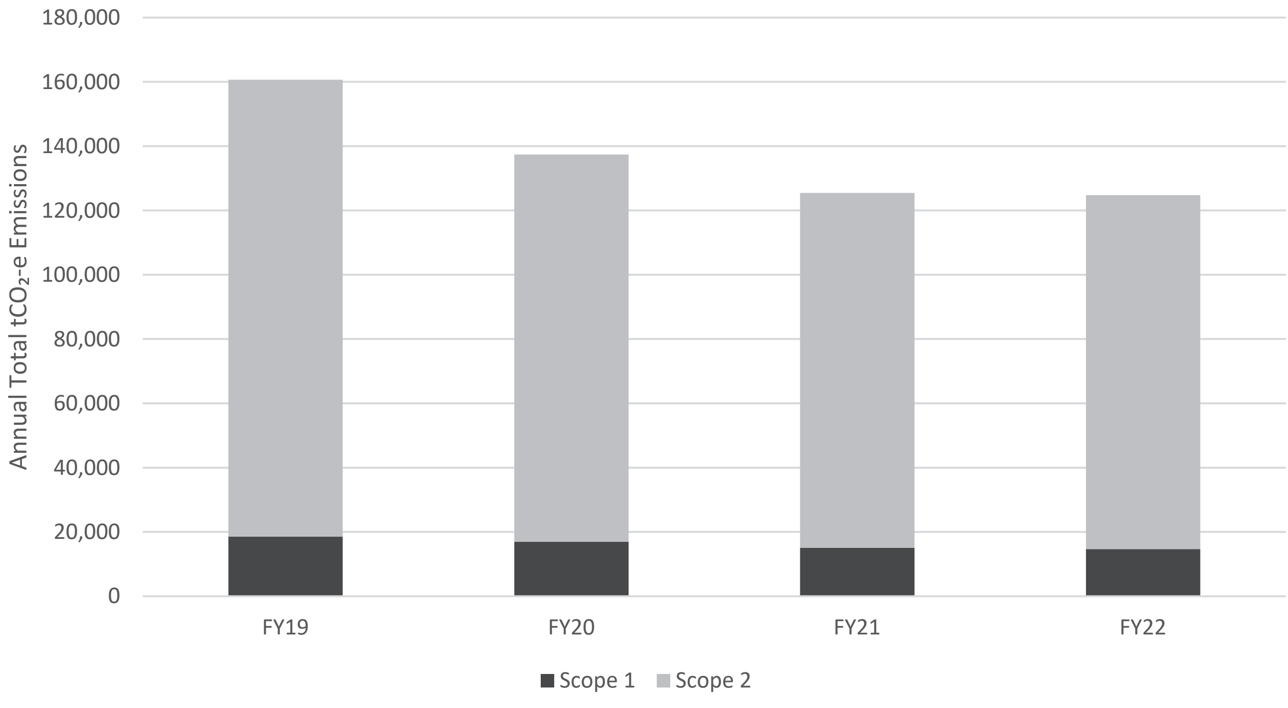
Total emissions (tCO_2e)	**2022**
Scope 1	
Natural gas	11,415
Stationary fuels	2,986
Transport fuels	257
Other	1
	14,659
Scope 2	
Electricity (location based)	110,118
	124,777
Less: renewable energy purchased	(6,072)
Total Scope 1 and market-based Scope 2	**118,705**

Total emissions (tCO_2e) (continued)	**2022**
Comprised of:	
Australia (market-based)	100,445
New Zealand	4,747
Germany	13,513
	118,705
Cinemas	58,572
Owned hotels	24,972
Managed hotels	31,463
Thredbo (market-based)	2,634
Other	1,064
	118,705

Note: Australian carbon emission data has been compiled using the National Greenhouse and Energy Reporting methodology and emission factors and the Greenhouse Gas Protocol. New Zealand carbon emission data has been compiled using the New Zealand Ministry for Environment Guidance for Voluntary Greenhouse Gas Reporting framework. German carbon emission data has been compiled using emission factors obtained from the International Energy Agency. A market-based approach has only been applied to Thredbo's Scope 2 emissions.

The Group has yet to consider or quantify its indirect Scope 3 carbon emissions. The Group intends to undertake an assessment of the boundaries for its Scope 3 carbon emissions during FY23.

The chart below illustrates the Group's total Scope 1 and location-based Scope 2 carbon emissions over the past four years:



It is important to note that the Group's carbon emissions have reduced in the years ended 30 June 2020, 30 June 2021 and 30 June 2022 in part as a result of the impact of COVID-19 government restrictions and lockdowns that have required the temporary closure of certain locations for certain periods from March 2020.

Energy efficiency initiatives, including the replacement of old plant and equipment with new more efficient models, and the purchase of renewable energy through a sleeved power purchase agreement in relation to the Group's Thredbo operations from 1 July 2019 have further supported a reduction in the Group's net Scope 1 and market-based Scope 2 carbon emissions for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

Transparency and reporting – climate change risk management

The Group accepts climate science and recognises that climate change is influencing both short term weather events and longer term climatic trends. Society and economies are also responding to the changing climate, translating into policy and investment decisions as well as shifts in consumer behaviours. It is expected that these climate transition responses will continue to occur in the medium and long-term.

Climate-related risks could be both physical and transitional. Physical risks to the business could include severe weather events and long term changes in regional climatic conditions. Transitional risks include those arising from shifts in policy, regulation, technology or public perception of the Group's business due to climate change.

The Group monitors and manages climate change risk through its established governance and review processes with oversight from the Board, and Audit and Risk Committee, and the Group's response to climate change risk is led by the CEO with support from the Senior Leadership Team.

Within this context, the Board, CEO and Senior Leadership Team have committed to achieving full alignment with the TCFD recommendations targeted for FY24.

In responding to the recommendations, the Group is seeking to enable shareholders to have a clear understanding of the material climate risks and opportunities identified, how the business will manage the risks and opportunities of climate change while providing confidence that the Group can continue to prosper over the long-term.

In the past year, the Group has undertaken climate-related scenario analysis for two distinct scenarios:

- a "Fast Action" scenario where warming is limited to below 2°C above pre-industrial levels; and
- a "Current Policy" scenario where warming exceeds 3°C above pre-industrial levels.

Key characteristics of the scenarios considered are summarised in the table below:

Fast Action[a]	Current Policy[b]
Temperature outcome: <2°C warming by 2100	**Temperature outcome: >3°C warming by 2100**
• Fast curtailment of emissions from now • High carbon price (>$100/t) and strict and coordinated emissions reduction policy • Rapid decline in fossil fuel use and transition to renewable energy • Fast transition of social norms towards green economy • Mobilisation of private and public investment into decarbonisation technology • High levels of investment in abatement technology • Worst physical impacts avoided; however, some physical impacts still present	• No additional climate policy action, or reversal of current policy • Physical impacts are severe, with regular impacts to built environments and flow-on economic damage • Fossil fuel consumption continues to grow out to 2050 • Little investment in abatement technology, with adaptation being the focus of research and development • Most Australian capital cities will be hotter and drier, with significant increases in heat waves • Economic decline hits developing world hardest; however, developed economies also significantly impacted

(a) The Fast Action scenario aligns with the Intergovernmental Panel on Climate Change's Representative Concentration Pathway ("RCP") 1.9 (low warming) and Shared Socioeconomic Pathway ("SSP") 1 (taking the green road).
(b) The Current Policy scenario aligns with RCP 8.5 (high warming) and SSP 5 (taking the highway).

Material risks and opportunities – key themes

The scenario analysis and identification of climate-related risks and opportunities for the Group has identified three key themes related to the management of material risks and opportunities:

	Potential impact	How we are responding
Property Resilience	The Group's business relies on resilient physical infrastructure. This resilience will be critical to business continuity across both the Fast Action and Current Policy scenarios, from managing the impact of harsher and more frequent severe weather events to enhancing the efficiency of property under a carbon constrained scenario.	Consideration for physical impacts on the future development of owned sites can mitigate exposure to site damage or business interruption. Additionally, providing spaces which customers can utilise during periods of harsher weather can enhance both the user experience of the Group's spaces and the revenue generated in different businesses. The Group's continued approach to procuring renewable energy and identifying energy efficiency opportunities will mitigate exposures to transition risks.
Thredbo	As previously identified and disclosed, Thredbo Alpine Resort's winter operations have a particular exposure to physical climate impacts on snowfall and temperatures, potentially limiting periods during which snowmaking can operate.	Advancements in technology may support Thredbo to improve snowmaking capabilities, subject to water availability, and long term climate projections are considered as part of Thredbo's future operating strategy. In this context, it is important to note that demand for visitation and activities in the summer months has grown in recent years, and there is potential for demand to increase further due to Thredbo's comparatively cooler climate.
Supply Chain	The nature of the Group's operating businesses means that a diverse supply chain is required. Under both climate scenarios, supply chains will experience a range of risks and present opportunities, particularly with regard to the availability of key products, and the cost of those products in the future.	The Group remains resilient to supply shocks across many of its businesses, and its ability to forward plan has mitigated recent supply chain risks and will be expected to support resilience from physical risk shocks under future climate scenarios. Increased climate impacts to food and beverage products are also actively managed by the Group through menu diversity and our expanding network of local producers.

Summary of other climate-related risks and opportunities

Supporting these themes are seven climate-related risks and five climate-related opportunities which will have varied impacts on the Group's business, as set out in the table below. Whilst not currently material to the Group, management of the below risks is critical to mitigating the potential future impact of these risks. Similarly, whilst the opportunities presented below are not currently material individually, proactive management of the opportunities in aggregate may represent a material climate-related opportunity for the Group.

Summary of other climate-related risks

	TCFD Category	Scenario	Climate-related Risk	Key mitigating actions
1	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3 °C)	Physical climate impacts on snowfall and temperatures, potentially limiting periods during which snowmaking can operate	• Technology improvements support snowmaking across a wider range of weather conditions

	TCFD Category	Scenario	Climate-related Risk	Key mitigating actions
2	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3 °C)	Physical climate impacts on agricultural products increase costs of supply	• Identification of alternate supply and flexibility in food and beverage offerings
3	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3 °C)	Increased frequency and severity of severe weather events cause disruptions in supply chains	• Forward planning for seasonal products and ensuring supply chain flexibility and diversity
4	Physical – Acute and Chronic	Fast Action (below 2°C) Current Policy (above 3 °C)	Increased frequency and severity of climate impacts on property and plant availability and operating costs	• Completion of physical risk assessments for key owned assets to improve understanding of climate impacts • Engagement with landlords to understand risk exposure and improve resilience
5	Physical and Transition – Market	Fast Action (below 2°C) Current Policy (above 3 °C)	Insurance premiums significantly rise due to perceived higher exposure to climate-related risks	• Property enhancements to reduce exposure and minimise impact of weather events • Consideration of locations of operations and insurability based on long-term climate change projections
6	Transition – Policy	Fast Action (below 2°C)	Introduction of a carbon price raises cost of food and beverage products	• Improved diversity of local product suppliers • Engagement with suppliers to identify low-carbon alternatives
7	Transition – Policy	Fast Action (below 2°C)	Introduction of a carbon price raises the cost of energy	• Continued expansion of renewable energy procurement and implementation of energy efficiency measures

Summary of other climate-related opportunities

	TCFD Category	Scenario	Climate-related Opportunity	Key actions
1	Transition – Technology	Fast Action (below 2°C)	Development and refurbishment of property provide opportunities for more efficient design and consumption	• Consideration of climate-related opportunities for new developments • Engagement with landlords during design and development stage of build to implement more efficient systems
2	Transition – Legal and Reputational	Fast Action (below 2°C)	Increased demand for sustainable products positions the Group ahead of its competitors	• Continued exploration of sustainable products and services

	TCFD Category	Scenario	Climate-related Opportunity	Key actions
3	Transition – Market and Reputational	Fast Action (below 2°C)	Improved waste management practices support enhanced market position	• Continue engagement with landlords to improve waste management strategies • Engage with suppliers to increase recycled and upcycled offerings
4	Transition – Market and Reputational	Fast Action (below 2°C)	Effective implementation of adaptation measures and increased efficiency of property increase property valuation	• Continued monitoring of asset resilience to climate impacts and enhancement of assets to improve efficiency
5	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3 °C)	Increased demand for Thredbo in summer months due to its comparatively cooler climate	• Continued promotion of summer experiences at Thredbo and development of new mountain bike trails and year-round experiences

The Group will continue to monitor identified climate-related risks and opportunities periodically to assess whether there has been any change in the materiality assessment for these other risks and opportunities.

Next steps
The Group will continue to respond to the TCFD recommendations and work towards full alignment with those recommendations. This will include further work to quantify the potential impact of material risks identified, an assessment and, if required, enhancement of governance and risk management activities associated with those risks, target setting and the development of climate-related key performance indicators, and further disclosures in the Group's periodic reporting regarding its response to the TCFD recommendations.

COMMUNITY AND SOCIAL IMPACT

Modern slavery
The Group is exposed to modern slavery risks through its operations and supply chain.

The Group's approach to the management of modern slavery risks is underpinned by its purpose: to make the day better for ourselves, our customers, our team and our community. The Group recognises that the decisions it makes and how it chooses to provide experiences to customers can impact the livelihood of people and the communities in which it operates, and appreciates that it has a responsibility and opportunity to help eliminate modern slavery through its actions and by working with its suppliers.

The Group published its first Modern Slavery Statement for the year ended 30 June 2020 in March 2021 and published its second Modern Slavery Statement for the year ended 30 June 2021 in December 2021. The Modern Slavery Statements are available at www.evt.com/investors and contain further information regarding the Group's management of modern slavery risks.

Reconciliation Action Plan
The Group has commenced the process of developing a "Reflect" Reconciliation Action Plan ("RAP") and expects to finalise the Reflect RAP during FY23.

DIVERSITY
The Board is committed to an inclusive workplace that embraces and promotes diversity, including Indigenous and disability employment, equal opportunity and women in management.

The Group's Diversity Policy formalises the Group's commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability. Progress in respect of the measurable objectives for the Group is reviewed on an annual basis by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee receives reports on the Group's diversity related initiatives from management at least annually and facilitates periodic reporting to the Board.

The Group has adopted the following initiatives to progress the objectives of its policy:
- reporting on the gender diversity within the Group to the Board;

- aiming to maintain an appropriate percentage of women on the Board and specifically to have a minimum of 30% women, 30% men and 40% unallocated to allow flexibility for Board renewal; and
- aiming to increase the percentage of women in senior management positions as vacancies arise, subject to identification of candidates with appropriate skills.

The Board considers progress in relation to the above measurable objectives at least annually and the last review was performed in May 2022. Performance was assessed as follows:

Reporting on the gender diversity within the Group to the Board
Reporting on the gender diversity within the Group is provided to the Nomination and Remuneration Committee in May each year, following which the Chairman of the Nomination and Remuneration Committee provides an update to the Board. The Board also reviews the information disclosed below prior to the Board's approval of the Corporate Governance Statement in August each year.

Aiming to maintain an appropriate percentage of women on the Board
The percentage of female directors is currently 43%, which is consistent with the Group's objective to have a minimum of 30% women, 30% men and 40% unallocated to allow flexibility for Board renewal. The Board considers that the gender composition of the Board is appropriate.

Aiming to increase the percentage of women in senior management positions as vacancies arise, subject to identification of candidates with appropriate skills
The Group has a female CEO, the percentage of women holding senior executive positions has increased in the year ended 30 June 2022, and further initiatives are in development to support increases in future years. The Board is satisfied with progress made in relation to the increase of the percentage of women in senior management positions and will continue to monitor progress in relation to this measurable objective.

The policy is available from www.evt.com/investors or upon request from the Company Secretary.

Gender representation profile
The gender representation profile for the Board, senior executives, and all employees of the Group is as follows:

	30 June 2022		**30 June 2021**	
	Female	**Male**	**Female**	**Male**
Board	43%	57%	43%	57%
Senior executives	38%	62%	37%	63%
All Group employees	51%	49%	50%	50%

For the purpose of preparing the above information, senior executives are defined as including direct reports to the CEO and direct reports to those direct reports to the CEO.

The Group submitted a report to the Workplace Gender Equality Agency in May 2022 in accordance with the Workplace Gender Equality Act 2012, and this report is available at www.evt.com/investors.

WORK HEALTH AND SAFETY ("WHS")
The Group's highest priority is the safety of all those impacted by its operations, including the Group's employees, guests, contractors, and the communities in which the Group operates.

The Group's Head of Safety is responsible for WHS risk management activities across the Group, supported by divisional managers with WHS responsibilities. The Head of Safety reports to the Company Secretary. In the year ended 30 June 2020, the Head of Safety completed a comprehensive analysis of the Group's WHS management system in comparison with market practice, which was subject to review by an appropriately qualified independent WHS expert. An update of the 2020 review will be completed later in the 2022 calendar year.

All workplace injuries and other incidents are reported in the Group's incident reporting system and analysed and where appropriate investigated by the Head of Safety. The Head of Safety, with support from divisional management, develops and, where necessary, improves and implements strategies to reduce the occurrence of avoidable workplace injuries. A summary of incidents together with details of any material incidents are provided to the Board at each Board meeting.

In response to COVID-19, detailed COVID-19 safety plans and staff training programs were developed for, and implemented by, each of the Group's operating divisions. In addition, to ensure these plans were consistent with best practice in Australia, advice was also sought from infectious diseases experts. The Group implemented a comprehensive internal and external audit process to ensure that each location complies with the relevant COVID-19 safety plans.

DIVIDENDS

To assist the Group's liquidity during the COVID-19 recovery period, no dividend has been declared in respect of the year ended 30 June 2022. Future dividend payments will be subject to Board consideration and approval having regard to all relevant circumstances including lender gearing requirements and the Group's trading performance. Subject to continued favourable trading conditions, the Board desires to resume dividend payments later in the 2022 calendar year.

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' Report, is set out on pages 30 to 40 and has been audited as required by section 308(3C) of the Corporations Act 2001.

EVENTS SUBSEQUENT TO REPORTING DATE

Request for Arbitration against Vue Nederland BV and Vue International Bidco plc ("Vue")

On 25 May 2022, a wholly owned subsidiary of the Group filed a formal Request for Arbitration to the German Arbitration Institute in relation to Vue International Bidco plc ("Vue") and Vue Nederland BV, being the purchaser guarantor and the purchaser under the Sale and Purchase Agreement ("SPA") signed in October 2018, for failing to meet their contractual obligations under the SPA. This matter is progressing.

On 27 July 2022, Vue appeared before the High Court of Justice of England and Wales ("Court") to seek an order granting permission to convene a meeting of certain secured lenders for the purpose of approving a Scheme of Arrangement ("Scheme") pursuant to Part 26 of the United Kingdom Companies Act 2006. In Court filings, Vue has asserted that if the Scheme does not become effective, Vue and its subsidiaries will be unable to meet their obligations as they fall due. Even if the Scheme becomes effective, it is Vue's position that it will enter administration proceedings under the UK Insolvency Act.

The Group has obtained advice and is actively pursuing its legal options in relation to the Scheme including the related actions of Vue and its subsidiaries, its directors, secured lenders and current shareholders.

Completion of the sale of Rydges North Sydney

The Group announced on 27 May 2022 that it had entered into a contract for the sale of Rydges North Sydney for a sale price of $75 million. The sale completed on 25 July 2022.

Dividends

On 22 August 2022, the directors resolved that no final dividend be declared for the year ended 30 June 2022.

LIKELY DEVELOPMENTS

Likely developments in the operations of the Group are referred to in the Review of Operations by Division, set out within this report.

DIRECTORS' INTERESTS

The relevant interest of each director of the Company in share capital of the Company, as notified by the directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Ordinary shares held directly	Ordinary shares held by companies in which a director has a beneficial interest[(a)]	Performance rights held directly
AG Rydge	4,431,663	68,948,033	–
PR Coates	–	46,960	–
VA Davies	–	14,000	–
DC Grant	7,500	–	–
JM Hastings	12,000	–	438,717
PM Mann	–	7,000	–
RG Newton	–	66,000	–

(a) Relevant interest under the Corporations Act 2001 differs from the disclosure required under Australian Accounting Standards as presented in the Remuneration Report.

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS
The Company's constitution provides an indemnity to each person, including AG Rydge, PR Coates, VA Davies, DC Grant, JM Hastings, PM Mann and RG Newton, who is or who has been a director or alternate director of the Company or of any related body corporate of the Company. The indemnity also extends to such other officers or former officers, including executive officers or former executive officers, of the Company and of any related body corporate of the Company as the directors of the Company determine.

In terms of the indemnity, the Company will indemnify the directors and other officers of the Company acting as such, to the full extent permitted by law, against any liability to another person (other than the Company or a related body corporate) incurred in acting as a director or officer of the Company, unless the liability arises out of conduct involving a lack of good faith. The indemnity includes any liability for costs and expenses incurred by such person in defending any proceedings, whether civil or criminal, in which judgement is given in that person's favour, or in which the person is acquitted and in making an application in relation to any proceedings in which the court grants relief to the person under the law.

The Company has provided directors' and officers' liability insurance policies that cover all the directors and officers of the Company and its controlled entities. The terms of the policies prohibit disclosure of details of the amount of the insurance cover, its nature and the premium paid.

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM
Mrs PM Mann was previously a partner of the current audit firm, KPMG, at a time when KPMG undertook an audit of the Group.

AUDITOR INDEPENDENCE
The lead auditor's independence declaration is set out on page 41 and forms part of the Directors' Report for the year ended 30 June 2022.

NON-AUDIT SERVICES PROVIDED BY KPMG
During the year, KPMG, the Group's auditor, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Committee is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 has been included in this Directors' Report.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in Note 7.3 to the financial statements.

ROUNDING OFF
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 as issued by the Australian Securities and Investments Commission ("ASIC"). In accordance with that Instrument, amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

JM Hastings
Director

Dated at Sydney this 22nd day of August 2022

REMUNERATION REPORT – AUDITED

This report outlines the remuneration arrangements in place for the Group's key management personnel ("KMP") as defined in AASB 124 *Related Party Disclosures* including non-executive directors, the CEO (who is also an executive director), and other senior executives who have authority for planning, directing and controlling the activities of the Group. The KMP for the financial year are set out on page 35.

Remuneration philosophy

The Nomination and Remuneration Committee is responsible for making recommendations to the Board on remuneration policy and packages applicable to the Board members and senior executives. The objective of the remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, motivating and retaining appropriately qualified and experienced people.

Remuneration levels are competitively set to attract appropriately qualified and experienced directors and executives. The Nomination and Remuneration Committee obtains independent information about remuneration, including benchmarking surveys and industry data. The remuneration packages of the CEO and other senior executives include at-risk components that are linked to the overall financial and operational performance of the Group and based on the achievement of specific goals of the Group. Executives participate in the Group's Executive Performance Rights Plan. Realisation of the longer term benefits of the Executive Performance Rights Plan is conditional upon achievement of certain performance criteria, details of which are outlined below.

Further details in relation to the Group's share plans are provided in Note 6.1 to the financial statements.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director remuneration is separate and distinct from senior executive remuneration.

Non-executive director remuneration

Objective

The Group's remuneration policy for non-executive directors aims to ensure that the Group can attract and retain suitably skilled, experienced and committed individuals to serve on the Board and its committees.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting ("AGM") held on 22 October 2010 when shareholders approved a maximum aggregate remuneration of $1,500,000 per year. Non-executive directors do not receive any performance related remuneration nor are they issued shares or performance rights.

The Board undertakes an annual review of directors' fees and the aggregate director fee pool. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review.

Each director receives a fee for being a director of the Company. A committee fee is also paid to a director (other than the Chairman of the Board) for acting as chair or being a member of the Audit and Risk Committee or the Nomination and Remuneration Committee. The payment of the committee fee recognises the additional commitment required by directors who serve on those committees. Other Board committees may be established from time to time to deal with issues associated with the conduct of the Group's various activities, and directors serving on such committees may receive a fee in recognition of this commitment. With effect from 1 July 2021, an additional fee is paid to the lead independent director in recognition of the additional responsibilities associated with that role.

The Board approved non-executive director fees were as follows:

Year to 30 June	2023 $	2022 $
Chairman (inclusive of committee fees)	194,000	185,000
Other non-executive directors		
Base	144,000	137,000
Lead independent director	14,000	14,000
Audit and Risk Committee	15,000	14,000
Chairman – Audit and Risk Committee	14,000	13,000
Nomination and Remuneration Committee	8,000	7,000
Chairman – Nomination and Remuneration Committee	7,000	6,000

The remuneration of non-executive directors for the year ended 30 June 2022 is detailed on page 36.

Non-executive directors' fees cover all main Board and committee activities. Non-executive directors are also entitled to be reimbursed for all reasonable business related expenses, including travel, as may be incurred in the discharge of their duties.

CEO and other executive remuneration

Objective

The Group's remuneration policy aims to reward the CEO and other executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group, and to:

- reward executives for Group, applicable business unit and individual performance against targets set by reference to appropriate benchmarks and key performance indicators ("KPIs");
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and composition of executive remuneration, the Nomination and Remuneration Committee obtains independent information about remuneration trends in the market, and then makes its own recommendations to the Board.

It is the Group's policy that employment contracts are entered into with the CEO and other senior executives. Details of these employment contracts are provided on pages 34 and 35.

Remuneration consists of both fixed and variable remuneration components. The variable remuneration component includes a short term incentive ("STI") plan and a long term incentive ("LTI") plan. The proportion of fixed and variable remuneration (potential STI and LTI) is set and approved for each senior executive by the Board based on recommendations provided by the Nomination and Remuneration Committee.

Fixed annual remuneration

Objective

Remuneration levels for executives are reviewed annually to ensure that they are appropriate for the responsibilities, qualifications and experience of each executive and are competitive with the market.

The Nomination and Remuneration Committee establishes and issues an appropriate guideline for the purpose of the annual review of fixed remuneration levels. The guideline is based on both current and forecast Consumer Price Index, remuneration trends on the applicable market and general market conditions. There are no guaranteed fixed remuneration increases in any executives' contracts.

Effective from 1 July 2022, the Board has approved a fixed annual remuneration package for the CEO to the value of $1,627,500, comprising base salary, superannuation and, if applicable, any salary sacrificed items.

Structure

Executives have the option to receive their fixed annual remuneration in cash and certain non-cash benefits that form part of the salary package. Fixed annual remuneration includes superannuation and, if applicable, any salary sacrificed items.

Variable remuneration – STI

Objective

The objective of the STI plan is to link the achievement of key operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to the executive to achieve the operational targets and ensuring that the cost to the Group is reasonable in the circumstances.

Structure

Executives are set specific STI targets at the beginning of each year, and STI amounts paid to each executive are determined based on the extent to which those targets are met. The targets consist of a number of KPIs covering both financial and non-financial measures of performance. Typically, KPIs and assessment criteria include predetermined Group and divisional earnings targets, and other strategic and operational objectives.

A work, health and safety gateway applies to the STI plan and executives will only be eligible for a payment under the plan if the requirements of the gateway have been satisfied. A financial gateway also applies to the STI plan, whereby the Group's financial position at the time of assessment must be such that, in the Board's opinion, the delivery of STI awards is prudent and appropriate based on the circumstances at that time.

On an annual basis, an earnings performance rating for the Group and each division is assessed by the Nomination and Remuneration Committee and approved by the Board. The individual performance of each executive is also assessed and rated and the ratings are taken into account when determining the amount, if any, of the STI to be allocated to each executive. This methodology was chosen because it allows for an objectively measurable assessment of the executives' performance.

The aggregate of annual STI payments available for executives across the Group is subject to review by the Nomination and Remuneration Committee and approval by the Board. STI payments are normally delivered as a cash bonus.

For the CEO and other executive KMP, the general target bonus opportunity range is from 65% to 115% of fixed annual remuneration. The target bonus range for the CEO and other executive KMP is detailed below for the year ended 30 June 2022:

	Maximum potential STI calculated on fixed annual remuneration[(a)]	**Weighting of KPIs (as a percentage of fixed annual remuneration):**			
		Group earnings	**Segment earnings**	**Special projects**	**Employee engagement**
CEO					
JM Hastings[(b)]	115%	55%	–	50%	10%
Other executive KMP					
GC Dean	65%	25%	–	35%	5%
MR Duff	75%	27.5%	15%	30%	2.5%

(a) Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements. The maximum possible value of each executive's STI award for future financial years is estimated by multiplying their maximum STI opportunity by their fixed annual remuneration. If any portion of an executive's STI is awarded in equity, the maximum value of that portion of the STI is estimated by multiplying the number of equity incentives allocated by the Company's share price. The minimum possible value of the STI award for future financial years is nil.

(b) The targets set for the STI of the CEO relate to the Group's performance, capital management, the management of current property developments and other business growth targets. The Board considers the specific targets to be commercially sensitive and further details of these targets have not been disclosed.

Bonuses may be paid above these levels at the discretion of the Board, if it is assessed that an exceptional contribution has been made by an executive. There is no separate profit-share plan.

Variable remuneration – LTI

Objective

The objectives of the LTI plan are to:

- align executive incentives with shareholder interests;
- balance the short term with the long term Group focus; and
- retain high calibre executives by providing an attractive equity-based incentive that builds a mindset of ownership of the Group.

Structure

Executives are awarded performance rights which will only vest on the achievement of certain performance hurdles and service conditions. An offer is generally made under the LTI plan to executives each financial year, based on individual performance as assessed by the annual appraisal process. The Nomination and Remuneration Committee reviews details of executives nominated for participation and then makes a recommendation for final Board approval. In accordance with the ASX Listing Rules, approval from shareholders is obtained before securities are allocated to the CEO under the Executive Performance Rights Plan.

The maximum LTI opportunity for the CEO is 100% of fixed annual remuneration, and the maximum LTI opportunity for GC Dean and MR Duff is 50% their fixed annual remuneration. The maximum possible value of each executive's annual LTI award for future financial years is estimated by multiplying the number of performance rights granted by the Company's share price at the time that the performance rights vest. The minimum possible value of the LTI award for future financial years is nil.

On vesting, for each performance right that vests, one fully paid ordinary share in the Company will be allocated. Performance rights do not carry the full benefits of share ownership (such as the right to vote or to receive dividends) until they have vested and shares have been allocated. No amount is payable for the grant or vesting of performance rights as they form part of executives' remuneration. As shares are automatically allocated on vesting of performance rights, there is no expiry date.

The performance hurdle for the awards of performance rights to executives in the financial year ended 30 June 2022 is based on EVENT Hospitality & Entertainment Limited's earnings per share ("EPS") for the financial year ending 30 June 2024 ("Performance Period"). The performance hurdle for the awards of performance rights to executives in the financial year ended 30 June 2022 is as follows:

EPS hurdle
The EPS hurdle requires that the Company's EPS for the Performance Period must be equal to or greater than the target set by the Board. This hurdle is chosen to align executives' interests with the achievement of strong financial performance by the Company.

The hurdle is as follows:
- if EPS for the Performance Period is less than the Threshold target, no performance rights will vest;
- if EPS for the Performance Period is equal to or greater than the Threshold target, but less than the Stretch target, the proportion of performance rights vesting will be increased on a pro-rata basis between 50% and 100%; or
- if EPS for the Performance Period is equal to or greater than the Stretch target, all of the performance rights will vest.

The Board has set the Threshold target at 25 cents per share and the Stretch target at 50 cents per share. After the Board has assessed the extent to which the above performance hurdle has been achieved in or around August 2024, executives will be allocated ordinary shares equal to the number of vested performance rights that vest. Any performance rights that do not vest lapse immediately.

This methodology was chosen because it allows for an objectively measurable assessment of the executives' performance.

The Board has retained the discretion to vary the performance hurdles.

For the terms applicable to prior-year LTI grants, please refer to the Remuneration Report in the relevant year of grant.

Recognition and Retention Incentives
Shareholders approved at the 2020 and 2021 AGMs Recognition and Retention Incentives for the CEO with a face value of $1,550,000 and $775,000 respectively. These awards were designed to recognise the additional effort required from the CEO both during the COVID-19 response period and during the recovery period, and the importance of retaining the CEO during this critical period. For this reason, these awards do not have further vesting conditions beyond the service requirement.

GC Dean and MR Duff were granted Retention and Recognition Incentives on similar terms to the CEO's awards in 2020 with a face value of $530,000 and $600,000, respectively, and in 2021 with a face value of $265,000 and $300,000, respectively. Incentives on similar terms have also been made to other senior executives under the Recognition and Retention Incentive plan.

For the Retention and Recognition Incentive awards in 2020, 60% of the grant value vested in full following the release of the results for the year ended 30 June 2021, and was awarded in rights on 20 September 2021. The remainder will vest after the release of the results for the year ended 30 June 2022. Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2023. Any rights that remain unexercised two years thereafter will expire.

For the Retention and Recognition Incentive awards in 2021, 60% of the grant value will vest following the release of the results for the year ended 30 June 2022. The remainder will vest after the release of the results for the year ending 30 June 2023. Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2024. Any rights that remain unexercised two years thereafter will expire.

Rights issued pursuant to the Recognition and Retention Incentives carry no entitlement to voting or to receive dividends or distributions until shares are acquired on exercise of vested Rights. However, vested Rights will have an entitlement to dividend equivalents paid in cash at the same time the Company pays any cash dividends or distributions for shareholders during the period commencing from the relevant vesting date until the vested Rights are exercised.

If any portion of an executive's Recognition and Retention Incentive is awarded in equity, the maximum value of that portion of the award is estimated by multiplying the number of equity incentives allocated by the Company's share price. The minimum possible value of the award for future financial years is nil.

No amount is payable for the grant or vesting or exercise of rights as they form part of executives' remuneration.

These awards have been accounted for as cash-settled share-based payments.

Remuneration outcome for the year ended 30 June 2022

Impact of COVID-19 on remuneration arrangements
As indicated in the Company's previous Remuneration Report, adjustments were made to director and executive remuneration from 1 April 2020 in response to the impact of COVID-19. These included significant reductions to the fees and remuneration outcomes for non-executive directors, the CEO and senior executives. Whilst those temporary and voluntary remuneration adjustments concluded on 30 June 2021, the Chairman volunteered to reduce his fee for the year ended 30 June 2022 by $150,000 to $185,000.

STI outcomes for FY22
During the year ended 30 June 2022, no awards were paid under the STI plan to KMP in respect of the year ended 30 June 2021, notwithstanding the achievement of certain individual KPIs by KMP. This was in recognition of the ongoing impact of COVID-19 on the Group's performance and on shareholder returns. Awards were made to certain other executives under the STI plan in respect of the year ended 30 June 2021.

LTI outcome
In November 2021, the FY19 LTI award under the Company's Executive Performance Rights Plan was tested. As the relevant performance conditions were not met, 100% of the award was forfeited.

Group performance
To provide further context on the Group's performance and returns for shareholders, the following table outlines a five-year history of key financial metrics:

	2022	2021	2020	2019	2018
Net profit/(loss) before individually significant items and AASB 16 ($)[(a)]	46,198,000	(54,051,000)	(3,275,000)	111,889,000	124,281,000
Normalised earnings per share (cents)	28.7	(33.5)	(2.0)	69.6	77.6
Dividends per share (cents)	–	–	21	52	52
Share price at year end ($)[(b)]	13.05	12.64	8.41	12.50	13.39

(a) Refer to page 8 in the Directors' Report for a reconciliation to reported net profit for the year.
(b) The share price at 30 June 2017 was $13.37.

Employment contracts for the CEO and other executive KMP
A summary of the key terms of JM Hastings' employment contract is set out in the table below:

Contract term	Ongoing with no fixed term.
Termination	Either party may terminate the agreement at any time by giving six months' notice. The Group may, at its discretion, make a payment in lieu of all or part of the notice period based on Ms Hastings' fixed annual remuneration at the time of the notice of termination. Ms Hastings may terminate immediately if there is a fundamental change in her responsibilities or authority without her consent. In that case, Ms Hastings is entitled to a payment equivalent to six months' fixed remuneration. The Group may terminate the agreement immediately in circumstances of misconduct, or if Ms Hastings breaches any material term of the agreement, in which case there is no payment in lieu of notice.
Restraint	The agreement contains non-solicitation and other restraints that apply for a restriction period of up to 12 months. Ms Hastings may receive a restraint payment for some or all of the restriction period, calculated based on her fixed annual remuneration at the termination date.

The CEO's contract provides for an annual review of the CEO's fixed annual remuneration and maximum incentive opportunities. Employment contracts typically outline the components of remuneration paid to the CEO and other senior executives but do not prescribe how remuneration levels are to be modified from year to year. Generally, remuneration levels are reviewed each year to take into account Consumer Price Index changes, remuneration trends in the market, any change in the scope of the role performed by the executive and any changes required to meet the principles of the remuneration policy.

The key terms of the employment contracts with other executive KMP are summarised in the table below:

Executive	Termination by the executive	Termination by the Group	Expiry date of contract
GC Dean MR Duff	The notice period is three months.	The notice period is three months. The Group may make a payment in lieu of notice, equal to the notice period. The Group retains the right to terminate the contract immediately in circumstances of misconduct. There are no other termination payments. Payment of any LTI (or pro-rata thereof) is subject to the rules in operation at the termination date and at the discretion of the Board.	Not applicable, rolling contracts.

Use of remuneration consultants

No remuneration consultants were engaged during the year ended 30 June 2022 to provide remuneration recommendations as defined in section 9B of the Corporations Act 2001.

KMP

The KMP for the financial year are set out in the table below:

Name	Position	Period of responsibility
Non-executive directors		
Alan Rydge	Chairman and non-executive director	1 July 2021 to 30 June 2022
Peter Coates	Independent non-executive director, lead independent director	1 July 2021 to 30 June 2022
Valerie Davies	Independent non-executive director	1 July 2021 to 30 June 2022
David Grant	Independent non-executive director	1 July 2021 to 30 June 2022
Patria Mann	Independent non-executive director	1 July 2021 to 30 June 2022
Richard Newton	Independent non-executive director	1 July 2021 to 30 June 2022
Executive director		
Jane Hastings	CEO	1 July 2021 to 30 June 2022
Other executive KMP		
Gregory Dean	Director Finance and Accounting, Company Secretary	1 July 2021 to 30 June 2022
Mathew Duff	Director Commercial	1 July 2021 to 30 June 2022

All executive KMP are employed by Event Hospitality & Entertainment Limited.

Directors' and executives' remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company and other KMP of the Group are set out below:

		Short term				Post-employment	Other long term		Share-based		Total	
		Cash salary and fees $	STI bonuses[(a)] $	Insurance premiums[(b)] $	Total short term $	Superannuation contributions $	Accrued annual leave $	Accrued long service leave $	Performance rights[(c)] $	Recognition and Retention Incentive[(d)] $	$	Proportion of remuneration performance related
DIRECTORS												
Non-executive												
AG Rydge	2022	168,182	–	–	**168,182**	16,818	–	–	–	–	**185,000**	–
	2021	– [(e)]	–	–	**– [(e)]**	– [(e)]	–	–	–	–	**– [(e)]**	–
PR Coates	2022	149,091	–	–	**149,091**	14,909	–	–	–	–	**164,000**	–
	2021	81,279	–	–	**81,279**	7,721	–	–	–	–	**89,000**	–
VA Davies	2022	128,788	–	–	**128,788**	12,879	–	–	–	–	**141,667**	–
	2021	100,091	–	–	**100,091**	9,509	–	–	–	–	**109,600**	–
DC Grant	2022	149,091	–	–	**149,091**	14,909	–	–	–	–	**164,000**	–
	2021	119,817	–	–	**119,817**	11,383	–	–	–	–	**131,200**	–
PM Mann	2022	139,394	–	–	**139,394**	13,939	–	–	–	–	**153,333**	–
	2021	115,434	–	–	**115,434**	10,966	–	–	–	–	**126,400**	–
RG Newton	2022	124,545	–	–	**124,545**	12,455	–	–	–	–	**137,000**	–
	2021	100,091	–	–	**100,091**	9,509	–	–	–	–	**109,600**	–
Executive												
JM Hastings	2022	1,526,432	–	3,695	**1,530,127**	23,568	(62,750)	175,164	333,904	997,778	**2,997,791**	11.1%
	2021	1,278,306	–	2,903	**1,281,209**	21,694	114,348	–	395,046	1,005,158	**2,817,455**	14.0%

		Short term				Post-employment	Other long term		Share-based		Total	
		Cash salary and fees $	STI bonuses[(a)] $	Insurance premiums[(b)] $	Total short term $	Superannuation contributions $	Accrued annual leave $	Accrued long service leave $	Performance rights[(c)] $	Recognition and Retention Incentive[(d)] $	$	Proportion of remuneration performance related
OTHER EXECUTIVE KMP												
GC Dean	2022	681,930	–	10,421	**692,351**	23,568	1,556	20,951	76,813	326,709	**1,141,948**	6.7%
	2021	577,637	–	8,248	**585,885**	21,694	36,260	12,795	87,915	364,756	**1,109,305**	7.9%
MR Duff	2022	769,698	–	7,552	**777,250**	23,568	42,732	57,070	78,446	369,859	**1,348,925**	5.8%
	2021	589,275	–	5,869	**595,144**	21,694	65,979	13,025	90,309	412,932	**1,199,083**	7.5%

(a) No STI bonuses for KMP were paid during the year ended 30 June 2022 or the year ended 30 June 2021 due to the impact of COVID-19 on the Group.
(b) Amounts disclosed in the table above exclude insurance premiums paid by the Group in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out within the Directors' Report on page 29. The amounts disclosed in the table above relate to premiums paid by the Group for salary continuance insurance.
(c) Amounts disclosed in the table above for remuneration relating to performance rights have been determined in accordance with the requirements of AASB 2 *Share-based Payment*. AASB 2 requires the measurement of the fair value of performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date. Details of performance rights on issue are set out within the Remuneration Report and further details on the terms and conditions of these performance rights are set out in Note 6.1 to the financial statements.
(d) The Recognition and Retention Incentive award terms are summarised on page 33.
(e) The Chairman, AG Rydge, waived all fees for the year ended 30 June 2021 in response to the impact of COVID-19 on the Group's operations, and reduced his fee by $150,000 for the year ended 30 June 2022. Other directors waived part of their fees for the year ended 30 June 2021.

Other transactions with KMP and their related parties

AG Rydge is a director of Carlton Investments Limited, and Carton Investments Limited is a significant shareholder in the Company. Carlton Investments Limited rents office space from an entity controlled by the Company. Rent is charged to Carlton Investments Limited at a market rate and ordinary commercial terms. Rent and office service charges received during the year ended 30 June 2022 were $23,363 (2021: $23,870). The Company previously held ordinary shares in Carlton Investments Limited, and continues to hold preference shares in Carlton Investments Limited. Dividends received during the year from preference shares held in Carlton Investments Limited were $5,312 (2021: $5,312).

AG Rydge paid rent, levies and other costs to Group entities during the year ended 30 June 2022 amounting to $107,647 (2021: $143,307). Rent is charged to AG Rydge at market rates and the arrangements are on ordinary commercial terms.

Apart from the details disclosed in the Remuneration Report, no KMP has entered into a material contract with the Group since the end of the previous year and there were no material contracts involving directors' interests existing at the reporting date.

From time to time, KMP of the Group, or their related parties, may purchase goods or services from the Group. These purchases are usually on the same terms and conditions as those granted to other Group employees.

Executive Performance Rights Plan – current LTI plan

Analysis of LTI performance rights granted as remuneration

Details of the vesting profile of performance rights granted as remuneration to the CEO and other executive KMP as LTI awards are shown below:

						Fair value[a]	
	Number	Grant date	Vested during the year	Forfeited during the year	Year in which the grant vests	Performance right – EPS $	Performance right – TSR[b] $
CEO							
JM Hastings	101,573[c]	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	159,236	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	113,637	20 Feb 2020	–	–	30 Jun 2023	11.07	5.15
	88,957	21 Feb 2019	–	88,957	30 Jun 2022	11.21	5.11
Other executive KMP							
GC Dean	23,115	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	36,356	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	25,945	20 Feb 2020	–	–	30 Jun 2023	11.07	5.15
	22,665	21 Feb 2019	–	22,665	30 Jun 2022	11.21	5.11
MR Duff	26,212	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	37,062	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	26,448	20 Feb 2020	–	–	30 Jun 2023	11.07	5.15
	22,665	21 Feb 2019	–	22,665	30 Jun 2022	11.21	5.11

(a) The fair value of the performance rights calculated at grant date, estimated using a Binomial tree model for those rights that have EPS hurdles and a Monte Carlo simulation model for those rights that have TSR hurdles.

(b) Relative total shareholder return ("TSR") was a performance condition applicable to certain prior year grants.

(c) Granted pursuant to shareholder approval under ASX Listing Rule 10.14 obtained at the 2021 AGM.

Executive Performance Rights Plan – Recognition and Retention Incentive

Analysis of rights granted as remuneration

Details of the vesting profile of rights granted as remuneration to the CEO and other executive KMP as Recognition and Retention Incentives are shown below:

	Number	Award date	Vested during the year	Forfeited during the year	Year in which the rights can be converted to shares[(a)]	Fair value[(b)] $
CEO						
JM Hastings	64,271[(c)]	20 Sep 2021	64,271	–	30 Jun 2024	14.44
Other executive KMP						
GC Dean	21,977	20 Sep 2021	21,977	–	30 Jun 2024	14.44
MR Duff	24,879	20 Sep 2021	24,879	–	30 Jun 2024	14.44

(a) Rights issued pursuant to the 2020 Recognition and Retention Incentive award may be converted to ordinary shares no earlier than August 2023.
(b) The fair value of the rights is calculated as the five-day volume weighted average price of shares of the Company on the ASX as at the date that the rights were granted.
(c) Granted pursuant to shareholder approval under ASX Listing Rule 10.14 obtained at the 2020 AGM.

Rights holdings and transactions

The movement during the year in the number of rights in EVENT Hospitality & Entertainment Limited (including LTI performance rights and Recognition and Retention Incentive rights) held by the CEO and other executive KMP is detailed below:

		Held at the beginning of the year	Granted	Exercised	Forfeited	Held at the end of the year[(a)]
CEO						
JM Hastings	2022	361,830	165,844[(b)]	–	(88,957)	438,717
	2021	285,331	159,236	–	(82,737)	361,830
Other executive KMP						
GC Dean	2022	84,966	45,092[(b)]	–	(22,665)	107,393
	2021	74,465	36,356	–	(25,855)	84,966
MR Duff	2022	86,175	51,091[(b)]	–	(22,665)	114,601
	2021	74,968	37,062	–	(25,855)	86,175

(a) As at the end of the year, there were no rights which are both vested and exercisable. Refer to the table in the 'Executive Performance Rights Plan – Recognition and Retention Incentive' section above for the number of vested and unexercisable rights held by each KMP.
(b) The value of rights granted during the year to JM Hastings, GC Dean and MR Duff is $2,264,774, $621,541 and $704,203 respectively. This is the total fair value of the rights calculated at grant date.

No performance rights have been granted since the end of the year. No performance rights are held by any related parties of KMP.

Shareholdings and transactions

The movement during the year in the number of ordinary shares of EVENT Hospitality & Entertainment Limited held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

		Held at the beginning of the year	Purchases	Received on vesting of rights	Sales	Other	Held at the end of the year[(a)]
Directors							
AG Rydge (Chairman)	2022	73,396,103	–	–	–	–	73,396,103
	2021	73,396,103	–	–	–	–	73,396,103
PR Coates	2022	46,960	–	–	–	–	46,960
	2021	46,960	–	–	–	–	46,960
VA Davies	2022	14,000	–	–	–	–	14,000
	2021	14,000	–	–	–	–	14,000
DC Grant	2022	7,500	–	–	–	–	7,500
	2021	7,500	–	–	–	–	7,500
PM Mann	2022	7,142	–	–	–	–	7,142
	2021	7,142	–	–	–	–	7,142
RG Newton	2022	66,840	–	–	–	–	66,840
	2021	66,840	–	–	–	–	66,840
JM Hastings	2022	12,000	–	–	–	–	12,000
(CEO)	2021	12,000	–	–	–	–	12,000
Other KMP							
GC Dean	2022	158,222	–	–	–	–	158,222
	2021	158,222	–	–	–	–	158,222
MR Duff	2022	84,899	–	–	(30,418)	–	54,481
	2021	84,899	–	–	–	–	84,899

(a) No shares were held nominally by any member of the KMP as at the end of the reporting period.

Other than the arrangements disclosed above, no shares were granted to KMP as compensation in the year ended 30 June 2022. Performance rights were granted to certain KMP as disclosed on page 39.

End of Directors' Report: Remuneration Report – Audited

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Event Hospitality & Entertainment Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Event Hospitality & Entertainment Limited for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

22 August 2022

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 $'000	2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents	4.4	175,158	120,978
Trade and other receivables	3.1	65,710	98,800
Current tax receivables		436	6,074
Inventories	3.2	18,581	16,360
Prepayments and other current assets		9,927	8,692
Assets held for sale	3.5	16,658	17,973
Total current assets		286,470	268,877
Non-current assets			
Trade and other receivables	3.1	6,936	672
Other financial assets		4	1,086
Other investments	4.5	78	78
Investments accounted for using the equity method	5.3	9,684	13,945
Property, plant and equipment	3.3	1,281,312	1,249,793
Right-of-use assets	3.9	825,583	908,541
Investment properties	3.4	6,300	64,500
Goodwill and other intangible assets	3.6	118,659	101,345
Deferred tax assets	2.4	65,310	39,276
Other non-current assets		19,621	20,467
Total non-current assets		2,333,487	2,399,703
Total assets		2,619,957	2,668,580
LIABILITIES			
Current liabilities			
Trade and other payables	3.7	156,123	130,278
Loans and borrowings	4.4	1,555	44,980
Current tax liabilities		26,681	–
Provisions	3.8	25,461	22,131
Deferred revenue		109,780	120,159
Lease liabilities	3.9	126,893	129,869
Other current liabilities	3.10	8,117	2,504
Total current liabilities		454,610	449,921
Non-current liabilities			
Loans and borrowings	4.4	384,791	431,210
Deferred tax liabilities	2.4	–	–
Provisions	3.8	21,796	19,958
Deferred revenue		7,819	8,266
Lease liabilities	3.9	818,169	881,873
Other non-current liabilities	3.10	12,001	4,816
Total non-current liabilities		1,244,576	1,346,123
Total liabilities		1,699,186	1,796,044
Net assets		920,771	872,536
EQUITY			
Share capital	4.1	219,126	219,126
Reserves	4.3	65,155	70,242
Retained earnings		636,490	583,168
Total equity		920,771	872,536

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $'000	2021 $'000
Revenue and other income			
Revenue from sale of goods and rendering of services	2.1	831,552	505,841
Other revenue and income	2.1	156,242	186,633
		987,794	692,474
Expenses			
Employee expenses		(258,288)	(234,776)
Depreciation, amortisation and impairments		(191,907)	(196,547)
Film hire and other film expenses		(140,950)	(55,763)
Occupancy expenses		(130,696)	(89,108)
Purchases and other direct expenses		(75,043)	(57,801)
Other operating expenses		(75,374)	(65,174)
Finance costs		(41,185)	(41,409)
Advertising, commissions and marketing expenses		(20,705)	(15,614)
		(934,148)	(756,192)
Equity accounted profit			
Share of net profit from equity accounted associates and joint ventures	5.3	174	690
Profit/(loss) before tax		53,820	(63,028)
Income tax (expense)/benefit	2.4	(498)	14,992
Profit/(loss) for the year		53,322	(48,036)

		2022 Cents	2021 Cents
Earnings per share			
Basic earnings per share	2.5	33.1	(29.8)
Diluted earnings per share	2.5	32.9	(29.8)

The Income Statement is to be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022 $'000	2021 $'000
Profit/(loss) for the year	53,322	(48,036)
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Foreign currency translation differences for foreign operations – net of tax	(9,715)	(4,350)
Other comprehensive expense for the year – net of tax	(9,715)	(4,350)
Total comprehensive income/(expense) for the year	43,607	(52,386)

The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2021	219,126	70,242	583,168	872,536
Profit for the year	–	–	53,322	53,322
Other comprehensive expense				
Foreign currency translation differences for foreign operations – net of tax	–	(9,715)	–	(9,715)
Total other comprehensive expense recognised directly in equity	–	(9,715)	–	(9,715)
Total comprehensive (expense)/income	–	(9,715)	53,322	43,607
Employee share-based payments expense – net of tax	–	4,628	–	4,628
Total transactions with owners	–	4,628	–	4,628
Balance at 30 June 2022	219,126	65,155	636,490	920,771

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2020	219,126	73,106	631,204	923,436
Loss for the year	–	–	(48,036)	(48,036)
Other comprehensive expense				
Foreign currency translation differences for foreign operations – net of tax	–	(4,350)	–	(4,350)
Total other comprehensive expense recognised directly in equity	–	(4,350)	–	(4,350)
Total comprehensive expense	–	(4,350)	(48,036)	(52,386)
Employee share-based payments expense – net of tax	–	1,486	–	1,486
Total transactions with owners	–	1,486	–	1,486
Balance at 30 June 2021	219,126	70,242	583,168	872,536

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		926,091	581,166
Cash payments in the course of operations		(751,279)	(574,911)
Cash provided by operations		174,812	6,255
Dividends from joint ventures		510	303
Other revenue and income		141,395	154,601
Dividends received		5	5
Interest received		158	215
Finance costs paid		(41,707)	(38,776)
Income tax refunds		7,750	26,925
Income tax paid		(3,016)	(1,391)
Net cash provided by operating activities	7.2	279,907	148,137
Cash flows from investing activities			
Payments for property, plant and equipment and redevelopment of properties		(98,247)	(25,543)
Finance costs paid in relation to qualifying assets		(4,022)	(3,661)
Purchase of management rights, software and other intangible assets		(1,240)	(1,350)
Payments for interest in joint venture		–	(143)
Payments for business acquired		(12,584)	(4,359)
Decrease in loans from other entities		(489)	(4)
Proceeds from disposal of property, plant and equipment		113,710	49,475
Net cash (used)/provided by investing activities		(2,872)	14,415
Cash flows from financing activities			
Proceeds from borrowings		102,623	66,373
Repayments of borrowings		(210,450)	(77,873)
Repayment of non-controlling interest loan		(7,523)	–
Transaction costs related to borrowings		(26)	(3,081)
Payments of lease liabilities		(104,276)	(102,725)
Net cash used by financing activities		(219,652)	(117,306)
Net increase in cash and cash equivalents		57,383	45,246
Cash and cash equivalents at the beginning of the year		120,978	76,594
Effect of movements in exchange rates on cash held		(3,203)	(862)
Cash and cash equivalents at the end of the year		175,158	120,978

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

SECTION 1 – BASIS OF PREPERATION

This section explains the basis of preparation for the Group's financial statements, including information regarding the impact of the adoption of new accounting standards.

1.1 – REPORTING ENTITY

EVENT Hospitality & Entertainment Limited ("Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the year ended 30 June 2022 comprises the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates, joint ventures and joint operations.

EVENT Hospitality & Entertainment Limited is a for-profit company incorporated in Australia and limited by shares. The shares are publicly traded on the ASX. The nature of the operations and principal activities of the Group are described in Note 2.2.

The financial report was authorised for issue by the Board of Directors of EVENT Hospitality & Entertainment Limited on 22 August 2022.

1.2 – BASIS OF PREPARATION

Statement of compliance
The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Basis of measurement
The financial report is prepared on the historical cost basis except for the following material items in the Statement of Financial Position which are measured at fair value: derivative financial instruments, investments designated as at fair value through other comprehensive income ("FVOCI"), liabilities for cash-settled share-based payments and investment properties. Assets held for sale are stated at the lower of carrying amount, and fair value less costs to sell.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Use of estimates and judgements
The preparation of a financial report in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods if affected. Judgements made by management in the application of AASBs that have a significant effect on the financial report are discussed in Notes 3.3 (Property, plant and equipment) and 3.6 (Goodwill and other intangible assets).

Key estimates and judgements
Key estimates and judgements used in these financial statements, include:

- impairment (see Note 2.3, 3.3 and 3.6);
- lease terms (see Note 3.9); and
- valuations of property, plant and equipment (see Note 3.3).

1.2 – BASIS OF PREPARATION (continued)

Measurement of fair values
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Notes 3.3 (Property, plant and equipment), 3.4 (Investment properties), 3.5 (Assets held for sale) and 4.5 (Financial risk management).

Global coronavirus pandemic ("COVID-19")
In March 2020, the World Health Organization declared a global pandemic in relation to COVID-19. Within the geographic locations where the Group has operations, governments responded to COVID-19 by introducing a number of COVID-19 measures, including restrictions on business activity, societal interaction and travel. The effects of these measures on the Group has been significant and, as a result, COVID-19 has resulted in impacts to key estimates and judgements used in these (and previous) financial statements, including:

- impairment (see Note 2.3, 3.3 and 3.6);
- provision for expected credit losses (see Note 3.1); and
- valuations of property, plant and equipment (see Note 3.3).

Going concern basis of accounting
COVID-19 has had, and in some areas continues to have, a material impact on the Group's operational divisions. The Group has incurred significant and material reductions in revenue and to maintain an appropriate level of current and future liquidity has implemented certain initiatives to ensure the viability of the Group for the current and longer term. The actions have included:

- implementation of operational and corporate cost saving initiatives to ensure that the impact of COVID-19 on earnings was appropriately minimised and managed;
- participation in government support initiatives; and
- suspension of dividend payments. Future dividend payments will be subject to Board consideration and approval having regard to all relevant circumstances including lender gearing requirements and the Group's trading performance.

In addition, the Group has reported a net current asset deficiency of $168.1 million. This deficiency is predominately a consequence of the recognition of current lease liabilities (under AASB 16 *Leases*) totalling $126.9 million. Current lease and other liabilities are expected to be supported by future operating cash flows and available liquidity from undrawn debt facilities of $284.5 million at 30 June 2022.

From a financial and liquidity perspective, and in the context of the COVID-19 environment highlighted above, budget modelling based on a conservative recovery scenario was undertaken across all of the Group's businesses. The budget modelling anticipates outcomes based upon current known circumstances and recent, as well as past, COVID-19 business performance.

The budget modelling, which is based upon currently available information, assumes that there are no future material or significant government mandated mass closures of operations beyond that which have occurred. The Group's budget modelling included a limited number of asset sales.

1.2 – BASIS OF PREPARATION (continued)

Whilst there continues to be uncertainty regarding the future COVID-19 impacts, the budget modelling was adopted by the Group as the current and most likely scenario. Budget modelling is subject to certain risks and uncertainties which may cause results to differ materially from those expected including, but not limited to, the following:

- the availability, in terms of both quantity and audience appeal, of the film line-up, as well as other industry dynamics such as the maintenance of a suitable and viable exhibition window;
- the effects of any future adverse economic conditions caused by COVID-19 (or other similar pandemic events);
- the effects on occupancy and room rates of the relative industry supply of available rooms at comparable hotels in the market once hotels and resorts fully reopened;
- the effects of weather, particularly for Thredbo with winter conditions and the availability of snow; and
- the ability of partners (both from a supply and operational perspective) to continue to operate for the current foreseeable future.

The Group considers that the current outlook provides sufficient liquidity for the foreseeable future.

In relation to the Group's debt arrangements, the Group anticipates it will be able to comply with covenant requirements at future testing dates. On this basis, the financial report has been prepared on a going concern basis.

1.3 – FOREIGN CURRENCY

Functional and presentation currency
All amounts are expressed in Australian dollars, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Australian dollars.

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss, except for differences arising on retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture whilst retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

1.3 – FOREIGN CURRENCY (continued)

Net investment in foreign operations
Exchange differences arising from the translation of the net investment in foreign operations, and the effective portion of related hedges, are taken to the foreign currency translation reserve. They are released to profit or loss as an adjustment to profit or loss on disposal. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity.

1.4 – NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE GROUP

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("Standards Board") that are relevant to its operations and were effective for the year ended 30 June 2022. New and revised Standards, amendments thereof, and Interpretations effective for the current year that are relevant to the Group are:

Impact of the initial application of Covid-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16
In the prior year, the Group adopted *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, the Standards Board issued *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the Standards Board in May 2021). The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B in AASB 16 *Leases*.

The Group has benefited from abatement of lease payments relating to cinema and hotel premises during the year. The abatement of lease payments has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of paragraph 3.3.1 of AASB 9 *Financial Instruments*.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
The amendments in AASB 2019-3 modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing interest rate benchmark reforms.

The amending Standard does not materially impact the Group.

New and revised Standards issued but not yet effective
There are no other new or amended Standards that are issued but not yet effective that are expected to have a material impact on the financial statements of the Group in future periods.

SECTION 2 – PERFORMANCE FOR THE YEAR

This section focuses on the results and performance of the Group. On the following pages are disclosures explaining the Group's revenue, segment reporting, individually significant items, taxation and earnings per share.

2.1 – REVENUE

Revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contacts with customers, including significant payment terms and the related revenue recognition policies. The Group's revenue recognition accounting policies are summarised in the table below:

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Box office	Customers purchase a ticket to see a film and the customer obtains control of the service when they see the film. Tickets may be purchased by customers in advance or on the day of the film screening. Customers that are members of the Group's cinema loyalty program (Cinebuzz) earn points when purchasing tickets which can be used to purchase services from the Group in the future.	Box office ticket revenue is recognised on the date the customer views the relevant film. When tickets are sold in advance, the revenue is recorded as deferred revenue in the Statement of Financial Position until the date of the film screening. When gift cards and vouchers are sold to customers, the revenue is recognised as deferred revenue in the Statement of Financial Position until the customer uses the gift card or voucher to purchase goods or services from the Group. Revenue from gift cards and vouchers that will not be redeemed by customers ("breakage") is estimated and recognised as revenue based on historical patterns of redemption by customers. When customers earn loyalty points, box office revenue is allocated proportionally based on the relative stand-alone selling prices of the ticket and the loyalty points earned. The stand-alone selling price of the loyalty points is determined with reference to the average admission price and expected loyalty point breakage. Loyalty point revenue is recognised as deferred revenue in the Statement of Financial Position until the points are redeemed or expire. Breakage is estimated based on historical patterns of redemptions by customers. Commission and other direct expenses incurred in relation to the sale of gift cards are recognised as an asset until the gift cards are redeemed or expire.
Food and beverage	Customers obtain control of food and beverage at the point of sale.	Revenue is recognised at the point of sale.
Hotel rooms	Customers obtain control of the accommodation service when they occupy the room.	Revenue is recognised when the room is occupied. When rooms are sold in advance, the revenue is recorded as deferred revenue in the Statement of Financial Position until the date the customer occupies the room.

2.1 – REVENUE (continued)

Revenue recognition policies (continued)

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Hotel management and service agreements	Customers, being hotel owners, obtain control of the management service as it is provided over the life of the management or service agreement.	Revenue is recognised as the fees are earned over the life of the contract. Fees are typically variable based on a percentage of revenue and profit. Contract acquisition costs are recognised over the life of the control as a reduction in revenue.
Thredbo lift tickets	Customers obtain control of the lift service on the day or other period when the lift ticket is valid for use.	Revenue is recognised as customers use the service. For season and other passes purchased in advance, revenue is recorded as deferred revenue in the Statement of Financial Position initially and is then recognised over the period that the pass is valid.
Thredbo ski school	Customers obtain control of the ski school service when the lesson is attended.	Revenue is recognised at the time of the lesson or other activity. For products purchased in advance, revenue is recorded as deferred revenue in the Statement of Financial Position initially and is then recognised when the lesson is attended.
Rental revenue	Customers, being lessees, obtain relevant benefits of the rental premises.	Rental revenue consists of rentals from investment properties and sub-lease rentals and is billed monthly. Rentals received under operating leases and initial direct costs are recognised on a straight-line basis over the term of the lease.

Details of the Group's revenue have been provided below:

	2022 $'000	2021 $'000
Revenue from contracts with customers (see below)	831,552	505,841
Other revenue		
Rental revenue	24,503	27,121
Finance revenue	158	215
Dividends	5	5
Sundry	1,230	560
	25,896	27,901
Other income		
Reversal of impairment charges booked in previous years	1,548	3,997
Increase in fair value of investment properties	30	6,950
Government wage subsidies and other compensation [(a)]	96,349	112,563
Profit on sale of investment property and property, plant and equipment	32,419	35,222
	130,346	158,732
	987,794	692,474

(a) Government wage subsidies and other compensation for businesses impacted by the COVID-19 pandemic included JobKeeper in Australia, the New Zealand Wage Subsidy, and various German government support and subsidy programs including Kurzarbeitergeld (short-time pay), Damage Support and the Culture Fund programs. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

SECTION 2 – PERFORMANCE FOR THE YEAR

2.1 – REVENUE (continued)

	Entertainment						
Disaggregation of revenue	**Australia and New Zealand $'000**	**Germany $'000**	**Hotels and Resorts $'000**	**Thredbo Alpine Resort $'000**	**Property and Other Investments $'000**	**Corporate and Unallocated $'000**	**Consolidated $'000**
2022							
Major products/service lines							
Box office	203,468	112,992	–	–	–	–	316,460
Food and beverage	115,219	60,972	69,678	9,812	–	–	255,681
Hotel rooms	–	–	114,550	2,868	–	–	117,418
Management and service agreements	1,953	233	13,638	–	–	–	15,824
Thredbo lift tickets	–	–	–	25,884	–	–	25,884
Other revenue from contracts with customers	52,939	15,254	14,883	16,013	1,196	–	100,285
Revenue from contracts with customers	373,579	189,451	212,749	54,577	1,196	–	831,552
Rental revenue	64	4,738	1,086	8,655	9,960	–	24,503
Government wage subsidies and other compensation	3,139	89,304	3,906	–	–	–	96,349
Finance revenue	–	–	–	–	–	158	158
Dividends	–	–	–	–	–	5	5
Increase in fair value of investment property	–	–	–	–	30	–	30
Sundry	–	132	–	1,098	–	–	1,230
Other revenue and other income	3,203	94,174	4,992	9,753	9,990	163	122,275
Total revenue and other income before individually significant items	376,782	283,625	217,741	64,330	11,186	163	953,827
Individually significant items – other income	3,074	–	12,564	–	18,329	–	33,967
Total revenue and other income	379,856	283,625	230,305	64,330	29,515	163	987,794

SECTION 2 – PERFORMANCE FOR THE YEAR

2.1 – REVENUE (continued)

Disaggregation of revenue	Entertainment Australia and New Zealand $'000	Entertainment Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property and Other Investments $'000	Corporate and Unallocated $'000	Consolidated $'000
2021							
Major products/service lines							
Box office	117,307	14,128	–	–	–	–	131,435
Food and beverage	63,963	7,678	59,155	13,478	–	–	144,274
Hotel rooms	–	–	101,855	3,964	–	–	105,819
Management and service agreements	1,757	243	9,798	–	–	–	11,798
Thredbo lift tickets	–	–	–	39,098	–	–	39,098
Other revenue from contracts with customers	42,748	4,570	13,146	11,027	1,926	–	73,417
Revenue from contracts with customers	225,775	26,619	183,954	67,567	1,926	–	505,841
Rental revenue	103	4,425	1,608	7,942	13,043	–	27,121
Government wage subsidies and other compensation	35,108	56,401	17,160	2,642	–	1,252	112,563
Finance revenue	–	–	–	–	–	215	215
Dividends	–	–	–	–	–	5	5
Increase in fair value of investment property	–	–	–	–	6,950	–	6,950
Sundry	–	61	7	508	–	–	576
Other revenue and other income	35,211	60,887	18,775	11,092	19,993	1,472	147,430
Total revenue and other income before individually significant items	260,986	87,506	202,729	78,659	21,919	1,472	653,271
Individually significant items – other income	24,709	–	3,627	–	10,867	–	39,203
Total revenue and other income	285,695	87,506	206,356	78,659	32,786	1,472	692,474

SECTION 2 – PERFORMANCE FOR THE YEAR

2.2 – SEGMENT REPORTING

Accounting policy
An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses from transactions with other Group segments. All segments' adjusted EBITDA results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to a segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment, before individually significant items, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate head office assets, head office expenses, and income tax assets and liabilities.

Additions to non-current segment assets are the total cost incurred during the period to acquire assets that include amounts expected to be recovered over more than 12 months after the year end date. Amounts include property, plant and equipment, but exclude financial instruments and deferred tax assets.

Segment information is presented in respect of the Group's reporting segments. These are the Group's main strategic business segments and have differing risks and rewards associated with the business due to their different product or service and geographic markets. For each of these operating segments, the Group's CEO regularly reviews internal management reports.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to those of other businesses. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest bearing loans and borrowings and borrowing costs, interest income and corporate head office assets and expenses.

Operating segments
The Group comprises the following main operating segments:

Entertainment
Includes cinema exhibition operations in Australia and New Zealand, technology equipment supply and servicing, and the State Theatre.

Entertainment Germany
Includes the cinema exhibition operations in Germany.

Hotels and Resorts
Includes the ownership, operation and management of hotels in Australia and New Zealand.

Thredbo Alpine Resort
Includes all the operations of the resort including property development activities.

Property and Other Investments
Includes property rental, investment properties and investments designated as at FVOCI.

Geographical information
Also presented is information on the Group's split of revenue and non-current assets by geographic location. Geographic revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The Group operates in Australia, New Zealand and Germany.

SECTION 2 – PERFORMANCE FOR THE YEAR

2.2 – SEGMENT REPORTING (continued)

30 June 2022	Entertainment: Australia and New Zealand $'000	Entertainment: Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property $'000	Total segments $'000	Corporate $'000	Individually significant items $'000	Unallocated and tax $'000	Consolidated $'000
Revenue and other income										
External segment revenue	373,643	194,321	213,835	64,330	11,156	857,285	–	–	–	857,285
Other income – external	3,139	89,304	3,906	–	30	96,379	5	33,967	–	130,351
Finance revenue	–	–	–	–	–	–	–	–	158	158
Revenue and other income	376,782	283,625	217,741	64,330	11,186	953,664	5	33,967	158	987,794
Result										
Segment result	112,801	120,145	30,466	16,292	7,790	287,494	(20,185)	17,723	–	285,032
Net (loss)/profit of equity accounted investees	(611)	785	–	–	–	174	–	–	–	174
EBITDA*	112,190	120,930	30,466	16,292	7,790	287,668	(20,185)	17,723	–	285,206
Depreciation and amortisation	(92,754)	(52,181)	(31,806)	(4,974)	(2,130)	(183,845)	(1,914)	–	–	(185,759)
Impairment charge	–	–	–	–	–	–	–	(4,600)	–	(4,600)
Profit/(loss) before interest and income tax expense	19,436	68,749	(1,340)	11,318	5,660	103,823	(22,099)	13,123	–	94,847
Finance costs	(21,337)	(1,465)	(2,231)	–	–	(25,033)	–	–	(16,152)	(41,185)
Finance revenue	–	–	–	–	–	–	–	–	158	158
(Loss)/profit before tax	(1,901)	67,284	(3,571)	11,318	5,660	78,790	(22,099)	13,123	(15,994)	53,820
Income tax (expense)/credit	–	–	–	–	–	–	–	(2,582)	2,084	(498)
Net (loss)/profit	(1,901)	67,284	(3,571)	11,318	5,660	78,790	(22,099)	10,541	(13,910)	53,322
Assets										
Reportable segment assets (excluding right-of use assets)	341,802	234,806	762,696	79,202	263,549	1,682,055	–	–	37,325	1,719,380
Right-of-use assets	543,780	215,937	65,866	–	–	825,583	–	–	–	825,583
Equity accounted investments	4,969	4,715	–	–	–	9,684	–	–	–	9,684
Deferred tax assets	–	–	–	–	–	–	–	–	65,310	65,310
Total assets	890,551	455,458	828,562	79,202	263,549	2,517,322	–	–	102,635	2,619,957
Liabilities										
Reportable segment liabilities (excluding lease liabilities)	136,919	68,440	94,922	43,201	–	343,482	–	–	410,642	754,124
Lease liabilities	640,510	230,697	73,855	–	–	945,062	–	–	–	945,062
Total liabilities	777,429	299,137	168,777	43,201	–	1,288,544	–	–	410,642	1,699,186
Acquisition of non-current assets	26,045	6,330	113,980	8,755	6,162	161,272	217	–	–	161,489

SECTION 2 – PERFORMANCE FOR THE YEAR

2.2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property $'000	Total segments $'000	Corporate $'000	Individually significant items $'000	Unallocated and tax $'000	Consolidated $'000
30 June 2022										
Reconciliation of adjustments AASB 16 *Leases*										
Reported EBITDA (including AASB 16 *Leases*)*	112,190	120,930	30,466	16,292	7,790	287,668	(20,185)	17,723	–	285,206
Less: Occupancy costs	(79,984)	(45,300)	(3,890)	–	–	(129,174)	–	–	–	(129,174)
Adjusted EBITDA (excluding AASB 16 *Leases*)*	32,206	75,630	26,576	16,292	7,790	158,494	(20,185)	17,723	–	156,032
Result impacts arising from AASB 16 *Leases*										
Occupancy costs	79,984	45,300	3,890	–	–	129,174	–	–	–	129,174
Amortisation and impairments	(61,424)	(43,446)	(4,073)	–	–	(108,943)	–	(5,582)	–	(114,525)
Finance costs	(21,337)	(1,465)	(2,231)	–	–	(25,033)	–	–	–	(25,033)
Income tax credit/(expense)**	802	(116)	699	–	–	1,385	–	–	–	1,385
	(1,975)	273	(1,715)	–	–	(3,417)	–	(5,582)	–	(8,999)

* *EBITDA is profit before net interest, income tax, depreciation and amortisation.*
** *The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.*

2.2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property $'000	Total segments $'000	Corporate $'000	Individually significant items $'000	Unallocated and tax $'000	Consolidated $'000
30 June 2021										
Revenue and other income										
External segment revenue	225,878	31,105	185,562	76,008	14,969	533,522	–	–	–	533,522
Other income – external	35,108	56,401	17,167	2,651	6,950	118,277	1,252	39,203	5	158,737
Finance revenue	–	–	–	–	–	–	–	–	215	215
Revenue and other income	260,986	87,506	202,729	78,659	21,919	651,799	1,252	39,203	220	692,474
Result										
Segment result	67,724	12,007	36,674	29,775	16,748	162,928	(12,735)	19,833	–	170,026
Net (loss)/profit of equity accounted investees	(914)	1,972	(368)	–	–	690	–	–	–	690
EBITDA*	66,810	13,979	36,306	29,775	16,748	163,618	(12,735)	19,833	–	170,716
Depreciation and amortisation	(90,095)	(56,432)	(30,489)	(4,651)	(2,745)	(184,412)	(2,215)	–	–	(186,627)
Impairment charge	–	–	–	–	–	–	–	(5,923)	–	(5,923)
(Loss)/profit before interest and tax	(23,285)	(42,453)	5,817	25,124	14,003	(20,794)	(14,950)	13,910	–	(21,834)
Finance costs	(19,613)	(2,006)	(1,661)	–	–	(23,280)	–	–	(18,129)	(41,409)
Finance revenue	–	–	–	–	–	–	–	–	215	215
(Loss)/profit before tax	(42,898)	(44,459)	4,156	25,124	14,003	(44,074)	(14,950)	13,910	(17,914)	(63,028)
Income tax (expense)/credit	–	–	–	–	–	–	–	(2,136)	17,128	14,992
Net (loss)/profit	(42,898)	(44,459)	4,156	25,124	14,003	(44,074)	(14,950)	11,774	(786)	(48,036)
Assets										
Reportable segment assets (excluding right-of use assets)	335,568	181,096	727,039	67,940	345,531	1,657,174	–	–	49,644	1,706,818
Right-of-use assets	582,984	257,058	68,499	–	–	908,541	–	–	–	908,541
Equity accounted investments	5,580	4,114	4,251	–	–	13,945	–	–	–	13,945
Deferred tax assets	–	–	–	–	–	–	–	–	39,276	39,276
Total assets	924,132	442,268	799,789	67,940	345,531	2,579,660	–	–	88,920	2,668,580
Liabilities										
Reportable segment liabilities (excluding lease liabilities)	126,012	71,100	49,127	48,873	–	295,112	–	–	489,190	784,302
Lease liabilities	670,508	267,027	74,207	–	–	1,011,742	–	–	–	1,011,742
Total liabilities	796,520	338,127	123,334	48,873	–	1,306,854	–	–	489,190	1,796,044
Acquisition of non-current assets	12,485	91	20,621	4,247	4,591	42,035	522	–	–	42,557

2.2 – SEGMENT REPORTING (continued)

	Entertainment									
	Australia and New Zealand $'000	Germany $'000	Hotels and Resorts $'000	Thredbo Alpine Resort $'000	Property $'000	Total segments $'000	Corporate $'000	Individually significant items $'000	Unallocated and tax $'000	Consolidated $'000
30 June 2021										
Reconciliation of adjustments AASB 16 *Leases*										
Reported EBITDA (including AASB 16 *Leases*)*	66,810	13,979	36,306	29,775	16,748	163,618	(12,735)	19,833	–	170,716
Less: occupancy costs	(73,210)	(47,595)	(2,857)	–	–	(123,662)	–	–	–	(123,662)
Adjusted EBITDA (excluding AASB 16 *Leases*)*	(6,400)	(33,616)	33,449	29,775	16,748	39,956	(12,735)	19,833	–	47,054
Result impacts arising from AASB 16 *Leases*										
Occupancy costs	73,210	47,595	2,857	–	–	123,662	–	–	–	123,662
Amortisation	(57,894)	(47,456)	(2,995)	–	–	(108,345)	–	–	–	(108,345)
Finance costs	(19,613)	(2,006)	(1,661)	–	–	(23,280)	–	–	–	(23,280)
Income tax credit**	1,149	560	495	–	–	2,204	–	–	–	2,204
	(3,148)	(1,307)	(1,304)	–	–	(5,759)	–	–	–	(5,759)

* *EBITDA is profit before net interest, income tax, depreciation and amortisation.*
** *The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.*

Geographic Information

The information below is a segment analysis by geographic location:

	30 June 2022				30 June 2021			
	Australia $'000	New Zealand $'000	Germany $'000	Consolidated $'000	Australia $'000	New Zealand $'000	Germany $'000	Consolidated $'000
External segment revenue	561,293	101,671	194,321	857,285	421,909	80,508	31,105	533,522
Reportable segment assets	1,165,400	281,849	234,806	1,682,055	1,248,979	222,985	185,210	1,657,174
Right-of-use assets	480,864	128,782	215,937	825,583	504,414	140,814	263,313	908,541
Equity accounted investments	4,969	–	4,715	9,684	5,580	4,251	4,114	13,945
Total assets	1,651,233	410,631	455,458	2,517,322	1,758,973	368,050	452,637	2,579,660
Acquisition of non-current assets	68,647	86,512	6,330	161,489	29,006	13,460	91	42,557

SECTION 2 – PERFORMANCE FOR THE YEAR

2.3 – INDIVIDUALLY SIGNIFICANT ITEMS	2022 $'000	2021 $'000
Individually significant items comprised the following:		
Profit on sale of properties	28,212	35,205
Reversal of impairment charges booked in previous years	1,548	3,997
Impairment charges	(6,148)	(9,920)
Disposal of assets on redevelopment or damage	(5,156)	–
Restructure costs, redundancies and staff retention costs arising as a result of COVID-19	(3,723)	(5,895)
Legal and other costs associated with the sale of a business segment	(810)	(4,683)
Other expenses (net of income items)	(800)	(4,794)
Individually significant items before tax	13,123	13,910
Income tax expense	(2,582)	(2,136)
Individually significant items after tax	10,541	11,774

2.4 – TAXATION

Accounting policy
Income tax expense or benefit in the Income Statement for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The Company and its Australian wholly-owned subsidiaries are part of a tax consolidated group. As a consequence, all members of the Australian tax consolidated group are taxed as a single entity. EVENT Hospitality & Entertainment Limited is the head entity within the Australian tax consolidated group.

Deferred tax
Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:
- taxable temporary differences on the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set off.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference.

The Group has unrecognised deferred tax assets in respect of certain foreign tax revenue losses as disclosed on page 61. The utilisation of the tax revenue losses is dependent upon the generation of sufficient future taxable profits within the applicable foreign tax entities and a deferred tax asset is only recognised to the extent that it is supported by sufficient forecast taxable profits. Assumptions regarding the generation of future taxable profits relevant to those foreign tax entities have been based upon management's budget estimates and forecasts. Management considers that the forecast of taxable profits for the applicable foreign tax entities is subject to risk and uncertainty; hence, the Group has not recognised all of the losses as a deferred tax asset.

SECTION 2 – PERFORMANCE FOR THE YEAR

2.4 – TAXATION (continued)	2022 $'000	2021 $'000
Income tax (expense)/credit		
The major components of income tax are:		
Current income tax		
Current income tax (expense)/credit	(27,166)	30,125
Income tax under provided in the prior year	(56)	(757)
Deferred income tax		
Relating to origination and reversal of temporary differences	26,724	(14,376)
Income tax (expense)/credit reported in the Income Statement	(498)	14,992
Income tax credit/(expense) reported in equity	1,136	(1,135)
Reconciliation between income tax (expense)/credit and pre-tax profit/(loss)		
Accounting profit/(loss) before income tax (expense)/credit	53,820	(63,028)
Prima facie income tax (expense)/credit at the income tax rate of 30% (2021: 30%)	(16,146)	18,908
Change in income tax (expense)/credit due to:		
Adjustments relating to non-deductible items and revenue losses	15,633	(11,950)
Gain on disposal of non-depreciable properties	554	3,049
Restatement of depreciation relating to New Zealand assets	–	9,057
Other sundry items	(483)	(3,315)
Income tax under provided in the prior year	(56)	(757)
Total income tax (expense)/credit	(498)	14,992
Unrecognised deferred tax assets		
Revenue losses – foreign	6,185	20,339

Included in the deferred tax assets not recognised is the gross value of corporate tax and trade tax losses arising in Germany of $20,615,000 (2021: $67,797,000). The availability of these tax losses is subject to certain utilisation limits and ongoing availability tests under German tax law. At 30 June 2022, there was no recognised deferred income tax liability (2021: $nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or incorporated joint ventures.

2.4 – TAXATION (continued)

	Statement of Financial Position		Income Statement	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax liabilities comprise:				
Right-of-use assets	245,100	265,047	15,507	5,497
Property, plant and equipment and intangible assets	29,259	39,487	10,044	(7,037)
Accrued revenue	7,308	4,651	(2,804)	2,524
Sundry items	2,999	2,269	(315)	(960)
	284,666	311,454		
Less: offsetting deferred tax assets	(284,666)	(311,454)		
	–	–		
Deferred tax assets comprise:				
Lease liabilities	280,709	295,798	(12,424)	15,132
Property, plant and equipment and intangible assets	3,171	3,117	163	(1,640)
Share of joint venture entity timing differences	14,346	17,007	(1,019)	2,685
Provisions and accrued employee benefits	12,895	13,451	(829)	1,024
Deferred revenue	5,614	5,420	205	(4,952)
Sale of a property	16,266	–	16,266	–
Tax losses	13,077	12,734	898	387
Sundry items	3,898	3,203	1,032	(27,036)
	349,976	350,730		
Less: offsetting deferred tax liabilities	(284,666)	(311,454)		
	65,310	39,276		
Deferred tax credit/(expense)			26,724	(14,376)

2.5 – EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit/(loss) attributable to members of the Company by the weighted average number of ordinary shares of the Company.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

	2022 $'000	2021 $'000
Profit/(loss) attributable to ordinary shareholders (basic and diluted)	53,322	(48,036)
	Number	**Number**
Weighted average number of ordinary shares (basic)	161,195,521	161,195,521
Effect of performance rights	1,021,462	886,736
Weighted average number of ordinary shares (diluted)	162,216,983	162,082,257

Further details in relation to the Executive Performance Rights Plan and Executive Performance Share Plan are provided in Note 6.1.

SECTION 3 – OPERATING ASSETS AND LIABILITIES

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in section 4. Deferred tax assets and liabilities are shown in Note 2.4.

On the following pages, there are sections covering working capital balances, property, plant and equipment, investment properties, intangible assets and provisions.

3.1 – TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value, and subsequently at the amounts considered recoverable (amortised cost). Where the payment terms for the sale of an asset are deferred, the receivable is discounted using the prevailing rate for a similar instrument of an issuer with similar credit terms. The unwinding of the discount is treated as finance revenue.

Trade receivables are non-interest bearing and are generally on 30 to 90-day terms. The Group's exposure to credit and foreign exchange risks related to trade and other receivables is disclosed in Note 4.5.

Estimates are used in determining the level of receivables that will not be collected, and these estimates take into account factors such as historical experience. Allowances are made for impairment losses when there is sufficient evidence that the Group will not be able to collect all amounts due. These allowances are made until such time that the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount considered irrecoverable is written off against the asset directly. The carrying value of trade and other receivables is considered to approximate fair value. Receivables are stated with the amount of goods and services tax ("GST") or equivalent tax included.

	2022 $'000	2021 $'000
Current		
Trade receivables	21,563	13,324
Less: allowance for trade receivables	(2,254)	(1,354)
	19,309	11,970
Other receivables	46,401	86,830
	65,710	98,800
Non-current		
Other receivables	6,936	672
	6,936	672

As at 30 June 2022, trade receivables with a value of $2,254,000 (2021: $1,354,000) were impaired and fully provided for.

The movement in the allowance for trade receivables has been included in other expenses within the income statement. The Group has assessed its expected potential credit losses on an individual trade receivable basis and has applied judgement using management experience and customer interactions.

As at 30 June 2022, trade receivables for the Group that were past due but not impaired were $4,311,000 (2021: $2,531,000), of which $1,528,000 (2021: $1,361,000) was less than 30 days overdue. The remainder is not considered material and consequently an ageing analysis has not been provided.

Current other receivables of $46,401,000 (2021: $86,830,000) do not contain impaired assets and are not past due. Based on the credit history of these other receivables, it is expected that these amounts will be recovered when due.

3.2 – INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Work in progress is valued at the lower of cost and net realisable value. Cost is based on the first-in-first-out principle and includes expenditure incurred in bringing inventories to their existing condition and location.

3.3 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment
Property, plant and equipment are the physical assets used by the Group to generate revenue and profit. These assets include land and buildings, and plant and equipment. Property, plant and equipment are recognised at cost (which is the amount initially paid for them) less accumulated depreciation (the estimate of annual wear and tear) and impairment losses.

The Group leases properties in the normal course of business, principally to conduct its cinema exhibition businesses. On inception of a lease, the estimated cost of decommissioning any additions to these properties (known as leasehold improvements) is included within property, plant and equipment and depreciated over the lease term. A corresponding provision is set up as disclosed in Note 3.8.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

Depreciation is charged to the Income Statement on a straight-line basis over the asset's estimated useful life. The major categories of property, plant and equipment are depreciated as follows:

- freehold buildings — 40 – 80 years;
- buildings and improvements subject to long term leases — shorter of estimated useful life and term of lease;
- resort apartments and share of common property — 40 – 80 years; and
- plant and equipment — 3 – 20 years.

Freehold land and land subject to long term leases are not depreciated. Similarly, assets under construction (classified as capital work in progress) are not depreciated until they come into use, when they are transferred to buildings or plant and equipment as appropriate.

Impairment of property, plant and equipment
Property, plant and equipment that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance.

The process of impairment testing is to estimate the recoverable amount of the assets concerned, and recognise an impairment loss in the Income Statement whenever the carrying amount of those assets exceeds the recoverable amount.

Impairment testing of property, plant and equipment is performed at an individual cinema or hotel site level, with the exception of cinema sites within a single geographic location, which are tested as one cash-generating unit. Thredbo is also considered to be, and has been tested as, one cash-generating unit. Details regarding impairment testing performed at 30 June 2021 are set out below.

SECTION 3 – OPERATING ASSETS AND LIABILITIES

3.3 – PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings $'000	Land subject to long term leases $'000	Buildings and improvements subject to long term leases $'000	Resort apartments and share of common property $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
2022							
Gross balance at the beginning of the year	899,630	1,320	478,348	930	837,352	85,626	2,303,206
Accumulated depreciation, amortisation and impairments	(155,679)	–	(263,729)	(103)	(633,902)	–	(1,053,413)
Net balance at the beginning of the year	743,951	1,320	214,619	827	203,450	85,626	1,249,793
Additions	573	–	5,590	–	7,502	88,584	102,249
Additions from acquisition	29,606	–	–	–	2,861	–	32,467
Transfers	2,208	–	35,479	–	21,036	(57,558)	1,165
Disposals	(5,808)	–	(614)	–	(6,428)	–	(12,850)
Depreciation, amortisation and impairments	(10,387)	–	(18,372)	(12)	(44,591)	–	(73,362)
Impairment write-back	162	–	–	–	1,386	–	1,548
Transfer to right-of-use assets	–	–	–	–	6,757	–	6,757
Transfer to assets held for sale	(13,497)	–	(1,625)	–	(1,500)	(36)	(16,658)
Effect of movement in foreign exchange	(4,979)	(32)	(2,475)	–	(1,809)	(502)	(9,797)
At 30 June 2022	741,829	1,288	232,602	815	188,664	116,114	1,281,312
Gross balance at the end of the year	900,821	1,288	523,495	930	801,953	116,114	2,344,601
Accumulated depreciation, amortisation and impairments	(158,992)	–	(290,893)	(115)	(613,289)	–	(1,063,289)
Net balance at the end of the year	741,829	1,288	232,602	815	188,664	116,114	1,281,312
2021							
Gross balance at the beginning of the year	954,987	1,324	457,655	930	848,511	104,607	2,368,014
Accumulated depreciation, amortisation and impairments	(172,086)	–	(244,759)	(91)	(615,681)	–	(1,032,617)
Net balance at the beginning of the year	782,901	1,324	212,896	839	232,830	104,607	1,335,397
Additions	–	–	13,133	–	11,829	5,321	30,283
Additions from acquisition	–	–	–	–	6,114	–	6,114
Transfers	7,480	–	7,290	–	5,698	(24,110)	(3,642)
Disposals	(20,749)	–	(57)	–	(3,266)	–	(24,072)
Depreciation and amortisation	(10,291)	–	(15,983)	(12)	(47,515)	–	(73,801)
Impairment	–	–	(2,033)	–	(762)	–	(2,795)
Impairment write-back	3,368	–	–	–	379	–	3,747
Transfer to assets held for sale	(16,938)	–	–	–	(988)	(47)	(17,973)
Effect of movement in foreign exchange	(1,820)	(4)	(627)	–	(869)	(145)	(3,465)
At 30 June 2021	743,951	1,320	214,619	827	203,450	85,626	1,249,793
Gross balance at the end of the year	899,630	1,320	478,348	930	837,352	85,626	2,303,206
Accumulated depreciation, amortisation and impairments	(155,679)	–	(263,729)	(103)	(633,902)	–	(1,053,413)
Net balance at the end of the year	743,951	1,320	214,619	827	203,450	85,626	1,249,793

3.3 – PROPERTY, PLANT AND EQUIPMENT (continued)

Independent valuations of interest in land and buildings

In assessing current values for the Group's interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, the directors have relied in most cases upon independent valuations from registered qualified valuers or management value in use calculations. Except for investment properties, which are revalued every half year (refer to Note 3.4), valuations are generally carried out on a progressive three-year cycle. The majority of the Group's properties were subject to an independent valuation as at 30 June 2021.

Measurement of fair values

Amounts disclosed below represent the fair value of the Group's interest in land and buildings, excluding investment properties, as determined at the time of the most recent independent valuation report. Independent registered qualified valuers are engaged to perform the valuations. The values are determined based on the highest and best use of each property. In most cases, the existing use is the highest and best use and values are determined on a going concern basis. For certain properties, the highest and best use may differ from the current use, and consideration may be given to the development of such properties at an appropriate time in the future in order to realise the full value of the property.

The fair value disclosure has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Going concern value is based on capitalisation and discounted cash flow methodologies, and significant unobservable inputs include the forecast net income for each property, and the capitalisation and discount rates used in determining fair value. In the most recent valuations for 30 June 2021, capitalisation rates utilised ranged from 4.10% to 12.00% and pre-tax discount rates utilised ranged from 5.61% to 11.75% per annum. For certain sites where the going concern value was not the highest and best use, fair value was determined using a direct comparison methodology with reference to recent sales of similar properties.

The fair values determined by the independent registered qualified valuers are sensitive to changes in these significant unobservable inputs. However, overall the fair value of the Group's interest in land and buildings, excluding investment properties, is significantly higher than the book value of these interests as noted below.

Valuations of interest in land and buildings, excluding investment properties and properties classified as held for sale	**2022 $'000**	**2021 $'000**
A summary of recent independent valuations, by year of the last valuation, is set out as follows:		
Existing use is highest and best use		
Independent valuation – 30 June 2021	1,612,097	1,686,164
Independent valuation – 8 March 2021	57,720	–
Alternate use is highest and best use		
Independent valuation – 30 June 2021	263,441	274,577
Land and buildings not independently valued		
Book value of land and buildings not independently valued	2,029	4,822
	1,935,287	1,965,563

The book value of the above interests at 30 June 2022 was $1,052,032,000 (2021: $1,030,447,000). The written-down book value of plant and equipment at 30 June 2022 which is deemed integral to land and buildings, has been determined to total approximately $158,879,000 (2021: $139,872,000). The above valuations do not take into account the potential impact of capital gains tax.

3.3 – PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment considerations at 30 June 2022

Hotels

Hotel properties are treated as separate cash-generating units. The Group obtained independent valuations as at 30 June 2021 from suitably qualified external valuers for each of the key hotel properties. The impairment review process at 30 June 2022 included a comparison of the independent valuation at 30 June 2021 to the carrying value of each hotel cash-generating unit and a review of the independent valuation parameters to ensure that parameters were consistent (or no less favourable) than prevailing market parameters at 30 June 2022. A sensitivity analysis, assuming a -10% variation to the 2021 independent valuations, was also undertaken to ensure that there was sufficient independent valuation headroom.

There was one hotel property where the carrying value was below the independent valuation, due primarily to current refurbishment expenditure, and that hotel was subject to further impairment testing. To assess the value in use for impairment testing purposes:

- estimated future 5-year cash flows (based on 2023 year budget and Board approved future forecasts) were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's Australian hotel related post-tax weighted average cost of capital of 7.72%;
- a terminal value capitalisation rate of 6.50%; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5%.

As a result of the above impairment review process, no impairment charges (2021: $nil) were recognised for the year. For hotels that had been subject to impairments in previous years, the trading performance and recoverable amount were also reviewed during the year. As a result of the review, no impairment charges (2021: $3,747,000) were reversed in respect of impairments booked in previous years. A prior year impairment charge of $1,548,000 was reversed as a result of the disposal of certain items.

Entertainment

Cinema sites are treated as separate cash-generating units, with the exception of cinema sites within a single geographic location, which are tested as one cash-generating unit. The forecast trading performance of certain cinema sites and cash-generating units caused the Group to assess their recoverable amounts at 30 June 2022. In addition, and as a direct result of COVID-19, impairment review parameters were amended to increase the impairment focus on cinema sites and cash-generating units.

The impairment review process at 30 June 2022 included the following:

- the expected 2023 budget and normalised annual earnings for each cinema or cinema cash-generating unit were reviewed by management to determine the existence, if any, of any underlying current or expected future market or other conditions that could potentially adversely impact future performance and earnings for the site or cash-generating unit. If an adverse condition was in existence, the site or cash-generating unit was subject to further impairment testing;
- where no adverse conditions were considered to be present, the 2023 budget and normalised EBITDA was multiplied by a factor range of five and seven and the results were used as a conservative proxy for market valuation purposes; and
- a cash flow model (non-discounted) was utilised and applied as an overlay indicator test.

For those sites where future adverse market changes were noted or the EBITDA multiple or result from the cash flow model was below the relevant carrying value, the site or cash-generating unit was subject to further impairment testing.

Where a site or cash-generating unit utilises a component of freehold property which is owned by the Group, the impairment assessment also incorporated the current independent valuation undertaken as at 30 June 2021.

To assess the value in use for impairment testing purposes:

- estimated future cash flows were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's Entertainment segment related post-tax weighted average cost of capital of 7.81% to 9.00%;
- cash flow forecasts were based on the 2023 budget presented to the Board; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.0%.

3.3 – PROPERTY, PLANT AND EQUIPMENT (continued)

As a result of the above impairment review process, impairment losses totalling $566,000 (2021: $9,920,000) were recorded in respect of certain cinemas or cash-generating units. The site that that were subject to an impairment charge are located in Germany.

Thredbo
The operations at Thredbo are treated as one cash-generating unit. The trading performance of Thredbo during the year ended 30 June 2022 was unfavourably impacted by the visitation restrictions relating to COVID-19.

The impairment review process included a review of the parameters of the independent valuation that was issued at 30 June 2021 together with the expected future normalised earnings of the Thredbo business. The independent valuation parameters were considered to be consistent with the Group's forward estimates and assumptions. In addition, the independent valuation is in excess of the current carrying value by over 250% and, as a result, the Group determined that there was no impairment in relation to the carrying value of Thredbo.

Security
The following assets, whose carrying values are listed below, are subject to mortgage security to secure the Group's bank loan facilities (refer to Note 4.4):

	2022 $'000	2021 $'000
Freehold land and buildings	537,949	491,253
Freehold land and buildings classified as assets held for sale	14,126	–
Freehold land and buildings classified as investment properties	6,300	6,250
	558,375	497,503
Capital commitments		
Capital expenditure commitments contracted but not provided for and payable	8,993	3,599

3.4 – INVESTMENT PROPERTIES

Accounting policy
Investment properties comprise land and buildings which are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group in the ordinary course of business or for administration purposes. Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value with any change therein recognised in profit or loss. Property that is being constructed or redeveloped for future use as an investment property is also measured at fair value (unless a fair value cannot be reliably determined).

When the use of a property changes from owner occupied to investment property, the property is reclassified as an investment property. Any difference at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised directly to the investment property revaluation reserve if it is an increase and to profit or loss if it is a decrease. A gain may be recognised to profit on remeasurement only to the extent it reverses a previous impairment loss on the property. Subsequent transfers from investment property to property, plant and equipment or inventories occur when there is a change in use of the property, usually evidenced by commencement of redevelopment for own use.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on derecognition of an investment property are recognised in profit or loss in the period of derecognition.

Fair value of investment properties
Investment properties are independently revalued to fair value each reporting period, with any gain or loss arising on remeasurement being recognised in profit or loss. The fair value of investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. In assessing the fair value of investment properties, a number of assumptions are made at the end of each reporting period regarding future cash flows, future property market economic conditions and other factors including cash flow discount rates, rental capitalisation rates, and recent market transactions for similar properties.

3.4 – INVESTMENT PROPERTIES (continued)

The carrying amount of investment property is the fair value of the property as determined by an independent registered qualified valuer. The significant unobservable inputs used by the valuer in determining the fair value of the investment property held by the Group at 30 June 2022 included a market capitalisation rates of 7.25% (2021: reversionary rental yields of 5.74% to 7.27%). The valuer has carried out the valuation by applying assumptions regarding the reasonably possible impacts of COVID-19 based on information available as at 30 June 2022.

The leases for the investment property contain an initial non-cancellable period of between five and 15 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged for the investment property.

During the year ended 30 June 2022, $2,848,000 (2021: $7,518,000) was recognised as rental income for investment properties in the Income Statement, with $611,000 (2021: $1,916,000) incurred in respect of direct costs, including $123,000 (2021: $240,000) for repairs and maintenance. The Group investment property at 30 June 2022 consists of one central Brisbane property. Investment properties were sold during the years ended 30 June 2022 and 30 June 2021.

	2022 $'000	2021 $'000
Freehold land and buildings		
At fair value (Level 3 fair values)	6,300	64,500
Summary of movements:		
Balance at the beginning of the year	64,500	74,550
Fair value increment/(decrement)	30	6,950
Additions	20	–
Sale of property	(58,250)	(17,000)
Balance at the end of the year	6,300	64,500

3.5 – ASSETS HELD FOR SALE

Accounting policy
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount, and fair value less cost to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity accounted investee is no longer equity accounted.

Assets classified as held for sale
A number of non-core properties have been identified for potential sale by the Group and, as at 30 June 2022, the Group had initiated active marketing campaigns in relation to three of the identified properties.

	2022 $'000	2021 $'000
Assets held for sale – carrying amount	16,658	17,973

The fair value of the assets held for sale is $72.6 million. The fair value was based on independent valuations totalling $70.9 million for two of the three properties, as determined by independent registered qualified valuers as at 30 June 2021. The fair values are sensitive to changes in these significant unobservable inputs. The significant unobservable inputs used by the valuer in determining the fair value of the assets held for sale by the Group at 30 June 2021 included a capitalisation rate of 5.25% for one property and for the second property, where the going concern value was not the highest and best use, fair value was determined using a direct comparison methodology with reference to recent sales of similar properties. A third property was not subject to valuation and the book value at 30 June 2022 was determined to represent the fair value of that property.

SECTION 3 – OPERATING ASSETS AND LIABILITIES

3.6 – GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting policy

Goodwill

Goodwill arises from business combinations as described in Note 5.1 and represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill is allocated to cash-generating units, and impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised in respect of goodwill cannot be reversed.

The carrying amount of goodwill in respect of associates and joint ventures is included in the carrying amount of the investment in the associate or joint venture.

Construction rights

Construction rights relate to the Group's ability to develop accommodation in the Thredbo Alpine Resort. Construction rights are recognised at cost and are derecognised as the rights are either sold or developed. The carrying value of construction rights is reviewed annually. Any amounts no longer considered recoverable are written off, with the impairment loss recorded in profit or loss.

Other intangible assets

Other intangible assets, which largely comprise management and leasehold rights and software, are stated at cost less accumulated amortisation and impairment losses. Management and leasehold rights are amortised over the life of the agreements, which range from 10 to 20 years, on a straight-line basis. Software for major operating systems is amortised over a four to five-year period on a straight-line basis.

Impairment

The carrying amounts of the Group's non-financial assets, other than investment properties (see Note 3.4), are reviewed at each reporting date to determine whether there is any indication of impairment. Where an indicator of impairment exists, the Group makes a formal estimate of the asset's recoverable amount. For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of assets or cash-generating units is the greater of their fair value less costs to sell, and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset or its related cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying value of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro-rata basis.

Impairment losses are recognised in profit or loss unless the asset or its cash-generating unit has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation, with any excess recognised in profit or loss.

An impairment loss in respect of goodwill cannot be reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 – GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Reconciliations

Summaries of the carrying amount movements of each class of intangible assets between the beginning and end of the year are set out below:

	Goodwill $'000	Construction rights $'000	Liquor licences $'000	Management and leasehold rights $'000	Software $'000	Total $'000
2022						
Gross balance at the beginning of the year	67,233	1,343	196	68,776	8,861	146,409
Accumulated amortisation and impairment losses at the beginning of the year	(653)	–	–	(39,169)	(5,242)	(45,064)
Net balance at the beginning of the year	66,580	1,343	196	29,607	3,619	101,345
Acquisitions and initial contributions	27,125	–	–	770	470	28,365
Transfers	–	–	–	–	(1,165)	(1,165)
Amortisation	–	–	–	(4,395)	(1,448)	(5,843)
Disposals	–	(354)	(6)	(861)	–	(1,221)
Net foreign currency differences on translation of foreign operations	(2,503)	–	–	(281)	(38)	(2,822)
Net balance at the end of the year	91,202	989	190	24,840	1,438	118,659
Gross balance at the end of the year	91,855	989	190	63,371	7,399	163,804
Accumulated amortisation and impairment losses at the end of the year	(653)	–	–	(38,531)	(5,961)	(45,145)
Net balance at the end of the year	91,202	989	190	24,840	1,438	118,659
2021						
Gross balance at the beginning of the year	62,928	1,343	196	67,616	8,300	140,383
Accumulated amortisation and impairment losses at the beginning of the year	(653)	–	–	(37,385)	(3,199)	(41,237)
Net balance at the beginning of the year	62,275	1,343	196	30,231	5,101	99,146
Acquisitions and initial contributions	4,555	–	–	729	873	6,157
Transfers	–	–	–	3,153	(405)	2,748
Amortisation	–	–	–	(4,429)	(1,879)	(6,308)
Impairments	–	–	–	–	(15)	(15)
Net foreign currency differences on translation of foreign operations	(250)	–	–	(77)	(56)	(383)
Net balance at the end of the year	66,580	1,343	196	29,607	3,619	101,345
Gross balance at the end of the year	67,233	1,343	196	68,776	8,861	146,409
Accumulated amortisation and impairment losses at the end of the year	(653)	–	–	(39,169)	(5,242)	(45,064)
Net balance at the end of the year	66,580	1,343	196	29,607	3,619	101,345

Cash generating units containing goodwill have been outlined below:

	2022 $'000	2021 $'000
Entertainment – Australia and New Zealand	43,424	43,694
Entertainment – Germany	3,900	4,066
Hotels – New Zealand	39,543	14,485
Hotels – Australia	3,593	3,593
Multiple units without significant goodwill	742	742
	91,202	66,580

3.6 – GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Impairment considerations at 30 June 2022
The recoverable value of goodwill has been determined by value in use calculations for each specific goodwill component.

Hotels
There are three owned hotel properties with specific goodwill components. To assess the value in use for impairment testing purposes:

- estimated future 5-year cash flows (based on 2023 year budget and Board approved future forecasts) were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's relevant hotel related post-tax weighted average cost of capital of 7.72% to 9.02%;
- a terminal value capitalisation rate of 6.50% to 9.02%; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5% to 3.5%.

For goodwill relating to certain hotel leasehold properties, considered as one cash generating unit for goodwill impairment purposes:

- estimated future cash flows (based on 2023 year budget and Board approved future forecasts) were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's post-tax weighted average cost of capital of 8.02%; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.0%.

As a result of the above impairment review process, no impairment losses (2021: $nil) were recorded in respect of goodwill. Further information regarding the key assumptions made in relation to the assessment of impairment of Hotel cash-generating units is disclosed in Note 3.3.

Entertainment
To assess the value in use for impairment testing purposes:

- estimated future cash flows were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's post-tax weighted average cost of capital of between 7.81% to 9.00%;
- cash flow forecasts were based on the 2023 budget presented to the Board; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.0%.

As a result of the above impairment review process, no impairment losses (2021: $nil) were recorded in respect of goodwill and management leasehold rights. Further information regarding the key assumptions made in relation to the assessment of impairment of Entertainment cash-generating units is disclosed in Note 3.3.

Sensitivity analysis
A 1% increase in the relevant post-tax weighted average cost of capital would have resulted in an impairment of $740,000 for one of the Group's cash generating units containing goodwill.

3.7 – TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost. Trade payables are normally non-interest bearing and settled within 30 days. Payables are stated with the amount of GST or equivalent tax included. The carrying value of trade and other payables is considered to approximate fair value.

	2022 $'000	2021 $'000
Trade payables	54,454	46,422
Other payables and accruals	101,669	83,856
	156,123	130,278

3.8 – PROVISIONS

Accounting policy

Employee benefits

Provision is made for employee benefits including annual leave and long service leave for employees. The provision is calculated as the present value of the Group's net obligation to pay such benefits resulting from the employees' services provided up to the reporting date. The provisions due or available to be settled within 12 months have been calculated at undiscounted amounts based on the remuneration rates the employer expects to pay after the reporting date and includes related on-costs.

The liability for employees' benefits to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

Liabilities for employee benefits which are not due to be settled within 12 months are discounted using the rates attaching to national government securities at reporting date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee benefits, consideration has been given to future increases in wage and salary rates, and the Group's experience with staff departures. Related on-costs have also been included in the liability.

Insurance loss contingencies and other claims

The insurance loss contingencies and other claims provision relates to estimated costs to be incurred in respect of various claims that are expected to be settled within 12 months of the balance date.

Decommissioning of leasehold improvements

A provision for the estimated cost of decommissioning leasehold improvements is made where a legal or constructive obligation exists.

In determining the provision for decommissioning costs, an assessment is made for each location of the likelihood and amount of the decommissioning costs to be incurred in the future. The estimated future liability is discounted to a present value, with the discount amount unwinding over the life of the leasehold asset as a finance cost in profit or loss. The estimated decommissioning cost recognised as a provision is included as part of the cost of the leasehold improvements at the time of installation or during the term of the lease, as the liability for decommissioning is reassessed. This amount capitalised is then depreciated over the life of the asset.

The decommissioning of leasehold improvements provision has been raised in respect of "make-good" obligations under long term lease contracts for various cinema sites. In determining the provision, an assessment has been made, for each location, of the likelihood that a decommissioning cost will be incurred in the future and, where applicable, the level of costs to be incurred. Uncertainty exists in estimating the level of costs to be incurred in the future because of the long term nature of cinema leases.

Other

Other provisions are recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

	2022 $'000	2021 $'000
Current		
Employee benefits	25,386	22,056
Insurance loss contingencies and other claims	75	75
	25,461	22,131
Non-current		
Employee benefits	2,967	2,902
Decommissioning of leasehold improvements	18,829	17,056
	21,796	19,958

SECTION 3 – OPERATING ASSETS AND LIABILITIES

3.8 – PROVISIONS (continued)	2022 $'000	2021 $'000
Movements in provisions		
Movements in the carrying amounts of each class of provisions, except for employee benefits, are set out below:		
Insurance loss contingencies and other claims		
Carrying amount at the beginning of the year	75	75
Payments	–	–
Provided	–	–
Carrying amount at the end of the year	75	75
Decommissioning of leasehold improvements		
Carrying amount at the beginning of the year	17,056	16,387
Provided	2,616	1,306
Reversed	(359)	(372)
Utilised	(175)	–
Net foreign currency differences on translation of foreign operations	(309)	(265)
Carrying amount at the end of the year	18,829	17,056
Onerous contract		
Carrying amount at the beginning of the year	–	72
Utilised	–	(72)
Carrying amount at the end of the year	–	–

3.9 – COMMITMENTS AND LEASES

Accounting policy
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is pre-determined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group has designed the asset in a way that pre-determines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Accounting for leases – as a lessee
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3.9 – COMMITMENTS AND LEASES (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the Statement of Financial Position.

Short term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Accounting for leases – as a lessor
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

3.9 – COMMITMENTS AND LEASES (continued)

Joint operation lease arrangements
As disclosed in Note 5.3, the Group is a party to material joint operations in respect of its cinema operations. These are accounted for on a line-by-line basis. The disclosures set out below include the Group's share of its right-of-use assets and lease liabilities that relate to these joint operations.

	2022 $'000	2021 $'000
Right-of-use assets		
Property		
Balance at the beginning of the year	908,541	848,909
Additions	53,379	182,267
Transfer from property, plant & equipment	(6,757)	–
Derecognition	(1,467)	–
Depreciation	(108,943)	(108,345)
Impairment charge	(5,582)	(7,125)
Effect of movement in foreign exchange	(13,588)	(7,165)
Balance at the end of the year	825,583	908,541
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	127,727	132,962
One to five years	452,889	468,381
More than five years	543,924	605,824
Total undiscounted lease liabilities at 30 June	1,124,540	1,207,167
Lease liabilities included in the Statement of Financial Position at 30 June		
Current	126,893	129,869
Non-current	818,169	881,873
	945,062	1,011,742
Amounts recognised in the Income Statement		
Interest on lease liabilities	25,033	23,280
Variable lease payments not included in the measurement of lease liabilities	1,600	1,425

No significant expense was recognised in the Income Statement in respect of short term leases or leases of low-value assets.

Impairment considerations at 30 June 2022
The right-of-use assets for cinema and hotel sites were considered in conjunction with the impairment process for property, plant and equipment. Detail of the impairment process, including the methodology and parameters, are set out within Note 3.3. As a result of the above impairment review process, impairment losses totalling $5,582,000 (2021: $7,125,000) were recorded in respect of certain cinemas or cash-generating units. The sites that that were subject to an impairment charge are located in Germany.

Property leases
The Group leases various properties, including cinema sites, under operating leases. The leases typically run for periods up to 20 years, with varying terms, escalation clauses and renewal or extension options. The head lease in respect of the Thredbo Village and ski area is for a longer period, being 50 years from 29 June 2007.

The Group sub-leases some of its properties under operating leases (see below).

3.9 – COMMITMENTS AND LEASES (continued)

Variable lease payments based on sales and profit
Some leases provide for additional rent payments that are based on sales or profit that the Group makes at the leased site in the period. Variable lease payments during the year ended 30 June 2022 were $1,600,000 (2021: $1,425,000).

Extension options
Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. As at 30 June 2022, lease liabilities included $152,897,000 (2021: $110,305,000) of lease liabilities in respect of extension options that have yet to be exercised by the Group.

Lease not yet commenced to which the lessee is committed
As at 30 June 2022, the Group has entered into agreements for new leases that have yet to commence and in respect of which lease liabilities have yet to be recognised. The Group's share of the total undiscounted rent payable under these leases is $28,696,000 (2021: $29,408,000), over lease terms of between 15 and 20 years.

Other leases
Other leases, including leases of vehicles and equipment, are not material to the Group.

Operating leases – as a lessor
The Group receives rental income from a number of properties, both leased and owned. With the exception of sub-leases under the Thredbo head lease, leases are for periods ranging between one and 15 years and have varying terms, escalation clauses and renewal or extension options. There are approximately 700 sub-leases under the Thredbo head lease. Thredbo sub-leases consist of long term accommodation sub-leases for holiday apartments, chalets and lodges and also retail premises. Long term accommodation sub-leases are typically for periods mirroring the head lease, which was renewed for a further 50-year period from 29 June 2007. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership of the assets. Lease income from lease contracts in which the Group acts as a lessor is set out in Note 2.1.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2022 $'000	2021 $'000
Leases of owned properties		
Less than one year	8,367	13,569
One to five years	25,828	38,312
More than five years	14,615	18,373
	48,810	70,254
Sub-leases		
Less than one year	7,476	7,677
One to five years	29,488	29,617
More than five years	220,374	227,721
	257,338	265,015

Finance leases – as a lessor
The Group does not currently have any lease arrangements in which it is the lessor that are classified as finance leases.

3.10 – OTHER LIABILITIES

Other liabilities include contract deposits received in advance and deferred lease incentive balances arising from operating leases. Refer to Note 3.9 for further details regarding operating lease arrangements.

SECTION 4 – CAPITAL STRUCTURE AND FINANCING

This section outlines the Group's capital structure, including how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt).

On the following pages, there are sections on the Group's share capital, dividends, reserves, loans and borrowings, and financial risk management.

4.1 – SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Share capital				
Fully paid ordinary shares	161,195,521	161,195,521	219,126	219,126
Movements in share capital				
Balance at the beginning of the year	161,195,521	161,195,521	219,126	219,126
Balance at the end of the year	161,195,521	161,195,521	219,126	219,126
Share capital consists of:				
Ordinary shares	161,195,521	161,173,953		
Tax Exempt Share Plan shares	–	21,568		
	161,195,521	161,195,521		

Share buy-back
There is no current on-market buy-back.

Dividend Reinvestment Plan
The Dividend Reinvestment Plan was suspended in August 2010.

Options
Other than the performance rights disclosed in Note 6.1, there were no share options on issue as at 30 June 2022 (2021: nil).

SECTION 4 – CAPITAL STRUCTURE AND FINANCING

4.1 – SHARE CAPITAL (continued)

Capital management

The Group manages its capital with the objective of maintaining a strong capital base so as to maintain investor, creditor and market confidence and to have the capacity to take advantage of opportunities that will enhance the existing businesses and enable future growth and expansion. The Board monitors the return on capital, which the Group defines as operating profit after income tax divided by shareholders' equity and long term debt. The Board also monitors the Group's gearing ratio, being net debt divided by shareholders' equity.

It is recognised that the Group operates in business segments in which operating results may be subject to volatility and the Board continuously reviews the capital structure to ensure sufficient:

- surplus funding capacity is available;
- funds are available for capital expenditure and to implement longer term business development strategies; and
- funds are available to maintain appropriate dividend levels.

There were no changes in the Group's approach to capital management during the year. No Group entity is subject to externally imposed capital requirements.

4.2 – DIVIDENDS

To assist the Group's liquidity during the COVID-19 recovery period, no dividend has been declared in respect of the year ended 30 June 2022 (2021: nil). Future dividend payments will be subject to Board consideration and approval having regard to all relevant circumstances including lender gearing requirements and the Group's trading performance.

	2022 $'000	2021 $'000
Franking credit balance		
The amount of franking credits available for future reporting periods	125,536	106,055

The impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period was $nil (2021: $nil). The ability to utilise franking credits is dependent upon the Company being in a sufficient positive net asset position and also having adequate available cash flow liquidity.

4.3 – RESERVES

Financial assets revaluation reserve
This reserve includes the cumulative net change in the fair value of investments designated as at FVOCI from 1 July 2021, and the cumulative net change in the fair value of investments previously classified available-for-sale financial assets. Amounts are recognised in the Income Statement when the associated assets are sold or impaired.

Investment property revaluation reserve
This reserve relates to property that has been reclassified as an investment property and represents the cumulative increase in the fair value of the property at the date of reclassification.

Hedging reserve
This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share-based payments reserve
This reserve includes the cumulative fair value of the executive performance rights which have been recognised as an employee expense in the Income Statement. See Note 6.1 for further details regarding share-based payment arrangements.

Foreign currency translation reserve
This reserve records the foreign currency differences arising from the translation of foreign operations, the translation of transactions that hedge the Group's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a foreign operation and the Group's share of associates' increment or decrement in their foreign currency translation reserve.

Movements in reserves during the year	Financial assets revaluation $'000	Investment property revaluation $'000	Hedging $'000	Share-based payments $'000	Foreign currency translation $'000	Total $'000
At 1 July 2021	12,536	5,121	–	36,255	16,330	70,242
Amount recognised in the Income Statement as an employee expense	–	–	–	1,424	–	1,424
Amount recognised in the Income Statement in prior years as an employee expense	–	–	–	3,204	–	3,204
Foreign currency translation differences for foreign operations	–	–	–	–	(9,715)	(9,715)
At 30 June 2022	12,536	5,121	–	40,883	6,615	65,155
At 1 July 2020	12,536	5,121	–	34,769	20,680	73,106
Amount recognised in the Income Statement as an employee expense	–	–	–	1,486	–	1,486
Foreign currency translation differences for foreign operations	–	–	–	–	(4,350)	(4,350)
At 30 June 2021	12,536	5,121	–	36,255	16,330	70,242

SECTION 4 – CAPITAL STRUCTURE AND FINANCING

4.4 – LOANS, BORROWINGS AND FINANCING ARRANGEMENTS

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Loans and borrowings
Interest bearing and non-interest bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method. The carrying value of loans and borrowings is considered to approximate fair value.

Finance costs
Finance costs include interest, unwinding of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Ancillary costs incurred in connection with the arrangement of loans and borrowings are capitalised and amortised over the life of the borrowings. Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is that incurred in relation to that borrowing, net of any interest earned on those borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

Bank debt – secured
The Group's secured bank debt facilities comprise the following:
- $650,000,000 revolving multi-currency loan facility maturing on 3 July 2023; and
- $2,500,000 credit support facility (for the issue of letters of credit and bank guarantees).

The debt facilities are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages (refer to Note 3.3). The debt facilities were amended and restated on 3 July 2020 and initially consisted of the $650,000,000 revolving multi-currency loan, a $100,000,000 non-revolving loan facility and a $2,500,000 credit support facility. In relation to the non-revolving loan facility, the Group repaid and cancelled $43,500,000 (2021: $56,500,000) of that facility during the year.

Debt drawn under the loan facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.75% and 3.60% per annum. As at 30 June 2022, the Group had drawn $365,510,000 (2021: $476,428,000) under the loan facilities and $1,349,000 (2021: $1,225,000) under the credit support facility. Debt facility components subject to interest rate swaps used for hedging totalled $nil (2021: $nil) at 30 June 2022.

A New Zealand-domiciled subsidiary has general loan facilities secured against a hotel property. The subsidiary had drawn NZ$22,234,000 (A$20,052,000) under the facility at 30 June 2022. The subsidiary, prior to 30 September 2021, was accounted as a joint venture as the Group owned a 16% interest in the subsidiary. The interest in the subsidiary increased to 70% effective from 30 September 2021.

Other facilities
A wholly-owned New Zealand-domiciled subsidiary has a general security facility in respect of certain bank guarantees issued in relation to obligations under lease arrangements. The general security facility obligations total NZ$2,784,000 (A$2,511,000) at 30 June 2022.

Certain wholly-owned German-domiciled subsidiaries have a secured guarantee facility of €14,000,000 (A$21,248,000) for the issue of letters of credit and bank guarantee arrangements. The facility was extended during the financial year and expires on 31 May 2023. The facility is secured against cash held within certain wholly-owned German-domiciled subsidiaries. Guarantees supported under the facility bear interest at 1.15% per annum. At 30 June 2022, the Group had drawn €12,466,000 (A$18,919,000) under the facility.

SECTION 4 – CAPITAL STRUCTURE AND FINANCING

4.4 – LOANS, BORROWINGS AND FINANCING ARRANGEMENTS (continued)	2022 $'000	2021 $'000
Current		
Interest bearing loans and borrowings		
Bank loans – secured	551	43,500
	551	43,500
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	1,004	1,480
	1,555	44,980
Non-current		
Interest bearing loans and borrowings		
Bank loans – secured	385,011	432,928
Deferred financing costs	(1,540)	(3,081)
	383,471	429,847
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	1,320	1,363
	384,791	431,210

4.5 – FINANCIAL RISK MANAGEMENT

Derivative financial instruments
From time to time, the Group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operating activities, investing activities and financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised at fair value within prepayments and other current assets. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

Investments designated as at FVOCI
The Group holds a preference shareholding in Carlton Investments Limited, a company listed on the ASX. The Group has designated these investments as at FVOCI. All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are designated as at FVOCI, are measured at fair value. Investments designated as at FVOCI comprise marketable equity securities.

For investments that are actively traded in organised financial markets, fair value is determined by reference to securities exchange quoted market bid prices at the close of business at reporting date.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

	2022 $'000	2021 $'000
Equity investments as at FVOCI		
Investment in a listed company	78	78

Any reasonably possible change in the share price of this company would not have a material effect on the investment balance or the related revaluation reserve at the reporting date.

4.5 – FINANCIAL RISK MANAGEMENT (continued)

Financial risks
The Group's exposure to financial risks, objectives, policies and processes for managing the risks including methods used to measure the risks, and the management of capital are presented below.

The Group's activities expose it to the following financial risks:

- credit risk;
- liquidity risk; and
- market risk, including interest rate and foreign exchange risks.

The Board has overall responsibility for the oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly and modified as appropriate to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee oversees how management has established and monitors internal compliance and control systems and to ensure the appropriate and effective management of the above risks. The Audit and Risk Committee is assisted in its oversight role by the Internal Audit function. The Internal Audit function undertakes reviews of risk management controls and procedures in accordance with an annual plan approved by the Audit and Risk Committee. The results of these Internal Audit reviews are reported to the Audit and Risk Committee.

Credit risk
Credit risk arises from trade and other receivables outstanding, cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. It is the risk of financial loss to the Group if a customer or counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables. Information regarding the Group's trade receivable balances is disclosed in Note 3.1. The Group's exposure to credit risk is not considered material.

The Group's maximum exposure to credit risk at the reporting date was considered to approximate the carrying value of receivables at the reporting date.

Investments and derivatives
Investments of surplus cash and deposits and derivative financial instruments are with banks with high credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At 30 June 2022, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

Guarantees
All guarantees are in respect of obligations of subsidiaries, associates, joint ventures or joint operations in which the Group has an interest, and principally relate to operating lease arrangements. The Group's operating lease commitments are disclosed in Note 3.9, and details of guarantees given by the parent entity are provided in Note 7.4.

Security deposits
Security deposits relate to the Group's operating lease arrangements. Certain lease agreements require an amount to be placed on deposit, which should then be returned to the Group at the conclusion of the lease term.

4.5 – FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. The Group's treasury function aims to maintain flexibility in funding by maintaining committed credit lines with a number of counterparties.

The Group's financial liabilities

The contractual maturities of the Group's financial liabilities, including interest payments and excluding the impact of netting agreements, are as follows:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 to 12 months $'000	1 to 2 year(s) $'000	2 to 5 years $'000	Over 5 years $'000
2022							
Non-derivative financial liabilities							
Secured bank loans	385,562	(409,446)	(11,014)	(12,411)	(381,483)	(4,538)	–
Unsecured non-interest bearing loans from other companies	2,324	(2,324)	(502)	(502)	(404)	(261)	(655)
Trade payables	54,454	(54,454)	(54,454)	–	–	–	–
Trade payables	101,669	(101,669)	(101,669)	–	–	–	–
Lease liabilities	945,062	(1,124,541)	(63,864)	(63,864)	(121,689)	(331,200)	(543,924)
Derivative financial liabilities							
Forward exchange contracts	–	–	–	–	–	–	–
	1,489,071	(1,692,434)	(231,503)	(76,777)	(503,576)	(335,999)	(544,579)
2021							
Non-derivative financial liabilities							
Secured bank loans	476,428	(504,972)	(7,123)	(50,235)	(14,606)	(433,008)	–
Unsecured non-interest bearing loans from other companies	2,843	(2,870)	(740)	(740)	(449)	(320)	(621)
Trade payables	46,422	(46,422)	(46,422)	–	–	–	–
Other payables and accruals	83,856	(83,856)	(83,856)	–	–	–	–
Lease liabilities	1,011,742	(1,207,167)	(66,481)	(66,481)	(122,836)	(345,545)	(605,824)
Derivative financial liabilities							
Forward exchange contracts	–	–	–	–	–	–	–
	1,621,291	(1,845,287)	(204,662)	(117,456)	(137,891)	(778,873)	(606,445)

For derivative financial assets and liabilities, maturities detailed in the table above approximate periods that cash flows and the impact on profit or loss are expected to occur.

4.5 – FINANCIAL RISK MANAGEMENT (continued)

Market risk
Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

The Group uses derivative financial instruments such as interest rate swaps and forward exchange contracts to hedge exposures to fluctuations in interest rates and foreign exchange rates. Derivatives are used exclusively for hedging purposes and are not traded or used as speculative instruments. This is carried out under Board approved treasury policies.

Hedge of net investment in foreign operations
The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation, that is determined to be an effective hedge, is recognised in other comprehensive income and presented in equity in the foreign currency translation reserve. The ineffective portion is recognised immediately in profit or loss.

Interest rate risk
The Group manages interest rate exposures on borrowings in accordance with a Board approved treasury policy that specifies parameters for hedging including hedging percentages and approved hedging instruments. The policy specifies upper and lower hedging limits set for specific timeframes out to five years. These limits may be varied with the approval of the Board.

At reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2022 $'000	2021 $'000
Fixed rate instruments		
Financial assets	–	–
Financial liabilities	(4,055)	–
	(4,055)	–
Variable rate instruments		
Financial assets	72,384	90,752
Financial liabilities	(381,507)	(476,428)
	(309,123)	(385,676)

The Group manages interest rate risk in accordance with a Board approved treasury policy covering the types of instruments, range of protection and duration of instruments. The financial instruments cover interest rate swaps and forward rate agreements. Maturities of these instruments are up to a maximum of five years. Interest rate swaps and forward rate agreements allow the Group to raise long term borrowings at floating rates and swap a portion of those borrowings into fixed rates.

The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. There were no interest rate hedges at 30 June 2022 (2021: no interest rate hedges).

The Group classifies interest rate swaps as cash flow hedges and recognises them at fair value in the Statement of Financial Position.

The Group accounts for fixed rate financial assets and liabilities at fair value. At 30 June 2022, Group debt totalling $4,055,000 (2021: no fixed rate instruments) was subject to a fixed rate instrument and arrangements. The interest rate on the debt has been fixed at 2.29% through to October 2025. No reasonably possible change in prevailing interest rate arrangements on this debt would have a significant impact on the Income Statement in the current year.

Foreign exchange risk
The Group is exposed to currency risk on purchases, borrowings and surplus funds that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar ("AUD"), but also the New Zealand dollar ("NZD"), Euro ("EUR") and Great British pound ("GBP"). Transactions undertaken by Group entities are primarily denominated in AUD, NZD, EUR and the US dollar ("USD").

4.5 – FINANCIAL RISK MANAGEMENT (continued)

The Group manages foreign currency exposures in accordance with a Board approved treasury policy that specifies parameters for hedging, including hedging percentages and approved hedging instruments. At any point in time, the Group may hedge up to 60% of "highly probable" foreign currency exposures and 100% of confirmed foreign currency exposures. Typically, foreign currency exposures are hedged with the utilisation of forward exchange contracts.

The Group's exposure to foreign currency risk in AUD equivalents where the currency differs to the functional currency of the controlled entity at the reporting date was as follows, based on notional amounts:

	2022				2021			
	NZD $'000	EUR $'000	GBP $'000	USD $'000	NZD $'000	EUR $'000	GBP $'000	USD $'000
Cash and cash equivalents	206	264	292	97	8,274	29	305	88
Trade receivables	649	–	–	–	135	–	–	–
Secured bank loans	(101,010)	–	–	–	(94,928)	–	–	–
Trade payables	(1,940)	–	–	–	(2,863)	–	–	–
Gross balance sheet exposure	(102,095)	264	292	97	(89,382)	29	305	88
Forward exchange contracts	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
Net exposure	(102,095)	264	292	97	(89,382)	29	305	88

Sensitivity analysis
No reasonably possible change in prevailing foreign exchange rates would have a significant impact on the Income Statement or hedging reserve in the current or prior year.

Hedging of net investment in foreign subsidiaries
The Group's NZD denominated bank loan is designated as a hedge of the foreign currency exposure to the Group's net investment in its subsidiaries in New Zealand. The carrying amount of the loan at 30 June 2022 was $101,010,000 (2021: $94,928,000). A foreign exchange gain of $3,500,000 (2021: gain of $372,000) was recognised in equity on translation of the loan to AUD.

Financial instruments fair value determination method grading
Valuation methods for financial instruments carried at fair value are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments designated as at FVOCI are classified as Level 1 financial instruments. Derivative financial instruments are classified as Level 2 financial instruments.

SECTION 5 – GROUP COMPOSITION

This section explains the composition of the Group.

On the following pages, there are sections on businesses acquired during the year, a list of subsidiaries, investments in associates and joint ventures, and disclosures regarding interests in other entities including cinema partnership interests.

5.1 – BUSINESS COMBINATIONS

Accounting policy
Business combinations are accounted for using the acquisition method as at the date when control is transferred to the Group. Under the acquisition method, consideration transferred in a business combination is generally measured at fair value, as are the identifiable net assets acquired. Consideration transferred includes the fair value of any contingent consideration, and share-based payment awards of the acquiree that are required to be replaced in the business combination.

The Group measures goodwill arising from the business combination at the acquisition date as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment (refer to Note 3.6). If the consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if the liability represents a present obligation and arises from past events, and its fair value can be measured.

The Group measures any non-controlling interest at its proportionate interest of the fair value of identifiable net assets of the acquiree.

Transaction costs incurred by the Group in connection with a business combination, such as due diligence fees, legal fees and other professional costs, are expensed as incurred.

Business combinations in the year ended 30 June 2022
The Group acquired the following business during the year:

Rydges Latimer Holdings Limited
Effective 30 September 2021, Noahs Hotels (N.Z.) Limited ("Noahs"), a wholly-owned subsidiary, acquired an additional 54% of Rydges Latimer Holdings Limited ("Latimer") taking the total ownership interest in Latimer to 70%. Prior to the acquisition, the Group had owned a 16% interest in Latimer that had been acquired in August 2017 (refer also to Note 5.3).

In addition:
- Latimer includes two wholly-owned subsidiary companies, being Latimer Hotel Limited and PR Knight Limited. All three companies were incorporated in New Zealand; and
- the Group has contractually agreed to a stepped acquisition of the remaining 30% interest in Latimer, which will occur in equal tranches at 30 September 2022 and 30 September 2023.

The net consideration paid for the acquisition of 54% of the total share capital of Latimer was NZ$14,208,000 (A$13,614,000), comprised as follows (all amounts in Australian dollars):

	Fair value at acquisition date $'000
Net consideration paid for an additional equity interest in Latimer	13,614
Less: cash acquired	(1,030)
Payment to acquire shares in a non-controlling interest (net of cash acquired)	12,584

5.1 – BUSINESS COMBINATIONS (continued)

AASB 3 *Business Combinations* requires that the existing interest in Latimer be remeasured to its fair value, and the standard allows a period of 12 months for the remeasure process to occur. The Group has not yet completed the fair value process and, as a result, the existing book values within the Latimer companies have been utilised for consolidation purposes.

The Group has provisionally recognised the fair value of the following identifiable assets and liabilities relating to this acquisition as follows (all amounts in Australian dollars):

	Fair value at acquisition date $'000
Net consideration for the equity increase in Latimer to 70%	13,614
Deferred consideration for the remaining 30% interest	7,563
Less: cash acquired	(1,030)
Fair value of previously held 16% interest in Latimer	4,951
	25,098
Assets and liabilities acquired	
Property, plant and equipment	32,467
Loans and borrowings	(21,735)
Other assets and liabilities	(1,319)
Deferred tax balance	262
Non-controlling interest loan	(11,702)
Total net value of identifiable assets and liabilities acquired	(2,027)
Goodwill on acquisition (preliminary and subject to a fair value process)	27,125

The goodwill is attributable to the trading reputation and other intangible assets which are not separately identifiable. Goodwill recognised is not expected to be deductible for income tax purposes. The Group incurred direct costs relating to this acquisition of $127,000 which were expensed in the Income Statement during the year ended 30 June 2022.

The Income Statement for the year ended 30 June 2022 included revenue and a net profit of $8,940,000 and $685,000 respectively as a result of this acquisition. Had the acquisition occurred at the beginning of the year, it is estimated that the Income Statement would have included additional revenue and a net loss of approximately $2,787,000 and $2,000 respectively.

There were no other material business combinations in the year ended 30 June 2022.

Business combinations in the year ended 30 June 2021

Jucy Snooze Limited

Effective 30 April 2021, Noahs, a wholly owned subsidiary, acquired 100% of Jucy Snooze Limited ("Snooze"), having previously acquired a 50% interest on 3 February 2020. The net consideration paid for the acquisition of the remaining 50% interest on 30 April 2021 was NZ$3,718,000 (A$3,460,000), comprised as follows (all amounts in Australian dollars):

	Fair value at acquisition date $'000
Equity interest in Snooze	821
Shareholder loan receivable balances acquired	3,533
Total consideration for the increase in interest in Snooze to 100%	4,354
Adjustments to the purchase price for the initial 50% interest	(894)
Net consideration paid on 30 April 2021	3,460

5.1 – BUSINESS COMBINATIONS (continued)

The adjustments to the purchase price for the initial 50% interest were certain adjustments in Noahs' favour in respect of working capital and contingent consideration relating to earnings of a component of Snooze for the year ended 30 June 2020.

AASB 3 *Business Combinations* requires that the existing interest in Snooze be remeasured to its fair value. The Group determined that there was no material difference between the equity accounted book value of its existing interest in Snooze and the fair value of that interest at 30 April 2021 and on that basis no adjustment has been recorded in this regard.

The Group has recognised the fair value of the following identifiable assets and liabilities relating to this acquisition as follows (all amounts in Australian dollars):

	Fair value at acquisition date $'000
Total consideration for the increase in interest in Snooze to 100%	4,354
Less: cash acquired	(79)
Fair value (book value) of previously held interest in Snooze	5,087
	9,362
Assets and liabilities acquired	
Leasehold improvements	4,079
Plant and equipment	1,084
Software	255
Capital work in progress	951
Other assets and liabilities	(1,562)
Total net value of identifiable assets and liabilities acquired	4,807
Goodwill	4,555

The goodwill is attributable to the trading reputation and other intangible assets which are not separately identifiable. Goodwill recognised is not expected to be deductible for income tax purposes.

The Group incurred direct costs relating to this acquisition of $179,000 which have been expensed in the Income Statement for the year ended 30 June 2021.

The Income Statement includes revenue and a net loss for the year ended 30 June 2021 of $345,000 and $536,000 respectively as a result of this acquisition. Had the acquisition occurred at the beginning of the year, it is estimated that the Income Statement would have included additional revenue and a net loss of approximately $1,822,000 and $799,000 respectively.

There were no other material business combinations in the year ended 30 June 2021.

SECTION 5 – GROUP COMPOSITION

5.2 – SUBSIDIARIES

Accounting policy
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-Group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial report.

		Ownership interest	
		2022	2021
Subsidiaries	**Note**	**%**	**%**
Albury Hotel Property Unit Trust		100	100
Amalgamated Cinema Holdings Limited	(c)	100	100
Amalgamated Holdings Superannuation Fund Pty Limited		100	100
Ancona Investments Pty Limited		100	100
Atura Adelaide Airport Unit Trust		100	100
Atura Holdings Pty Limited		100	100
Atura Hotels and Resorts Pty Limited		100	100
Bay City Cinemas Limited	(c)	100	100
Birch, Carroll & Coyle Limited		100	100
BLN Hotels Property Unit Trust		100	100
Bryson Centre Unit Trust		100	100
Bryson Hotel Property Unit Trust		100	100
Bryson Hotel Pty Limited		100	100
Canberra Theatres Limited		100	100
CMS Cinema Management Services GmbH & Co. KG	(a)(e)	100	100
CMS Cinema Verwaltungs GmbH	(a)(e)	100	100
Edge Digital Cinema Pty Limited		100	100
Edge Digital Technology Pty Limited		100	100
Edge Investments BV	(a)(d)	100	100
Elsternwick Properties Pty Limited		100	100
Event Cinema Entertainment Pty Limited		100	100
Event Cinemas (Australia) Pty Limited		100	100
Event Cinemas Limited	(c)	100	100
Event Cinemas Nominees Limited	(c)	100	100
Event Cinemas (NZ) Limited	(c)	100	100
Event Cinemas Queen Street Nominees Limited	(c)	100	100
Event Hotels and Resorts Pty Limited		100	100
Event Hotels (NZ) Limited	(c)	100	100
EVT Administration Pty Limited		100	100
Filmpalast am ZKM Karlsruhe Beteiligungs GmbH	(a)(e)	100	100
Filmpalast Konstanz Beteiligungs GmbH	(a)(e)	100	100
First Cinema Management BV	(a)(d)	100	100
2015 First Holding GmbH	(a)(e)	100	100
Flaggspelt Vermogensverwaltungsgesellschaft mbH	(a)(e)	100	100
458 to 468 George Street Development Pty Limited		100	100
458 to 468 George Street Development Trust		100	100
458 to 468 George Street Holding Pty Limited		100	100
458 to 468 George Street Holding Trust		100	100
Glenelg Theatres Pty Limited		100	100

SECTION 5 – GROUP COMPOSITION

5.2 – SUBSIDIARIES (continued)	**Note**	**Ownership interest 2022 %**	**Ownership interest 2021 %**
Greater Entertainment Pty Limited		100	100
Greater Occasions Australia Pty Limited		100	100
Greater Union Betriebsmittel GmbH	(a)(e)	100	100
Greater Union Filmpalast Cubix in Berlin GmbH	(a)(e)	100	100
Greater Union Filmpalast Dortmund GmbH & Co. KG	(a)(e)	100	100
Greater Union Filmpalast GmbH	(a)(e)	100	100
Greater Union Filmpalast in der Kulturbrauerei Berlin GmbH	(a)(e)	100	100
Greater Union Filmpalast in Hamburg GmbH	(a)(e)	100	100
Greater Union Filmpalast Rhein-Main GmbH	(a)(e)	100	100
Greater Union First Cinema BV and Co. KG	(a)(e)	100	100
Greater Union International BV	(a)(d)	100	100
Greater Union International GmbH	(a)(e)	100	100
Greater Union International Holdings Pty Limited		100	100
Greater Union Limited	(a)(b)	100	100
Greater Union Media & Event GmbH	(a)(e)	100	100
Greater Union Nominees Pty Limited		100	100
Greater Union Real Estate 24 GmbH	(a)(e)	100	100
Greater Union Real Estate 40 GmbH	(a)(e)	100	100
Greater Union Real Estate Mainz GmbH	(a)(e)	100	100
Greater Union Screen Entertainment Pty Limited		100	100
Greater Union Theaters Beteiligungs GmbH	(a)(e)	100	100
Greater Union Theaters Dritte GmbH & Co. KG	(a)(e)	100	100
Greater Union Theaters Dritte Verwaltungs GmbH	(a)(e)	100	100
Greater Union Theaters GmbH	(a)(e)	100	100
Greater Union Theaters Management Mainz GmbH	(a)(e)	100	100
Greater Union Theaters Verwaltungs GmbH	(a)(e)	100	100
Greater Union Theaters Zweite GmbH & Co. KG	(a)(e)	100	100
Greater Union Theaters Zweite Verwaltungs GmbH	(a)(e)	100	100
Greattheatre Pty Limited		100	100
GU Real Estate Mainz Management GmbH	(a)(e)	100	100
GUO Investments (WA) Pty Limited		100	100
Gutace Holdings Pty Limited		100	100
Haparanda Pty Limited		100	100
Haymarket's Tivoli Theatres Pty Limited		100	100
Jucy Snooze Limited	(c)(f)	100	100
Jucy Snooze Property Trust	(h)	100	–
Jucy Snooze Pty Limited	(i)	100	–
Kidsports Australia Pty Limited		100	100
Kosciuszko Thredbo Pty Limited		100	100
KTPL Unit Trust		100	100
Kvarken Pty Limited		100	100
Lakeside Hotel Property Unit Trust		100	100
Lakeside Hotel Pty Limited		100	100
Lakeside International Hotel Unit Trust		100	100
Latimer Hotel Limited	(c)(g)	70	16
Mamasa Pty Limited		100	100
Multiplex Cinemas Bremen GmbH	(a)(e)	100	100
Multiplex Cinemas Frankfurt Mainzer Landstraße GmbH	(a)(e)	100	100
Multiplex Cinemas Gütersloh GmbH	(a)(e)	100	100
Multiplex Cinemas Magdeburg GmbH	(a)(e)	100	100
Multiplex Cinemas Oberhausen GmbH	(a)(e)	100	100
Multiplex Cinemas Remscheid GmbH	(a)(e)	100	100
Neue Filmpalast GmbH & Co. KG	(a)(e)	100	100

SECTION 5 – GROUP COMPOSITION

		Ownership interest	
5.2 – SUBSIDIARIES (continued)	**Note**	**2022 %**	**2021 %**
Neue Filmpalast Management GmbH	(a)(e)	100	100
NFP Erste GmbH & Co. KG	(a)(e)	100	100
NFP Erste Verwaltungs GmbH	(a)(e)	100	100
Noahs Hotels (NZ) Limited	(c)	100	100
Noahs Limited		100	100
Northside Gardens Hotel Property Unit Trust		100	100
Northside Gardens Hotel Pty Limited		100	100
Pantami Pty Limited		100	100
P.R. Knight Limited	(c)(g)	70	16
203 Port Hacking Road Pty Limited		100	100
QT Gold Coast Pty Limited		100	100
QT Hotels and Resorts Pty Limited		100	100
QT Resort Port Douglas Pty Limited		100	100
RH Hotels Pty Limited		100	100
RQ Motels Pty Limited		100	100
Rydges Bankstown Pty Limited		100	100
Rydges Cronulla Pty Limited		100	100
Rydges Gladstone Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Pty Limited		100	100
Rydges Hotels Limited		100	100
Rydges Hotels Property Unit Trust		100	100
Rydges HPT Pty Limited		100	100
Rydges Latimer Holdings Limited	(c)(g)	70	16
Rydges Property Holdings Pty Limited		100	100
Rydges Rotorua Hotel Limited	(c)	100	100
Rydges Townsville Hotel Property Unit Trust		100	100
Sonata Hotels Pty Limited		100	100
Southport Cinemas Pty Limited		100	100
Sunshine Cinemas Pty Limited		100	100
Tannahill Pty Limited		100	100
The Geelong Theatre Company Limited		100	100
The Greater Union Organisation Pty Limited		100	100
Thredbo Resort Centre Pty Limited		100	100
Tourism & Leisure Pty Limited		100	100
Vierte Kinoabspielstatten GmbH & Co. KG	(a)(e)	100	100
Vierte Kinoabspielstatten Verwaltungs GmbH	(a)(e)	100	100
Western Australia Cinemas Pty Limited		100	100
Zollverein Pty Limited		100	100
Zweite Kinoabspielstatten GmbH & Co. KG	(a)(e)	100	100
Zweite Kinoabspielstatten Verwaltungs GmbH	(a)(e)	100	100

(a) These companies are audited by other member firms of KPMG International.
(b) This company was incorporated in and carries on business in the United Kingdom.
(c) These companies were incorporated in and carry on business in New Zealand.
(d) These companies were incorporated in and carry on business in The Netherlands.
(e) These companies were incorporated in and carry on business in Germany.
(f) The Group acquired a 50% interest in Jucy Snooze Limited on 3 February 2020. On 30 April 2021, the Group increased its interest in Jucy Snooze Limited to 100%.
(g) The Group increased its interest in Rydges Latimer Holdings Limited to 70% on 30 September 2021. As a result of the additional interest in Rydges Latimer Holdings Limited and its impact on control, Rydges Latimer Holdings Limited and its subsidiary companies now form part of the consolidated Group from 30 September 2021. Refer also to Note 5.1.
(h) Jucy Snooze Property Trust was established on 6 June 2022.
(i) Jucy Snooze Pty Limited was incorporated on 11 May 2022.

All companies, except those stated above, were incorporated in Australia. All trusts were established in Australia.

5.3 – INTERESTS IN OTHER ENTITIES

Accounting policy
Interests in equity accounted investees
The Group's interests in equity accounted investees comprise interests in associates and interests in joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Interests in associates and joint ventures (see below) are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Joint arrangements
A joint arrangement is an arrangement of which two or more parties have joint control, in which the parties are bound by a contractual arrangement, and the contractual arrangement gives two or more of those parties joint control of the arrangement.

The Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Group's interests in joint operations, which are arrangements in which the parties have rights to the assets and obligations for the liabilities, are accounted for on the basis of the Group's interest in those assets and liabilities. The Group's interests in joint ventures, which are arrangements in which the parties have rights to the net assets, are equity accounted.

Investments in associates and joint ventures	2022 $'000	2021 $'000
Joint ventures	9,637	13,842
Associates	47	103
	9,684	13,945

SECTION 5 – GROUP COMPOSITION

5.3 – INTERESTS IN OTHER ENTITIES (continued)

Joint ventures

Details of the Group's investments in joint ventures, which are accounted for using the equity method, are as follows:

Name	Principal activities	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Investment carrying amount 2022 $'000	Investment carrying amount 2021 $'000	Contribution to operating profit 2022 $'000	Contribution to operating profit 2021 $'000
Browns Plains Cinemas Pty Limited[(a)]	Operator of a multiscreen cinema complex	Australia	50	50	90	280	(190)	(208)
Filmpalast am ZKM Karlsruhe GmbH & Co. KG	Operator of a multiscreen cinema complex	Germany	50	50	3,951	3,295	789	1,645
Filmpalast Konstanz GmbH & Co. KG	Operator of a multiscreen cinema complex	Germany	50	50	764	800	(4)	327
Jucy Snooze Limited[(b)]	Hotel operator	New Zealand	100	100	–	–	–	(799)
Loganholme Cinemas Pty Limited	Operator of a multiscreen cinema complex	Australia	50	50	4,832	5,197	(365)	(690)
Red Carpet Cinema Communication GmbH & Co. KG[(c)]	Event management	Germany	50	50	–	19	–	–
Rydges Latimer Holdings Limited[(d)]	Hotel owner	New Zealand	70	16	–	4,251	–	431
					9,637	13,842	230	706

(a) Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group also has a direct 33% share in the Browns Plains Multiplex Joint Venture which is accounted for as a joint operation. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.
(b) The Group acquired a 50% interest in Jucy Snooze Limited on 3 February 2020. On 30 April 2021, the Group increased its interest in Jucy Snooze Limited to 100%.
(c) Red Carpet Cinema Communications GmbH & Co. KG was subject to a voluntary winding up on 9 March 2022.
(d) On 30 September 2021, the Group increased its interest in Rydges Latimer Holdings Limited to 70%. As a result of the additional interest in Rydges Latimer Holdings Limited and its impact on control, Rydges Latimer Holdings Limited and its subsidiary companies now forms part of the consolidated Group from 30 September 2021. Refer also to Note 5.1.

The Group reviewed its investments in joint ventures for indicators of impairment at 30 June 2022. The Group considered each investment and, in the case of Browns Plains Cinemas Pty Limited and Loganholme Cinemas Pty Limited, the relationship and connection with other associated cash-generating assets. The Group determined that there was no requirement to book an impairment in relation to the carrying value of investments in joint ventures.

Dividends received from joint ventures for the year ended 30 June 2022 amount to $510,000 (2021: $303,000). The balance date of each of the Group's joint ventures is 30 June.

SECTION 5 – GROUP COMPOSITION

5.3 – INTERESTS IN OTHER ENTITIES (continued)

Associates

Details of the Group's investments in associates, which are accounted for using the equity method, are as follows:

Name	Principal activities	Country of incorporation	Ownership interest 2022 %	2021 %	Investment carrying amount 2022 $'000	2021 $'000	Contribution to operating profit 2022 $'000	2021 $'000
Cinesound Movietone Productions Pty Limited	Film owner and distributor	Australia	50	50	47	103	(56)	(16)
DeinKinoticket GmbH	Operator of DeinKinoticket website	Germany	24	24	–	–	–	–
Digital Cinema Integration Partners Pty Limited	Administration	Australia	48	48	–	–	–	–
Digital Cinema Integration Partners NZ Pty Limited[(a)]	Administration	New Zealand	60	60	–	–	–	–
Movietimes Australia and New Zealand Pty Limited[(a)]	Operator of Movietimes website	Australia	53	53	–	–	–	–
					47	103	(56)	(16)

(a) Digital Cinema Integration Partners NZ Pty Limited and Movietimes Australia and New Zealand Pty Limited are not consolidated as the Group does not have control.

The Group reviewed its investments in associates for indicators of impairment at 30 June 2022. The Group determined that there was no requirement to book an impairment in relation to the carrying value of investments in associates.

Dividends received from associates for the year ended 30 June 2022 amount to $nil (2021: $nil). The balance date of each of the Group's associates is 30 June.

SECTION 5 – GROUP COMPOSITION

5.3 – INTERESTS IN OTHER ENTITIES (continued)

Joint operations

Details of the Group's investments in joint operations, which are accounted for on a line-by-line basis, are as follows:

			Ownership interest	
			2022	2021
Name	Principal activities	Country of operation	%	%
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Australia	50	50
Browns Plains Multiplex Joint Venture[(a)]	Operator of a multiscreen cinema complex	Australia	33	33
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	33	33
Rialto Joint Venture	Operator of multiscreen cinema complexes	New Zealand	50	50
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50

(a) In addition to the 33% interest in the Browns Plains Multiplex Joint Venture held directly, the Group has a 50% interest in Browns Plains Cinemas Pty Limited which is classified as a joint venture and equity accounted. Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.

SECTION 6 – EMPLOYEE BENEFITS AND RELATED PARTY TRANSACTIONS

This section explains the remuneration of executives and other employees, and transactions with related parties including directors.

On the following pages, there are sections on share-based payments, director and executive disclosures and related party transactions.

6.1 – SHARE-BASED PAYMENTS

The Group's share-based payment arrangements include the Executive Performance Share Plan and the Executive Performance Rights Plan. Grants were made under the Executive Performance Share Plan from 2007 to 2013 inclusive. The Group conducted a review of its long term incentive ("LTI") arrangements in 2013 and resolved that the existing performance share-based LTI should be replaced with a performance rights-based LTI. Shareholders approved the Executive Performance Rights Plan at the 2013 AGM. Grants have subsequently been made under the Executive Performance Rights Plan in February 2014, February 2015, February 2016, February 2017, February 2018, February 2019, February 2020, February 2021, September 2021 and June 2022.

Accounting policy
The fair value of performance rights granted under the Executive Performance Rights Plan is recognised as an employee expense over the period during which the employees become unconditionally entitled to shares in the Company. There is a corresponding increase in equity, being recognition of a share-based payments reserve. The fair value of performance rights granted is measured at grant date.

To facilitate the operation of the Executive Performance Share Plan and Executive Performance Rights Plan, a third party trustee is used to administer the trust which holds shares in the Company allocated under the Executive Performance Share Plan or otherwise held or acquired on market in order to satisfy the Group's future obligations under the Executive Performance Rights Plan. The trust is controlled by the Group and therefore its financial statements are included in the consolidated financial statements. The shares in the Group held by the trust are therefore shown as treasury shares (see Note 4.1). The Group incurs expenses on behalf of the trust. These expenses are in relation to administration costs of the trust and are recorded in the Income Statement as incurred.

Performance rights are subject to performance hurdles. Performance rights are not recognised in the Statement of Financial Position, but are included within the weighted average number of shares issued as the denominator for determining diluted earnings per share.

The Group measures the cost of the Executive Performance Rights Plan by reference to the fair value of the equity instruments at the date at which the instruments are granted. The fair value of performance rights granted is determined by an external valuer using a Binomial tree model and a Monte Carlo simulation model and using the assumptions detailed below.

The fair value of the amount payable to employees in respect of share-based payment awards granted to employees, which can be settled in cash at the option of the company, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the award. Any changes in the liability are recognised in profit or loss.

Executive Performance Rights Plan
The establishment of the Executive Performance Rights Plan was approved by shareholders at the 2013 Annual General Meeting. Employees receiving awards under the Executive Performance Rights Plan are those of a senior level and above (including the CEO).

During the year ended 30 June 2022, performance rights subject to the Executive Performance Rights Plan Rules were issued pursuant to the Group's LTI plan and the 2020 Recognition and Retention Incentive. Details regarding these incentive arrangements are set out below.

6.1 – SHARE-BASED PAYMENTS (continued)

LTI arrangements
Executives are awarded performance rights which will only vest on the achievement of certain performance hurdles and service conditions. An offer is generally made under the Executive Performance Rights Plan to executives each financial year and is based on individual performance as assessed by the annual appraisal process. If an executive does not sustain a consistent level of high performance, they will not be nominated for Executive Performance Rights Plan participation. Only executives who are able to directly influence the long term success of the Group participate in the Executive Performance Rights Plan. Performance rights do not carry the right to vote or to receive dividends during the Performance Period.

An employee awarded performance rights is not legally entitled to shares in the Company before the performance rights under the plan vest, and during the vesting period the performance rights do not carry the right to vote or to receive dividends. Once the rights have vested, which is dependent on the Group achieving the applicable targets for the award, which may include earnings per share ("EPS") and total shareholder return ("TSR") targets, participants are issued one ordinary share in the Company for each vested performance right held. Award, vesting and the issue of ordinary shares under the plan are made for no consideration.

2020 Recognition and Retention Incentive
Shareholders approved at the 2020 AGM a Recognition and Retention Incentive for the CEO, and incentives on similar terms have been granted to other key management personnel and senior executives under the 2020 Recognition and Retention Incentive. This award was an additional equity-based award designed to recognise the additional effort required from the CEO and other senior executives both during the COVID-19 response period and during the recovery period, and the importance of retaining the CEO and other senior executives during this critical period. Sixty per cent of the grant value vested following the release of the results for the year ended 30 June 2021, and the remainder will vest after the release of the results for the year ended 30 June 2022. The performance rights to be issued in satisfaction of the vested portion of the award will remain restricted until after the release of the results for the year ending 30 June 2023. Performance rights were issued on 20 September 2021 in satisfaction of the first tranche of the award.

Set out below are summaries of performance rights awarded under the Executive Performance Rights Plan:

Type of right	Grant date	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
2022						
Performance rights	21 February 2019	390,354	–	–	(390,354)	–
Performance rights	20 February 2020	490,379	–	–	(28,484)	461,895
Performance rights	18 February 2021	744,357	–	–	(49,581)	694,776
Performance rights[1]	20 September 2021	–	227,856	–	(6,427)	221,429
Performance rights	24 June 2022	–	446,461	–	–	446,461
		1,625,090	674,317	–	(474,846)	1,824,561
2021						
Performance rights	15 February 2018	433,467	–	–	(433,467)	–
Performance rights	21 February 2019	403,115	–	–	(12,761)	390,354
Performance rights	20 February 2020	508,815	–	–	(18,436)	490,379
Performance rights	18 February 2021	–	748,386	–	(4,029)	744,357
		1,345,397	748,386	–	(468,693)	1,625,090

1. Performance rights granted on 20 September 2021 were issued pursuant to the vesting of the first tranche of the 2020 Recognition and Retention Incentive.

6.1 – SHARE-BASED PAYMENTS (continued)

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Executive Performance Rights Plan during the year ended 30 June 2022 was $13.16 (2021: $10.00) for those rights that have EPS hurdles. No performance rights were granted during the year ended 30 June 2022 with TSR hurdles (2021: fair value of $6.99) for those rights that have TSR hurdles. The fair value of each performance right is estimated on the date of grant using a Binomial tree model for those rights that have EPS hurdles, and a Monte Carlo simulation model for those rights that have TSR hurdles with the following weighted average assumptions used for each grant:

	Granted 24 June 2022	Granted 18 February 2021	Granted 20 February 2020	Granted 21 February 2019
Dividend yield (per annum)	1.50%	1.99%	4.35%	4.15%
Expected volatility	39.24%	35.71%	20.00%	20.00%
Risk-free rate (per annum)	3.47%	0.21%	0.68%	1.62%
Share price	$13.62	$10.53	$12.40	$12.46
Expected life	2 years	3 years	3 years	3 years

The expected life of the performance rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Share-based payment expense

Total share-based payment expense included within employee expenses for the year ended 30 June 2022 was a charge of $1,424,000 (2021: $1,486,000).

Superannuation

Group entities contribute to several defined contribution superannuation plans. The superannuation contributions recognised as an employee expense in the Income Statement are detailed below:

	2022 $'000	2021 $'000
Superannuation contributions recognised as an employee expense	14,493	12,052

6.2 – DIRECTOR AND EXECUTIVE DISCLOSURES

Information regarding individual directors' and executives' compensation and some equity instruments disclosures, as permitted by the Corporations Regulations 2001, are provided in the Remuneration Report contained within the Directors' Report. The relevant sections of the Remuneration Report are outlined below:

Section of Remuneration Report	Directors' Report page reference
Non-executive director remuneration	30
CEO and other executive remuneration	31
Fixed annual remuneration	31
Variable remuneration – STI	31
Variable remuneration – LTI	32
Employment contracts for the CEO and other executive KMP	34
Directors' and executives' position and period of responsibility	35
Directors' and executives' remuneration	36
Performance rights holdings and transactions	38
Equity holdings and transactions	40

6.2 – DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

KMP remuneration
The key management personnel remuneration included in employee expenses is as follows:

	2022 $	2021 $
Employee benefits		
Short term	3,858,819	2,978,950
Other long term	234,723	242,407
Equity compensation	2,183,509	2,356,116
Post employment	156,613	114,170
	6,433,664	5,691,643

Other transactions with the Company or its controlled entities
AG Rydge is a director of Carlton Investments Limited, and Carton Investments Limited is a significant shareholder in the Company. Carlton Investments Limited rents office space from an entity controlled by the Company. Rent is charged to Carlton Investments Limited at a market rate and ordinary commercial terms. Rent and office service charges received during the year ended 30 June 2022 were $23,363 (2021: $23,870). The Company previously held ordinary shares in Carlton Investments Limited, and continues to hold preference shares in Carlton Investments Limited. Dividends received during the year from preference shares held in Carlton Investments Limited were $5,312 (2021: $5,312).

AG Rydge paid rent, levies and other costs to Group entities during the year ended 30 June 2022 amounting to $107,647 (2021: $143,307). Rent is charged to AG Rydge at market rates and the arrangements are on ordinary commercial terms.

Apart from the details disclosed in the Remuneration Report, no KMP has entered into a material contract with the Group since the end of the previous year and there were no material contracts involving directors' interests existing at the reporting date.

From time to time, KMP of the Group, or their related parties, may purchase goods or services from the Group. These purchases are usually on the same terms and conditions as those granted to other Group employees.

6.3 – RELATED PARTIES

Relationships with associates
Transactions with associates included the receipt of property rental income from an associate of $70,000 (2021: $66,000). Costs paid on behalf of an associate totalled $93,000 (2021: $61,000) and these costs were not refundable (2021: $nil) by that associate.

Refer also to Notes 3.1 and 5.3.

Relationships with joint ventures and joint operation partners
Refer to Note 5.3.

KMP
Disclosures relating to directors of the Company and named executives are set out in the Remuneration Report contained within the Directors' Report, and in Note 6.2.

SECTION 7 – OTHER INFORMATION

This section contains other disclosures required by accounting standards and the Corporations Act 2001.

7.1 – CONTINGENT LIABILITIES

Personal injury and other claims
The nature of the Group's operations results in personal injury and other claims being received from time to time. The directors believe that the outcome of any current claims outstanding, which are not provided against in the financial statements, will not have a significant impact on the operating result of the Group in future reporting periods.

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement at balance date.

7.2 – RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2022 $'000	2021 $'000
Reconciliation of profit/(loss) for the year to net cash provided by operating activities		
Profit/(loss) for the year	53,322	(48,036)
Adjustments for:		
Depreciation and amortisation	185,758	186,627
Impairment adjustments	4,600	5,923
Profit on disposal of non-current assets	(24,610)	(35,222)
Fair value increment on investment properties	(30)	(6,950)
Equity accounted investment dividends	510	303
Share of equity accounted investees' net profit	(175)	(690)
Profit on acquisition of an associate	(660)	–
Share-based payments expense	1,331	1,490
Receivables impairment adjustment	955	(1,031)
Unrealised foreign exchange losses	69	171
Net cash provided by operating activities before change in assets and liabilities	221,070	102,585
Change in assets and liabilities adjusted for effects of consolidation of controlled entities acquired/disposed during the year:		
Decrease/(increase) in trade and other receivables	24,337	(11,741)
(Increase)/decrease in inventories	(2,258)	4,695
(Increase)/decrease in prepayments and other current assets	(1,884)	1,642
(Increase)/decrease in deferred tax items	(25,731)	19,094
Increase/(decrease) in income taxes payable	31,031	(5,434)
Increase in trade and other payables	35,040	15,509
Increase in provisions	5,595	3,240
Decrease in other liabilities	(152)	(2,595)
(Decrease)/increase in deferred revenue	(8,186)	18,509
Increase in financing costs payable	1,045	2,633
Net cash provided by operating activities	279,907	148,137

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST or equivalent tax components of cash flows arising from investing and financing activities which are recoverable from, or payable to, taxation authorities are classified as operating cash flows.

SECTION 7 – OTHER INFORMATION

7.3 – AUDITORS' REMUNERATION	2022 $	2021 $
Audit services:		
Auditors of the Group – KPMG Australia		
Audit and review of financial statements	1,340,076	1,289,000
Other assurance services	171,263	180,020
Overseas KPMG firms		
Audit and review of financial statements	374,680	363,419
Other assurance services	1,010,701	–
	2,896,720	1,832,439
Other auditors		
Audit and review of financial statements	–	87,556
Other assurance services	–	11,960
	–	99,516
	2,896,720	1,931,955
Other services:		
Auditors of the Group – KPMG Australia		
Tax compliance and advice	127,798	144,815
Segment disposal – tax advice	–	4,299
Other services	385,437	165,722
	513,235	314,836
Overseas KPMG firms		
Tax compliance and advice	667,068	647,890
Other auditors		
Other services	–	8,755
	–	8,755
	1,180,303	971,481

7.4 – PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended, 30 June 2022, the parent entity of the Group was EVENT Hospitality & Entertainment Limited.

	2022 $'000	2021 $'000
Results of parent entity		
Profit for the year	85,089	(2,311)
Other comprehensive income for the year	686	757
Total comprehensive income/(expense) for the year	85,775	(1,554)
Financial position of parent entity at year end		
Current assets	1,576	7,449
Total assets	422,393	305,968
Current liabilities	35,834	9,316
Total liabilities	36,228	9,520
Net assets	386,165	296,448
Total equity of parent entity comprises:		
Share capital	219,126	219,126
Financial assets revaluation reserve	12,536	12,536
Share-based payments reserve	40,883	36,255
Retained earnings	113,620	28,531
Total equity	386,165	296,448
Parent entity contingencies		
Controlled entities		
The Company has guaranteed the obligations of some subsidiary entities in respect of a number of operating lease commitments. Operating lease commitments of subsidiary entities that have been guaranteed are due:		
Not later than one year	56,906	56,089
Later than one year but not later than five years	116,044	113,635
Later than five years	110,466	112,595
	283,416	282,319
Joint ventures and joint operations		
The Company has guaranteed the obligations of some joint ventures and joint operations in respect of a number of operating lease commitments. Operating lease commitments of joint ventures and joint operations are due:		
Not later than one year	52,743	51,426
Later than one year but not later than five years	192,637	188,156
Later than five years	254,646	274,902
	500,026	514,484
	783,442	796,803

Parent entity guarantees

Subsidiaries

The Company has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of most of its Australian incorporated subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Note 7.6.

Bank debt facilities

The Company is a guarantor under the Group's secured bank debt facilities, as disclosed in Note 4.4.

7.5 – EVENTS SUBSEQUENT TO REPORTING DATE

Request for Arbitration against Vue Nederland BV and Vue International Bidco plc ("Vue")
On 25 May 2022, a wholly owned subsidiary of the Group filed a formal Request for Arbitration to the German Arbitration Institute in relation to Vue International Bidco plc ("Vue") and Vue Nederland BV, being the purchaser guarantor and the purchaser under the Sale and Purchase Agreement ("SPA") signed in October 2018, for failing to meet their contractual obligations under the SPA. This matter is progressing.

On 27 July 2022, Vue appeared before the High Court of Justice of England and Wales ("Court") to seek an order granting permission to convene a meeting of certain secured lenders for the purpose of approving a Scheme of Arrangement ("Scheme") pursuant to Part 26 of the United Kingdom Companies Act 2006. In Court filings, Vue has asserted that if the Scheme does not become effective, Vue and its subsidiaries will be unable to meet their obligations as they fall due. Even if the Scheme becomes effective, it is Vue's position that it will enter administration proceedings under the UK Insolvency Act.

The Group has obtained advice and is actively pursuing its legal options in relation to the Scheme including the related actions of Vue and its subsidiaries, its directors, secured lenders and current shareholders.

Completion of the sale of Rydges North Sydney
The Group announced on 27 May 2022 that it had entered into a contract for the sale of Rydges North Sydney for a sale price of $75 million. The sale completed on 25 July 2022.

Dividends
On 22 August 2022, the directors resolved that no final dividend be declared for the year ended 30 June 2022.

7.6 – DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the deed is that the Company guarantees to each creditor, payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the deed are:

Atura Hotels and Resorts Pty Limited
Birch, Carroll & Coyle Limited
Bryson Hotel Pty Limited
Canberra Theatres Limited
Edge Digital Technology Pty Limited
Elsternwick Properties Pty Limited
Event Cinema Entertainment Pty Limited
Event Cinemas (Australia) Pty Limited
Event Hotels and Resorts Pty Limited
Glenelg Theatres Pty Limited
Greater Entertainment Pty Limited
Greater Occasions Australia Pty Limited
Greater Union International Holdings Pty Limited
Greater Union Nominees Pty Limited
Greater Union Screen Entertainment Pty Limited
Greattheatre Pty Limited
GUO Investments (WA) Pty Limited
Gutace Holdings Pty Limited
Haparanda Pty Limited
Haymarket's Tivoli Theatres Pty Limited
Kidsports Australia Pty Limited
Kosciuszko Thredbo Pty Limited
Kvarken Pty Limited
Lakeside Hotel Pty Limited
Mamasa Pty Limited
Noahs Limited
Northside Gardens Hotel Pty Limited
Pantami Pty Limited
203 Port Hacking Road Pty Limited
QT Hotels and Resorts Pty Limited
QT Resort Port Douglas Pty Limited
RQ Motels Pty Limited
Rydges Bankstown Pty Limited
Rydges Cronulla Pty Limited
Rydges Hotels Limited
Sonata Hotels Pty Limited
Tannahill Pty Limited
The Geelong Theatre Company Limited
The Greater Union Organisation Pty Limited
Thredbo Resort Centre Pty Limited
Tourism & Leisure Pty Limited
Western Australia Cinemas Pty Limited
Zollverein Pty Limited.

A consolidated Income Statement, a consolidated Statement of Comprehensive Income and a consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed, for the year ended, and as at, 30 June 2022 respectively are set out on the following pages:

7.6 – DEED OF CROSS GUARANTEE (continued)	2022 $'000	2021 $'000
Income Statement		
Revenue	535,278	404,251
Other income	57,845	117,049
Net intercompany income	2,924	771
Expenses	(451,097)	(384,037)
Share of net profit from equity accounted associates and joint ventures	(612)	(385)
Depreciation, amortisation and impairments	(101,965)	(101,863)
Profit before net financing costs	42,373	35,786
Finance income	98	161
Finance costs	(33,845)	(33,627)
Net financing costs	(33,747)	(33,466)
Profit before tax	8,626	2,320
Income tax expense	(280)	(6,910)
Profit/(loss) after tax	8,346	(4,590)
Statement of Comprehensive Income		
Profit/(loss) for the year	8,346	(4,590)
Other comprehensive income	1,573	2,505
Total comprehensive income/(expense) for the year	9,919	(2,085)
Summary of movements in retained earnings		
Retained earnings at the beginning of the year	438,552	443,142
Profit/(loss) for the year	8,346	(4,590)
Retained earnings at the end of the year	446,898	438,552

7.6 – DEED OF CROSS GUARANTEE (continued)	2022 $'000	2021 $'000
Statement of Financial Position		
ASSETS		
Current assets		
Cash and cash equivalents	44,893	75,902
Trade and other receivables	25,332	42,990
Inventories	14,747	11,236
Prepayments and other current assets	7,257	6,869
Assets held for sale	14,126	17,973
Total current assets	106,355	154,970
Non-current assets		
Trade and other receivables	6,936	672
Loans to controlled entities	236,412	197,318
Other financial assets	–	1,083
Other investments	78	78
Investments in controlled entities	71,227	71,227
Investments accounted for using the equity method	4,969	5,579
Property, plant and equipment	932,571	941,623
Right-of-use assets	480,864	510,669
Investment properties	6,300	64,500
Goodwill and other intangible assets	57,073	61,624
Deferred tax assets	52,438	22,475
Other non-current assets	469	500
Total non-current assets	1,849,337	1,877,348
Total assets	1,955,692	2,032,318
LIABILITIES		
Current liabilities		
Trade and other payables	80,072	65,712
Other loans and borrowings	–	43,500
Current tax liabilities	27,134	–
Provisions	21,438	18,477
Deferred revenue	87,186	94,696
Lease liabilities	68,123	67,212
Other current liabilities	1,629	1,836
Total current liabilities	285,582	291,433
Non-current liabilities		
Loans from controlled entities	55,740	56,093
Other loans and borrowings	364,829	430,706
Provisions	11,173	11,591
Deferred revenue	6,219	4,342
Lease liabilities	505,782	526,200
Other non-current liabilities	3,441	3,574
Total non-current liabilities	947,184	1,032,506
Total liabilities	1,232,766	1,323,939
Net assets	722,926	708,379
EQUITY		
Share capital	219,126	219,126
Reserves	56,902	50,701
Retained earnings	446,898	438,552
Total equity	722,926	708,379

DIRECTORS' DECLARATION

1. In the opinion of the directors of EVENT Hospitality & Entertainment Limited:

   (a) the consolidated financial statements and notes that are set out on pages 42 to 107 and the Remuneration Report in the Directors' Report set out on pages 30 to 40, are 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 2022 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the Group entities identified in Note 7.6 to the financial statements will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

3. The directors have received the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Director Finance & Accounting for the year ended 30 June 2022.

4. The directors draw attention to Note 1.2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

AG Rydge	**JM Hastings**
Director	Director

Dated at Sydney this 22nd day of August 2022

KPMG

Independent Auditor's Report

To the shareholders of Event Hospitality & Entertainment Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Event Hospitality & Entertainment Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2022;
- Income Statement, Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

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.

This matter was 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 this matter.

Asset Valuation – Hotel and Cinema assets within Property, Plant and Equipment Assets and Lease Right of Use Assets ($2,106,895k)

Refer to Notes 3.3 and Note 3.9 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The valuation of Hotel and Cinema property, plant and equipment assets and lease right of use assets is considered a key audit matter due to: • the significant value of the property, plant and equipment and lease right of use assets (being 80% of total assets); • the judgement required by us in assessing the significant assumptions used by the Group to determine the recoverable value of property, plant and equipment and lease right of use assets; and • estimation uncertainty on the recovery of the cash generating units (CGUs) in the Group from the ongoing economic impacts of COVID-19 . There are number of judgements made by the Group and their external valuation experts when estimating the recoverable value of these assets. Some are more complex as they are dependent on assumptions about the future, such as EBITDA growth rates and discount rates. These forward-looking assumptions and the current market conditions increase the range of possible outcomes and the complexity for us to consider in the audit. The Group's policy is to use a combination of external valuation experts, who are engaged every three years to value owned properties, and internal analysis to determine asset valuations. A majority of owned hotel and cinema properties were previously externally valued at 30 June 2021. Internal analysis was prepared by the Group to	Our procedures included: • assessing the methodology applied by the Group for asset valuations for consistency with accounting standards, industry practice and the Group's policies; • meeting with management and those charged with governance to understand the ongoing impact of COVID-19 to the Group, including potential future impacts; • for Cinemas we: – assessed each CGU for indicators of impairment based on business performance. Where indicators of impairment exist, we obtained the Group's recoverable amount value in use models and performed the following procedures: ○ assessed the mathematical accuracy of the value-in-use models prepared; ○ compared amounts in the value-in-use models to Board approved budgets; ○ assessed the basis for the EBITDA forecasts by comparing the time period used in the forecasts to lease agreements; ○ assessed the accuracy of previous forecasts to inform our evaluation of forecasts incorporated in the model ; ○ challenged the Group's EBITDA forecasts in the value-in-use models by probability weighting various cash flow scenarios within a reasonable possible

assess for indicators of impairment to Cinema and Hotel CGUs. Where an indicator of impairment was present the Group calculated its recoverable value and compared this to its carrying amount. The recoverable amount was determined using an internally prepared value-in-use model. Internally prepared value-in-use modelling using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	range. These scenarios were informed by our knowledge of the business and authoritative published studies of industry trends of growth rates. This assisted in our consideration of the sensitivity of the models to reasonable possible changes in cash flow assumptions; ○ worked with our valuation specialists to independently develop a discount rate range using publicly available market data for comparable entities and a EBITDA growth rate using inflation targets set by the Reserve Bank of Australia. • for Hotels we: – assessed each CGU for indicators of impairment based on the 2021 external property valuations, adjusted for our property specialists' expectation of market movement to balance date; – assessed the competence, scope and objectivity of the external valuers engaged by the Group; – assessed the sales prices achieved for current year property disposals against the 30 June 2021 external property valuations to inform our understanding of property valuation movements since the previous valuation; – Where indicators of impairment exist we obtained the Group's recoverable amount value in use models and performed procedures consistent with those noted above for Cinemas; • evaluating the disclosures in the financial report, including those made with respect to judgements and estimates, against our understanding obtained from our testing and the requirements of the Australian Accounting Standards.

KPMG

Other Information

Other Information is financial and non-financial information in Event Hospitality & Entertainment Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Event Hospitality & Entertainment Limited for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 30 to 40 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

22 August 2022

SHAREHOLDER INFORMATION

Additional information required by the ASX Listing Rules and not disclosed elsewhere in the Annual Report is set out below:

SHAREHOLDINGS (AS AT 26 AUGUST 2022)

SUBSTANTIAL SHAREHOLDERS
The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Shareholder	Number of ordinary shares held
Enbeear Pty Limited	56,598,377*
Carlton Investments Limited	56,588,377
Perpetual Limited and its related bodies corporate	18,589,573

* Includes Carlton Investments Limited holding.

VOTING RIGHTS
Ordinary shares
There were 6,451 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 7.8(a) of the Company's Constitution, are:

"Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:

(1) on a show of hands, every member present has one vote; and

(2) on a poll, every member present has one vote for each share held as at the Record Time by the member entitling the member to vote, except for partly paid shares, each of which confers on a poll only the fraction of one vote which the amount paid (not credited) on the shares bears to the total amounts paid and payable (excluding amounts credited) on the share. An amount paid in advance of a call is disregarded for this purpose."

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	Number of shares held
1 – 1,000	3,866	1,403,899
1,001 – 5,000	1,793	4,214,602
5,001 – 10,000	376	2,671,154
10,001 – 100,000	382	9,808,437
100,001 and over	34	143,097,429
	6,451	161,195,521

The number of shareholders holding less than a marketable parcel is 371.

UNQUOTED ORDINARY SHARES
There were no unquoted ordinary shares of the Company as at 26 August 2022.

PERFORMANCE RIGHTS
As at 26 August 2022, there were 202 holders of a total of 1,937,844 Performance Rights granted under the Group's Executive Performance Rights Plan. The Performance Rights do not carry voting rights.

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS
The names of the 20 largest shareholders of the quoted shares are:

	Number of shares held	Percentage of capital held
Enbeear Pty Limited	32,134,031	19.93%
HSBC Custody Nominees (Australia) Limited	27,305,455	16.94%
Eneber Investment Company Limited	19,777,772	12.27%
Citicorp Nominees Pty Limited	12,652,598	7.85%
JP Morgan Nominees Australia Pty Limited	11,006,195	6.83%
Alphoeb Pty Limited	6,027,315	3.74%
The Manly Hotels Pty Limited	5,732,812	3.56%
Carlton Hotel Limited	5,276,103	3.27%
Mr Alan Graham Rydge	4,431,663	2.75%
BNP Paribas Noms Pty Ltd <DRP>	3,714,542	2.30%
Argo Investments Limited	2,850,000	1.77%
National Nominees Limited	2,167,113	1.34%
UBS Nominees Pty Ltd	1,876,767	1.16%
Mutual Trust Pty Ltd	1,500,000	0.93%
TN Phillips Investments Pty Ltd	1,346,000	0.84%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,003,812	0.62%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	552,442	0.34%
Mirrabooka Investments Limited	533,186	0.33%
HSBC Custody Nominees (Australia) Limited - A/C 2	526,941	0.33%
Mr David Christopher Seargeant	453,490	0.28%
	140,868,237	87.38%

ON-MARKET BUY-BACK
There is no current on-market buy-back.

SECURITIES EXCHANGE
EVENT Hospitality & Entertainment Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. Shares are listed on the ASX under the code EVT.

OTHER INFORMATION

ANNUAL GENERAL MEETING
The Annual General Meeting will be held at 10:00am (Sydney time) on Friday 21 October 2022 at:

Event Cinemas
505 – 525 George Street
Sydney NSW 2000.

Shareholders and proxyholders may also attend and participate in the Meeting online at https://meetnow.global/MYPJ6LH. Shareholders and proxyholders who participate in the Meeting online will be able to watch the Meeting, cast an online vote, and ask questions and make comments online in real time.

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For more information on EVENT Hospitality & Entertainment Limited, please refer to our website at www.evt.com.