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Ardent Leisure Group Limited

Annual Financial Report
for the year ended 25 June 2019

The financial report was authorised for issue by the Directors of Ardent Leisure Group Limited (ABN 51 628 881 603) on 22 August 2019. The Directors have the power to amend and reissue the financial report.

Message from the Chairman

Dear Shareholders,

FY19 has been a year of transition for the Group.

While progress during the year has been slower than anticipated, we are beginning to see signs of improvement and the emergence of positive trends, having put in place a solid platform for the growth of our businesses. We have appointed high calibre leaders at both Main Event and Dreamworld who have extensive experience in business turnaround, growth and the right strategic acumen to restore value for shareholders.

The financial performance of the Group has not met our expectations and has been impacted by several non-recurring items such as non-cash impairments of certain previously impaired US centres, provision for an onerous lease, costs associated with the restructuring of the Group and a tax expense in respect of prior years. Moving forward we do not anticipate these items to continue to impact the Group. In relation to corporate costs, we have made good progress with the continued reduction of recurring items.

The Group now consists of two distinct business divisions supported by a simplified corporate structure designed to enable the Group to retain capital to fund investment and growth.

Theme Parks

John Osborne commenced as the new CEO of our Theme Parks division in November 2018 and brings a strong track record in business strategy, turnaround performance and leadership. John is supported by a revamped, highly experienced and motivated management team with individuals who hold deep theme park and Australian aviation industry experience, particularly in safety, engineering and operations, and who are committed to Dreamworld's recovery and success.

During the year, the division has made solid progress with enhancing the guest experience through improved ride availability and regular scheduling of special events and entertainment, such as Park after Dark, ABC Kids Month, Winterfest and Cosentino Grand Illusionist. Sky Voyager, a world class flying theatre i-Ride and the first of its kind in the Southern Hemisphere, has opened to the public and received excellent reviews in its first weeks of operation. Dreamworld has also announced an exciting pipeline of new rides and attractions, including a new 1.2 km launch rollercoaster supplied by world leading manufacturer MACK and based on their award winning Blue Fire design and a new waterslide complex incorporating six body slides at WhiteWater World.

The Coronial Inquest into the tragic incident that occurred in October 2016 officially commenced in mid-June 2018 and concluded in early December 2018. While the Coroner's recommendations and findings have not yet been published, the matters raised during the Inquest were confronting. The Board embraced the Coronial Inquest as an impetus to review the safety systems and entrench the importance of safety culture throughout our entire operations. The Board reconfirms its public commitment to implement all Coronial Inquest recommendations in consultation with Workplace Health & Safety Queensland and the theme park industry.

Main Event

Main Event has also accomplished a great deal during FY19. While only one new centre was opened during the year, the four centres opened in FY18 have produced a solid performance with an average return on investment of 30.7%. Three new centres are currently under construction and due to open in FY20, bringing the total number of Main Event centres to 46 across 18 states.

Main Event's leadership team has strong expertise in opening and operating multisite businesses. As its presence across the United States grows, Main Event is increasingly becoming a preferred tenant of choice for landlords. The highly experienced real estate development team has applied a disciplined approach to identifying new sites and a robust pipeline is currently in place for development. The business aims to open five to eight new centres each year.

A central aspect of Main Event's strategy is to drive long term traffic growth. During the year the business undertook extensive consumer research to better understand its customer and target audience.

Message from the Chairman

Main Event (continued)

In FY20, management will focus on embedding Main Event's new brand identity in existing markets, improving the guest experience through enhanced team member engagement, guest-facing technology, leading entertainment offerings and on-trend food and beverage. These areas of focus are targeted at driving growth in walk-in, birthday parties and corporate business.

Main Event has built a solid platform for growth with a clear brand position and emphasis on guest experience and innovation. The team is engaged and excited about the future.

Restructure of the stapled Group

On 24 December 2018, following shareholder approval at the Annual General Meeting on 20 November 2018 and with approvals from regulators and the Supreme Court of New South Wales, Ardent Leisure's corporatisation proposal came into effect. The stapled securities previously held by securityholders were exchanged for shares in a new listed entity – Ardent Leisure Group Limited. The corporatisation was implemented by way of company and trust schemes of arrangement.

The benefits of the corporatisation include greater flexibility to fund investment in growth, a more attractive corporate structure for a broader range of investors, reduced regulatory uncertainty and administrative costs commonly associated with stapled structures and simplified financial reporting.

Debt refinance

In April 2019 we announced the completion of a US$225 million debt facility secured and guaranteed by Main Event. This new funding enables us to make the necessary investments to return the Theme Parks division to profitability and support the development of new Main Event centres in the United States. In finalising the new debt facility, Ardent's existing Australian bank debt facility has been fully repaid.

Board changes

The Board has now stabilised with a good mix of skills, experience, tenure and diversity appropriate for the size and operations of Ardent. During the period, Antonia Korsanos commenced as a Non-Executive Director and two long-standing directors, Roger Davis and Don Morris AO retired from the Board.

Looking ahead

Promising signs are already starting to emerge for FY20. With first class management teams in both our businesses, exciting investments in rides and attractions at Dreamworld and Whitewater World and a development program re-established at Main Event, we are looking forward to the Group returning to profitability.

On behalf of the Board, I would like to thank shareholders for their continued support. We are excited about the future and have confidence that our businesses can deliver on their strategic objectives and deliver value to shareholders.

I would also like to take this opportunity to acknowledge and thank our team members for their dedication and hard work over the last 12 months.

Ardent's Annual General Meeting will be held on 13 November 2019 at the offices of Gilbert + Tobin in Barangaroo, Sydney. We look forward to seeing shareholders at the meeting.

Dr Gary H. Weiss AM
Chairman

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Directors' Report

The Directors of Ardent Leisure Group Limited (Company) present their report together with the consolidated financial report of the Company and its controlled entities (collectively, the Group) for the year ended 25 June 2019 (FY19).

Ardent Leisure Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Level 8, 60 Miller Street, North Sydney NSW 2060.

The consolidated financial report is a continuation of the previously reported combined financial statements of Ardent Leisure Group (Stapled Group), which comprised Ardent Leisure Trust (Trust) and its controlled entities and Ardent Leisure Limited (ALL) and its controlled entities.

1. Corporate restructure of the Stapled Group

On 3 October 2018, Ardent Leisure Group announced its proposal (Proposal) to establish a new listed company, Ardent Leisure Group Limited, as the single head entity of the Group, in place of the previous stapled structure.

The Proposal was approved by Ardent Leisure Group security holders on 20 November 2018 and by the Supreme Court of New South Wales on 28 November 2018. Implementation of the Proposal occurred effective 24 December 2018, by way of company and trust schemes of arrangement, resulting in previously stapled securities being exchanged for ordinary shares issued by the newly listed entity. On implementation of the Proposal, eligible security holders were issued shares in the Company in the same proportion as stapled securities previously held.

The Proposal does not impact key areas of the Group, including:

- The underlying business and assets;
- Funds raised, acquisitions or disposals of businesses or assets;
- The Group Directors and Group management team; and
- Overall investments and interests of eligible securityholders.

Refer to Notes 1, 6(a) and 19 to the financial statements for further details regarding the accounting for the implementation of the Proposal.

While this is the first annual financial report with Ardent Leisure Group Limited as parent entity of the Group, the consolidated financial report is accounted for as a corporate reorganisation rather than a business combination. Accounting for a corporate reorganisation requires that the new group's financial statements reflect the financial position and performance of the new group as if the restructure had always been in place. Therefore, the corporate restructure is deemed to have been in place for the entire period and the Group accounting policies are consistent with the previous Stapled Group's accounting policies except as disclosed in the notes to the financial statements.

2. Directors

The following persons have held office as Directors of the Company and, prior to the corporate restructure, were Directors of Ardent Leisure Management Limited (Manager) (as responsible entity for the Trust) and Ardent Leisure Limited during the period and up to the date of this report unless otherwise stated:

Gary Weiss AM;
David Haslingden;
Randy Garfield;
Brad Richmond;
Antonia Korsanos (appointed 1 July 2018);
Don Morris AO (resigned 31 May 2019); and
Roger Davis (resigned 17 August 2018).

3. Principal activities

The Group's principal activity is to invest in and operate leisure and entertainment businesses in Australia and the United States of America. There were no significant changes in the nature of the activities of the Group during the period.

4. Dividends and distributions

No dividend was paid or declared for the half year ended 25 December 2018 (26 December 2017: Trust distribution of 2.00 cents per security) or has been paid or declared for the year ended 25 June 2019 (2018: Trust distribution of 6.50 cents per security).

5. Operating and financial review

Overview

The Group's strategy is to focus primarily on leisure and entertainment segments within its geographical areas of operation with mass market appeal. During the period, two businesses contributed to the overall result: Main Event and Theme Parks.

5. Operating and financial review (continued)

Group results

The performance of the Group, as represented by the aggregated results of its operations for the period from 27 June 2018 to 25 June 2019 (364 days), was as follows:

27 June 2018 to 25 June 2019	Main Event	Theme Parks	Corporate	Continuing operations	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	**416,164**	**67,133**	**4**	**483,301**	**-**	**483,301**
Segment EBITDA	**47,278**	**(19,834)**	**(15,137)**	**12,307**	**(612)**	**11,695**
Depreciation and amortisation	(42,293)	(9,226)	(837)	(52,356)	-	**(52,356)**
Segment EBIT	**4,985**	**(29,060)**	**(15,974)**	**(40,049)**	**(612)**	**(40,661)**
Borrowing costs				(8,262)	-	**(8,262)**
Interest income				339	-	**339**
Net loss before tax				**(47,972)**	**(612)**	**(48,584)**
Income tax expense				(12,293)	-	**(12,293)**
Net loss after tax				**(60,265)**	**(612)**	**(60,877)**
The segment EBITDA above includes the following specific items:						
Impairment of property, plant and equipment	(17,567)	-	-	(17,567)	-	**(17,567)**
Pre-opening expenses	(2,791)	-	-	(2,791)	-	**(2,791)**
Dreamworld incident costs, net of insurance recoveries	-	(5,407)	-	(5,407)	-	**(5,407)**
Provision for onerous lease contract	(3,072)	-	-	(3,072)	-	**(3,072)**
Restructuring and other non-recurring items	(5,180)	(3,048)	(4,767)	(12,995)	-	**(12,995)**
Selling costs associated with discontinued operations	-	-	-	-	(612)	**(612)**
Net gain/(loss) on disposal of assets	1,695	(1,410)	(334)	(49)	-	**(49)**
	(26,915)	**(9,865)**	**(5,101)**	**(41,881)**	**(612)**	**(42,493)**
The income tax expense above includes the following specific items:						
Tax impact of specific items listed above	5,652	3,203	1,530	10,385	-	**10,385**
Impact of destapling and corporatisation of the Group	-	-	3,865	3,865	-	**3,865**
Australian tax losses for which deferred tax asset derecognised	-	-	(12,376)	(12,376)	-	**(12,376)**
Estimated tax payable in respect of prior years	-	-	(15,919)	(15,919)	-	**(15,919)**
	5,652	**3,203**	**(22,900)**	**(14,045)**	**-**	**(14,045)**

Directors' Report

5. Operating and financial review (continued)

Group results (continued)

The performance of the Group, as represented by the aggregated results of its operations for the prior period from 1 July 2017 to 26 June 2018 (361 days), was as follows:

1 July 2017 to 26 June 2018	Main Event	Theme Parks	Corporate	Continuing operations	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	**355,571**	**66,822**	**-**	**422,393**	**125,061**	**547,454**
Segment EBITDA	**14,159**	**(93,795)**	**(15,519)**	**(95,155)**	**41,195**	**(53,960)**
Depreciation and amortisation	(33,210)	(8,679)	(1,144)	(43,033)	(12,875)	**(55,908)**
Segment EBIT	**(19,051)**	**(102,474)**	**(16,663)**	**(138,188)**	**28,320**	**(109,868)**
Borrowing costs				(10,339)	(65)	**(10,404)**
Interest income				191	-	**191**
Net (loss)/profit before tax				**(148,336)**	**28,255**	**(120,081)**
Income tax benefit/(expense)				29,522	(131)	**29,391**
Net (loss)/profit after tax				**(118,814)**	**28,124**	**(90,690)**
The segment EBITDA above includes the following specific items:						
Valuation loss - property, plant and equipment and investment held at fair value	-	(75,031)	(390)	(75,421)	-	**(75,421)**
Impairment of intangible assets including goodwill	-	(3,583)	(1,188)	(4,771)	-	**(4,771)**
Impairment of property, plant and equipment	(38,287)	(1,000)	-	(39,287)	-	**(39,287)**
Pre-opening expenses	(5,900)	-	-	(5,900)	(571)	**(6,471)**
Dreamworld incident costs, net of insurance recoveries	-	(6,158)	-	(6,158)	-	**(6,158)**
Restructuring and other non-recurring items	(7,405)	-	(1,849)	(9,254)	-	**(9,254)**
Gain on sale of discontinued operations	-	-	-	-	24,987	**24,987**
Selling costs associated with discontinued operation classified as held for sale	-	-	-	-	(133)	**(133)**
Loss on disposal of assets and sale and leaseback of Main Event centre	(654)	(493)	(66)	(1,213)	(921)	**(2,134)**
	(52,246)	**(86,265)**	**(3,493)**	**(142,004)**	**23,362**	**(118,642)**
The income tax benefit/(expense) above includes the following specific items:						
Restatement of deferred tax balances to reflect US tax reforms	12,230	-	-	12,230	-	**12,230**
Tax impact of specific items listed above	14,629	1,865	1,048	17,542	499	**18,041**
	26,859	**1,865**	**1,048**	**29,772**	**499**	**30,271**

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5. Operating and financial review (continued)

Group results (continued)

The Group reported a loss of $60.9 million for the year ended 25 June 2019, compared to a net loss of $90.7 million in the prior year.

Year on year comparison of the Group's results is impacted by the sale of two businesses, non-cash valuation losses on the Dreamworld and SkyPoint properties in the prior year as well as impairment charges at several US entertainment centres in the current and prior years. The current year continued to be impacted by challenging post-incident trading conditions for the Theme Parks business, associated incident costs due to Coronial Inquest hearings, non-recurring restructuring costs, as well as further impairment charges at several US entertainment centres.

Total revenue for the Group declined by $64.2 million compared to prior year due to reduced revenue of $125.1 million from the discontinued businesses reflecting the sale of the Bowling & Entertainment and Marinas businesses, partially offset by an increase in revenue from continuing operations of $60.9 million, or 14.4%.

Total EBITDA has improved by approximately $65.7 million, from a loss of $54.0 million in FY18 to a profit of $11.7 million in FY19 driven by an increase of $107.5 million from continuing businesses, partially offset by a loss of contribution from discontinued operations of $41.2 million.

Performance of continuing businesses has improved driven by:

- Incremental revenue and EBITDA in Main Event due to full year contributions from three centres that opened during the prior year and one new centre that opened during the current year;
- $79.6 million non-cash valuation loss and impairment charges in Theme Parks in the prior year, which included a valuation loss on Dreamworld of $75.0 million, a SkyPoint revaluation decrement of $3.6 million and $1.0 million write-down of other assets (2019: $Nil);
- Non-cash impairments of property, plant and equipment in certain previously impaired underperforming Main Event centres, amounting to $17.6 million in the current year, compared to $38.3 million in the prior year. The current year was also impacted by a $3.1 million onerous lease expense associated with one of the impaired centres (2018: $Nil);
- A $3.1 million reduction in pre-opening expenses due to fewer Main Event centre openings in the current year;
- A $0.8 million decrease in costs relating to the Thunder River Rapids ride incident at Dreamworld, net of insurance recoveries, which amounted to $5.4 million (2018: $6.2 million);
- $1.2 million lower net losses on disposal of assets in FY19 as the current year benefited from higher insurance proceeds received in relation to hurricane and fire claims;
- A $2.1 million reduction in borrowing costs due to large debt repayments and facility reductions following the sale of the Bowling & Entertainment and Marinas businesses in the prior year; and
- A $1.6 million impairment of the investment held at fair value and intangible assets in Corporate in the prior year (2019: $Nil);

Partly offset by:

- A $3.7 million increase in restructuring and other non-recurring items due to the Group being impacted by several one-off expenses as a result of restructuring activity in the current year, including destapling and corporatisation of the Group, consulting costs, employee related costs, as well as site exploration costs incurred; and
- A $12.3 million tax expense in the current year compared to a $29.5 million tax benefit in the prior year as a result of the following:
  - The current year includes an expense of $15.9 million in relation to further tax payable in respect of prior financial years. The Group has been in discussions with the Australian Taxation Office (ATO) regarding the tax treatment of intragroup leases by the previous stapled group in prior years. Although these discussions are ongoing, it is likely that the outcome will result in tax payments and the liability recognised represents management's best estimates as at 25 June 2019;
  - The Group has recorded an expense for $12.4 million in the year in respect of Australian tax losses for which deferred tax assets have now been derecognised. The recoverability of these losses against future taxable income is not considered probable under AASB 112 *Income Taxes*; and
  - The prior year benefitted from a $12.2 million credit relating to the restatement of Main Event's deferred tax balances in response to US tax reforms, which lowered the US corporate tax rate.

The results of the discontinued operations in the prior year include trading EBITDA for the periods to the date of disposal of the Bowling & Entertainment business, being 30 April 2018, and the Marinas business, being 14 August 2017. The discontinued operations result also includes a gain on the disposal of the Bowling & Entertainment business after tax of $20.3 million, and a gain on the disposal of the Marinas business after tax of $4.7 million.

Directors' Report

5. Operating and financial review (continued)

Main Event

The performance of Main Event, in US dollars, is summarised as follows:

	2019 US$'000	2018 US$'000	Change %
Total revenue	297,347	275,457	7.9
EBRITDA	**77,547**	**48,678**	**59.3**
Property costs	(43,400)	(36,788)	18.0
EBITDA	**34,147**	**11,890**	**187.2**

	Revenue 2019 US$'000	Revenue 2018 US$'000	Change %	EBRITDA 2019 US$'000	EBRITDA 2018 US$'000	Change %
Constant centres	216,869	217,408	(0.2)	99,463	99,367	0.1
Non-constant centres	76,518	58,049	31.8	32,767	25,673	27.6
New centres opened in FY19	3,960	-		1,061	-	
Corporate and regional office expenses/sales and marketing				(39,080)	(37,351)	4.6
Other specific items				(16,664)	(39,011)	(57.3)
Total	**297,347**	**275,457**	**7.9**	**77,547**	**48,678**	**59.3**

During the year, total US dollar revenue grew by 7.9%, reflecting the full year impact of centres opened in FY18 as well as the contribution from a new centre opened in FY19.

Constant centres revenue decreased by 0.2% compared to the prior year, primarily driven by fewer promotional activities and increased competition. On a like-for-like basis (excluding the benefit of three additional trading days in FY19), constant centre revenue decreased 1%. Constant centres event business has however grown by approximately 6%, reflecting strong corporate business driven by sales leadership focus and realignment.

One new centre opened in the first half of FY19 in Highlands Ranch, Colorado, which is a new market. This brings the number of centres to 42 across 17 states as of June 2019 (2018: 41 centres across 16 states). Pre-opening expenses of US$2.0 million has decreased by US$2.5 million compared to prior year as a result of fewer centre openings in the current year.

EBITDA in current and prior year continued to be impacted by non-recurring restructuring expenses and non-cash impairment and onerous lease provision charges associated with previously impaired underperforming locations, which reflects difficult trading conditions as a result of real estate quality and ongoing brand challenges associated with the former business that operated these locations.

EBITDA margins in the current year improved compared to the prior year due to lower non-cash impairments, non-recurring costs and pre-opening expenses. Additionally, central and regional costs as a percentage of revenue improved. Partially offsetting these improvements was a decline in centre level margins due to lower sales volumes per centre and higher fixed cost structure at certain centres.

Management has identified several strategic priorities, including developing brand architecture and driving higher awareness, enhancing the guest experience, delivering leading edge entertainment, food and beverage innovation, and developing profitable new centres.

5. Operating and financial review (continued)

Theme Parks

The division continued to be adversely impacted by the Thunder River Rapids ride incident in October 2016. The performance of the Theme Parks is summarised as follows:

	2019 $'000	2018 $'000	Change %
Total revenue	67,133	66,822	0.5
EBRITDA	**(18,360)**	**(92,294)**	**(80.1)**
Property costs	(1,474)	(1,501)	(1.8)
EBITDA	**(19,834)**	**(93,795)**	**(78.9)**
Attendance	1,459,621	1,642,881	(11.2)
Per capita spend ($)	45.99	40.67	13.1

The Theme Parks business, consisting of Dreamworld, WhiteWater World and SkyPoint, reported revenue of $67.1 million for the year ended 25 June 2019, up 0.5% on prior year. The increase in revenue was driven by an uplift in average per-capita spend of 13.1%. Attendances in FY19 were however adversely impacted by the Coronial Inquest hearings held between June to December 2018, along with the delayed opening of Sky Voyager.

The division recorded an EBITDA loss of $19.8 million, compared to an EBITDA loss of $93.8 million in the prior year. The improvement is largely driven by prior year being adversely impacted by $79.6 million of non-cash valuation loss and impairment charges relating to Dreamworld and SkyPoint. This was partially offset by the division recording $3.0 million of non-recurring restructuring costs in the current year, which largely relates to consulting costs and employee related costs (2018: $Nil).

Excluding these valuation loss, impairment, incident related expenses, non-recurring expenses and loss on disposal of assets, EBITDA for the division was $2.4 million lower than prior year due to higher costs across safety, repairs and maintenance and other operating costs. Restructuring in the second half of the year has seen these rising costs being rationalised.

Strategic focus

Following the sale of the Marinas business and the Bowling & Entertainment business, the common theme across the Group's assets is the provision of leisure and entertainment experiences. However, each business has its own unique strategic position and objectives, and is at different stages of evolution with discrete opportunities for growth and unlocking value.

(i) Main Event

Main Event's strategic goal is to become a leading customer experience-driven leisure and entertainment brand in the US. This business has expanded its number of centres rapidly over the last few years and management is focused on ensuring there is the appropriate balance between growth of existing business as well as new centre development through disciplined real estate selection process.

The availability of quality sites in trade areas that the business wants to expand into, along with the long development process to construct a Main Event family entertainment centre, may cause variations in the number of centres opened in a given year. Management will continue to look at strategic growth opportunities in existing markets as well as new trade areas. Furthermore, the business will explore ground-up developments as well as second-generation retail opportunities, including mall locations.

(ii) Theme Parks

The key focus is on driving attendance back to historic levels through a combination of "smart" capital investment, an event pipeline, developing new and unique attractions and food, retail and events products all of which provide opportunities to promote and target revisitation. Investments will be targeted to drive visitation and will be economically responsible. This includes plans to install major new attractions at Dreamworld to increase visitations to the Theme Parks and drive average per capita spend.

The wellbeing of Dreamworld's staff has also remained a key focus of management, with a number of wellness and support programs in place to assist individual team members with resilience and coping with challenging environments.

As previously communicated, the Group is committed to implementing all key recommendations arising from the Coronial Inquest.

The excess land that sits around the Dreamworld site is potentially of value. The park occupies just over 50% of the land that is owned and a process of determining the best use of this land is in progress. This may include a build out of tourist related adjacencies around the park itself. The plan may also involve an element of other commercial and residential uses.

Directors' Report

6. Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or the financial statements.

7. Interests in the Group

The movement in shares/securities of the Group during the year is set out below:

	2019	2018
Shares/securities on issue at the beginning of the year	471,344,533	469,153,284
Shares/securities issued under Dividend/Distribution Reinvestment Plan	8,361,483	1,510,100
Shares/securities issued as part of the Group's employee equity-based payments plans	-	681,149
Shares/securities on issue at the end of the year	**479,706,016**	**471,344,533**

8. Information on Directors

Gary Weiss AM
Chair

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 66

Dr Weiss is currently the Executive Director of Ariadne Australia Limited. He is Chairman of Ridley Corporation Limited and Estia Health Limited and a Non-Executive Director of Thorney Opportunities Limited and The Straits Trading Company Limited.

Dr Weiss is also a Commissioner of the Australian Rugby League Commission.

He was formerly Chairman of ClearView Wealth Limited and Coats Plc, a former executive director of Whitlam, Turnbull & Co and Guinness Peat Group plc and sat on the board of Westfield Holdings Limited, Premier Investments Ltd, Pro-Pac Packaging Limited and a number of other public companies. Dr Weiss has also been involved in managing large businesses with operations in many regions including Europe, China and India and is familiar with investments across a wide range of industries, corporate finance and private equity type deals.

Dr Weiss holds an LLB (Hons) and LLM from Victoria University of Wellington and a Doctor of the Science of Law (JSD) from Cornell University. He was admitted as a Barrister and Solicitor of the Supreme Court of New Zealand, a Barrister and Solicitor of the Supreme Court of Victoria and as a Solicitor of the Supreme Court of New South Wales.

Gary is Chair of the Safety & Risk Review Committee, Chair of the Dreamworld Committee and a member of the Audit & Risk Committee and Main Event Committee.

Former listed directorships in the last three years:
ClearView Wealth Limited (resigned 17 May 2016)
Tag Pacific Limited (resigned 31 August 2017)
Pro-Pac Packaging Limited (resigned 27 November 2017)
Premier Investments Limited (resigned 28 July 2018)

Interest in shares:
70,549,826

David Haslingden
Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 58

David Haslingden brings to the Board considerable international business experience, particularly in North America and Europe.

David is a director and major shareholder of Blue Ant Media Inc, a Canadian company that owns and operates production companies and cable networks in Canada and around the world. He is also Chairman of the Australian Geographic Society.

Previously, David was Chairman and a non-executive director of Nine Entertainment Co. Holdings Limited, President and Chief Operating Officer of Fox Networks Group and Chief Executive of Fox International Channels. David holds a Bachelor of Arts and Bachelor of Laws from The University of Sydney and a Master of Law from the University of Cambridge.

David is Chair of the Remuneration & Nomination Committee and is a member of the Safety & Risk Review Committee and the Dreamworld Committee. He is also Chair of the Dreamworld Wildlife Foundation. David was appointed Lead Independent Director in May 2018.

Former listed directorships in the last three years:
Nine Entertainment Co. Holdings Limited (resigned 1 March 2016)

Interest in shares:
331,673

Directors' Report

8. Information on Directors (continued)

Randy Garfield
Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 67

During his 48 year travel industry career, Mr Garfield spent over 30 years working in senior executive roles specialising in global marketing and sales, sponsorship development and sales operations.

As Executive Vice President of Worldwide Sales & Travel Operations at Walt Disney Parks & Resorts, he led the worldwide sales, convention services, resort contact centres and distribution marketing efforts for the Disneyland Resort, Walt Disney World Resort, Disneyland Paris, Hong Kong Disneyland Resort, Shanghai Disney Resort, Disney Cruise Line, Disney Vacation Club, Adventures by Disney, Aulani-a Disney Resort & Spa in Hawaii and Golden Oak. Throughout his 20+ year Disney career, he also served as President of Walt Disney Travel Company, one of the largest tour operators in the USA.

Prior to joining Disney, Randy also served as Vice President of Sales for Universal Studios Hollywood starting in 1986 where he helped generate record attendance and trail blazed the launch of Universal Studios Florida by crafting their pre-opening sales plan. He moved to Orlando in summer 1989 as Executive Vice President of Marketing and Sales/Chief Marketing Officer and led the business through its pre-opening launch and for the following three years during which he also served in a key role on the team which formulated the expansion plan including a second theme park as well as hotels and a massive retail, dining and entertainment complex.

Randy's current directorships include Rocky Mountaineer, US Travel Association and Destination Canada.

Previous board roles include the US Travel Association (Chairman), Brand USA, Visit California, Visit Florida and Visit Orlando where he served as the longest tenured Chair. Randy is an inductee into the US Travel Hall of Leaders, and has been recognised three times as one of the most extraordinary sales and marketing minds by Hospitality Sales & Marketing Association International.

Randy is a member of the Safety & Risk Review Committee, Dreamworld Committee and Main Event Committee.

Former listed directorships in the last three years:
None

Interest in shares:
Nil

Brad Richmond
Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 60

Brad is a Certified Public Accountant with 37 years' experience in finance, operations and strategic planning in the full-service restaurant industry in North America. Brad recently held the position of Senior Vice President and Chief Financial Officer of Darden Restaurants Inc., the world's largest full-service restaurant company operating multiple brands including Olive Garden, LongHorn Steakhouse, Season's 52, The Capital Grille, Eddie V's, Yard House and Bahama Breeze. Prior to this position, Brad held a number of other roles at Darden including Senior Vice President and Corporate Controller and Senior Vice President, Brand Financial Leader at various Darden brands.

Before joining Darden, Brad was a senior auditor with Price Waterhouse & Co.

Brad holds a Bachelor of Sciences/Bachelor of Arts degree from the University of Missouri.

Brad is Chair of the Main Event Committee, a member of the Remuneration & Nomination Committee and a member of the Audit & Risk Committee.

Former listed directorships in the last three years:
None

Interest in shares:
310,000

8. Information on Directors (continued)

Antonia Korsanos
Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 50

Antonia has more than 20 years' senior executive experience in financial and general management, strategy, mergers and acquisitions, communications, technology and risk management. Antonia was the Chief Financial Officer (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. Prior to working at Aristocrat, Antonia held a number of finance and business development positions at Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Antonia has a Bachelor of Economics (Accounting & Finance) from Macquarie University and is a member of Chartered Accountants Australia and New Zealand. Antonia is also a member of Chief Executive Women and a non-executive director of Crown Resorts Limited and Webjet Limited.

Antonia is Chair of the Audit & Risk Committee and is a member of the Remuneration & Nomination Committee.

Former listed directorships in the last three years:
None

Interest in shares:
Nil

Former Directors who held office within the year

Don Morris AO – former Director; resigned 31 May 2019; and
Roger Davis – former Director; resigned 17 August 2018.

9. Company Secretary

The Group's Company Secretary is Bronwyn Weir. Prior to being appointed Company Secretary, Bronwyn was the Assistant Company Secretary for the Group from 21 November 2014. Before joining the Group, Bronwyn was Assistant Company Secretary at the Royal Australasian College of Physicians.

Bronwyn holds a Bachelor of Commerce and Graduate Certificate in Commercial Law from Deakin University and a Certificate in Governance Practice and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Directors' Report

10. Meetings of Directors

The attendance at meetings of Directors of the Group during the year is set out in the following table:

	Full meetings of Directors		Meetings of Committees: Audit and Risk		Remuneration & Nomination		Safety & Risk Review		Dreamworld		Main Event	
	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]
Gary Weiss AM	14	14	4	4	**	**	4	4	5	5	4	4
David Haslingden	14	12	**	**	1	1	4	3	5	3	**	**
Randy Garfield	14	13	**	**	1	1	4	2	5	4	4	4
Brad Richmond	14	14	4	4	**	**	**	**	**	**	4	4
Antonia Korsanos	14	14	4	4	**	**	**	**	**	**	**	**
Don Morris AO	13	12	**	**	1	1	4	3	4	3	**	**
Roger Davis	1	-	1	1	**	**	**	**	**	**	**	**

(1) Eligible to attend.
(2) Attended.
** Not a member of the relevant committee.

11. Remuneration report

Introduction from the Chair of the Remuneration & Nomination Committee

The Directors of Ardent Leisure Group (the Group) are pleased to present shareholders with the 2019 remuneration report. This report outlines the Group's approach to remuneration for its Directors and Executives.

The Remuneration & Nomination Committee (Committee), on behalf of the Board, oversees the Group's remuneration framework ensuring that it aligns with the interests of shareholders and reflects the Group's commitment to deliver market competitive remuneration to attract, motivate and retain high quality directors and executives.

Following the departure of the CEO of Dreamworld in July 2018, John Osborne commenced in the role on 5 November 2018. Mr Osborne brings a wealth of business transformation experience and leadership skills having held CEO, senior executive and board positions in the leisure, tourism and hospitality sectors in Australia for over 25 years. His previous roles include CEO of ASX-listed Lantern Hotel Group, CEO of NextGen Health and Lifestyle Clubs, CEO of Accor Vacation Club, CEO of Recreational Tourism Group, CEO of Mingara Recreational Club and COO of Burswood International Resort Casino (now Crown Perth).

During FY19, the Board reviewed the incentive arrangements for its US and Australian employees. The one-time, cash-based, long term incentive opportunity granted to Mr Chris Morris and Mr John Osborne has now been extended to key employees of Main Event and Dreamworld. The plan will drive performance and ensure we can attract, motivate and retain outstanding employees.

Upon the introduction of these new Long Term Incentive Schemes (details of which are included below), the Board modified the long term incentive arrangements granted to Mr Chris Morris and Mr Osborne to make them consistent with the plan applying to key employees.

Turning to actual remuneration outcomes for FY19, these reflect that it was another challenging year for the Group with performance below expectation.

Although significant progress has been made by the Theme Parks division since Mr Osborne's commencement on 5 November 2018, no short term incentive (STI) was paid to him for FY19.

For Main Event, while their financial performance for FY19 has been mixed, strong improvements have been achieved in respect of various safety enhancements across the business, upward trends in guest satisfaction and positive employee engagement. As a result, modest STI payments were made to Chris Morris and Darin Harper.

The financial hurdles for the performance rights granted under the existing equity LTI plan for FY15, FY16 and FY17 were not met and the rights subject to these hurdles lapsed.

The Board has been further changed during the year and now comprises the appropriate combination of tenure, experience, skills and diversity. Ms Antonia Korsanos commenced on 1 July 2018 and two long-standing Directors, Mr Roger Davis and Mr Don Morris stepped down from the Board on 17 August 2018 and 31 May 2019, respectively. The Directors believe that the current composition of the Board is suitable for the Group's size and operations going forward.

The Committee remains committed to refining and evolving the Group's remuneration arrangements to drive performance and align with shareholder interests and general market practice. The Committee welcomes feedback on our remuneration framework and I look forward to your continued support at our Annual General Meeting in November 2019.

David Haslingden
Chair, Remuneration & Nomination Committee

11. Remuneration report (continued)

The remuneration report for the Group for the year ended 25 June 2019 is set out as follows:

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The information provided in the remuneration report has been audited as required by Section 308 (3C) of the Corporations Act 2001.

(a) Who is covered by this report

Key Management Personnel (KMP) are defined in AASB 124 *Related Party Disclosures* as those having authority and responsibility for planning, directing and controlling the activities of the Group. For the year ended 25 June 2019, the KMP for the Group comprise the following:

Position	Name	Primary location of employment
Executive KMP		
President and CEO – Main Event	Chris Morris	US-based
Group Chief Financial Officer	Darin Harper	US-based
CEO – Theme Parks	John Osborne (commenced 5 November 2018)	Australian-based
Former CEO – Theme Parks	Craig Davidson (resigned 3 July 2018)	Australian-based
Non-Executive Directors		
Chairman	Gary Weiss AM	Australian-based
Lead Independent director	David Haslingden	Australian-based
Independent director	Randy Garfield	US-based
Independent director	Brad Richmond	US-based
Independent director	Antonia Korsanos (appointed 1 July 2018)	Australian-based
Former Independent director	Don Morris AO (resigned 31 May 2019)	Australian-based
Former Independent director	Roger Davis (resigned 17 August 2018)	Australian-based

Directors' Report

11. Remuneration report (continued)

(i) Changes to KMP effective after the end of the reporting period

There were no changes to KMP after the end of the reporting period.

(b) Remuneration governance

The Remuneration & Nomination Committee's purpose is to review, evaluate and make recommendations to the Board in relation to, the following key remuneration areas:

- Remuneration policies for remuneration programs appropriate to the Group;
- The remuneration framework for Directors and executives;
- Review of the performance of KMP to pre-determined criteria on an annual basis;
- Recruitment, retention and termination policies and procedures for executives;
- The appointment of any remuneration consultants providing advice to the Group on the scale and components of remuneration packages of KMP; and
- Reporting on executive remuneration.

During FY19, Ernst & Young provided immigration and tax advice for the US-based Directors services to the Group:

Ernst & Young did not provide any remuneration recommendations in relation to any of the above services.

(c) Remuneration framework

(i) Remuneration structure

The executive remuneration framework in place during the year ended 25 June 2019 has three components:

Annual base salary	
KMP and executives receive a mix of cash salary, employer superannuation contributions (Australian employees only) and other non-financial benefits	Total fixed remuneration (TFR) reflects the executive's role, duties and responsibilities, their level of performance and the complexities of their role and divisions. Base salaries are reviewed annually to ensure that pay is competitive with the external market. No Executive KMP is entitled to a guaranteed pay increase.
Short term incentive	
One-year performance period award paid in cash for individual and division performance	The STI is an annual performance bonus set against financial and personal key performance indicators (KPIs).
Long term incentive	
One-time cash award for long term performance of division	The LTI for Executive KMP is a one-time cash reward linked to the appreciation in the enterprise value of Main Event or Dreamworld, over and above a threshold amount and is designed to drive profitable business growth and deliver strong return on capital invested. Vesting occurs on a pro-rata basis over a period of five years.

During the period, there were no further grants of performance rights to Executive KMP under the Group's legacy equity LTI Plan. A number of Australian and US-based executives remain in the legacy equity LTI Plan. While certain prior grants were available to vest during the period the financial hurdles were not met and those grants lapsed (see Section 11(d)(ii) below).

Directors' Report

11. Remuneration report (continued)

(ii) Remuneration mix – FY19

<table>
<tr><th>Executive KMP</th><th>Annual base salary</th><th>STI</th><th>LTI opportunity</th></tr>
<tr><td>Chris Morris
President and CEO – Main Event</td><td>US$600,000</td><td>Target 100% of TFR
Stretch 200% of TFR

Weighted:
100% financial KPIs</td><td rowspan="3">The LTI opportunity for Executive KMP is a one-time grant, subject to the achievement of appreciation in the Enterprise Value of Main Event or Dreamworld (as applicable to the Executive KMP) over the threshold amount with payment on the occurrence of a future realisation event. Further details on the LTI opportunity can be found in Section 12(c)(iv).

LTI award percentages are as follows:

Chris Morris 2.0%
Darin Harper 0.75%
John Osborne 2.0%

Mr Harper remains a participant in the Group equity LTIP Plan however no further grants have been made to Mr Harper under this plan since 2017.</td></tr>
<tr><td>Darin Harper Group CFO</td><td>US$420,000

As part of his base salary above, Mr Harper receives a payment of US$10,000 per month for performing the role of Group CFO</td><td>Cash
Target 50% of TFR
Stretch 100% of TFR

Weighted:
100% financial KPIs

Equity
Mr Harper was granted DSTI rights in 2017 prior to him becoming KMP. See Section 11(g)(vii) for further details.</td></tr>
<tr><td>John Osborne
CEO Theme Parks</td><td>$500,000</td><td>Target 100% of TFR

Weighted:
70% financial KPIs
30% personal KPIs</td></tr>
</table>

No changes were made to Executive KMP base salary for FY19.

Amendments to Main Event and Theme Parks CEO arrangements

Upon the finalisation of the LTI Plan to key employees of Main Event and Dreamworld, the Board reviewed the long term incentive arrangements agreed with Mr Morris and Mr Osborne upon their commencement and have adjusted the threshold growth hurdle rate to 8%, from 11.5%. The revised rate takes into consideration the change in capital structure of the Group and is consistent with the hurdle rate for all other participants in the plan.

The deferral component of Mr Osborne's STI opportunity has also been removed.

Sign-on payment to Mr Chris Morris

As disclosed to shareholders upon his commencement, Mr Morris is entitled to a sign-on payment of US$450,000 in consideration of incentives foregone in his previous role. The payment is split into two tranches: the first tranche of US$225,000 was payable on 30 June 2018 and the second tranche of US$225,000 was payable on 30 June 2019.

Directors' Report

11. Remuneration report (continued)

Short-term incentive

Who can participate?	Executive KMP are able to participate in the STI; however, participation and payment of any STI remain at the Board's discretion.
When is the STI paid?	If performance is sufficient, STI awards are payable in cash following the release of the Group's audited annual financial results.
What performance measures are used?	Key performance indicators are split into financial and personal measure categories. The actual split for each participant may vary and is generally more weighted to the financial KPI. Financial KPIs are linked to earnings and revenue targets including, but not limited to, EBITDA and constant centre sales (Main Event). Personal KPIs are not financial in nature and are set to support execution of improvements and initiatives in such functions as health and safety, employee and guest engagement, compliance, business development and strategic initiatives.

(iv) Changes to long term incentive arrangements

New Long Term Incentive Plan (LTI Plan)

The material terms of the long term incentive arrangements are set out in plan document and apply to all grants made, including those to Mr Morris and Mr Osborne.

Details in relation to the newly introduced LTI Plan are outlined below:

What is the LTI Plan?	The LTI Plan is an incentive plan designed to attract, motivate and retain key employees. It provides employees with a one-time grant to earn a cash incentive based on the appreciation in the Enterprise Value of Main Event or Dreamworld, as the case may be, above the Threshold Hurdle.
What is the Threshold Hurdle?	The Threshold Hurdle is the cumulative and annually compounded application of the Hurdle Rate to a grant date valuation of Main Event and Dreamworld.
What is the Hurdle Rate?	8.0% per annum.
How does the LTI Plan drive performance?	The plan is designed to align key employees' incentive structure with shareholders by encouraging and promoting desired behaviours that focus on creating sustainable value over the long term.
Who can participate in the LTI Plan?	Employees of Main Event and Dreamworld who are determined to be instrumental in driving the long term growth of the business are eligible for participate at the discretion of management and the Board. Each employee is granted an LTI award percentage with a total LTI pool cap of 7.5% and 6.0% for Main Event and Dreamworld respectively.
How is the LTI Plan delivered?	The LTI award is delivered in cash.
What are the vesting conditions?	The vested entitlement accumulates over a period of five years, in four annual increments of 25% commencing from the second anniversary of grant date. LTI awards will immediately vest in full upon the occurrence of a Realisation Event.
What is a Realisation Event?	A Realisation Event broadly refers to the earlier of: (a) an acquisition of more than 75% of Main Event or Dreamworld as the case may be; or (b) (only in the case of the Dreamworld plan) the IPO of Dreamworld; or (c) (only in the case of the Main Event plan) the seventh anniversary of LTI award grant date.

11. Remuneration report (continued)

What are the payment conditions?	The LTI award should be paid out as follows: If the participant remains employed, vested portion of the LTI award will be paid out upon a change of control, an IPO (Dreamworld) or seventh anniversary of the LTI award grant date (Main Event).
What happens if an employee leaves?	In the event of a participant's employment being terminated as a result of an Approved Separation, the participant shall be eligible to receive a pro-rata portion of the LTI award representing the amount that has vested at the time of separation. An 'Approved Separation' means a participant's termination of employment with Main Event for any reason other than for cause. A resignation by an employee is not an Approved Separation. In the case of the Dreamworld plan, if an employee leaves and the Realisation Event occurs more than two years after an Approved Separation, all awards will lapse without payment.

(d) Remuneration outcomes for executives

This section sets out the actual remuneration outcomes realised by Executive KMP and the statutory remuneration disclosures for FY19 and FY18.

(i) STI outcomes in respect of FY19 performance

In respect of FY19 and FY18 performance, the percentage of STI that was awarded to the executives and the percentage that was forfeited because the executives did not meet the performance criteria are set out below. Actual payments are made to individuals following the release of audited results.

Name	Financial year	STI awarded	STI forfeited	STI outcome
Chris Morris	FY19	28%	72%	US$167,700
	FY18	0%	0%	-
Darin Harper	FY19	28%	72%	US$58,695
	FY18	0%	0%	-
John Osborne	FY19	0%	100%	-
	FY18	n/a	n/a	n/a

Amounts included in the table are different to the cash bonuses presented in Section 11(d)(v) below, which reflect cash amounts received in the year in respect of prior years' performance.

(ii) Legacy equity LTI Plan

As stated above, performance rights granted under the Group's previous equity LTI plan that are due to vest in August 2019 have been tested against their gateway and performance hurdles.

The gateway and performance hurdles for the tranches issued in FY15, FY16 and FY17 were not achieved and therefore none of the LTI performance rights have vested.

11. Remuneration report (continued)

(iii) Severance payments Executive KMP

	Payment
Craig Davidson Former CEO – Theme Parks	Mr Davidson received a payment of $177,000 on his departure from the Group. His remaining unvested Deferred Short Term Incentive Plan (DSTI) performance rights subsequently vested on 24 August 2018 and he continues to participate in the Group's equity LTIP in respect of unvested performance rights (which are not subject to a tenure requirement) and therefore outstanding performance rights remain "on foot" and will only vest subject to performance achievement against pre-determined vesting conditions.

(iv) Actual remuneration outcomes

The table below sets out the total realised pay (take home pay) in respect of the years ended 25 June 2019 and 26 June 2018. The deferred equity and LTIP vested elements of realised pay relate to both the individual and the Group's performance up to 25 June 2019. The information below is different to the information in Section 11(d)(v) below, which includes the accounting value of equity expensed in the year, rather than the actual benefit received as shown in the table below:

			STI on an accrued basis				
Name	**Financial year**	**Base salary (incl super)**	**Cash**	**Deferred equity vested[(1)]**	**LTIP vested [(1)]**	**Termination payment**	**Total realised pay in respect of the financial year**
Chris Morris[(2)]	FY19	US$600,000	US$167,700	-	-	-	US$767,700
	FY18	US$161,538	-	-	-	-	US$161,538
Darin Harper	FY19	US$439,761	US$58,695	US$48,204	-	-	US$546,660
	FY18	US$20,961	-	US$100,956	-	-	US$121,917
John Osborne[(3)]	FY19	$331,412	-	-	-	-	US$331,412
	FY18	n/a	n/a	n/a	n/a	n/a	n/a

(1) The vesting of deferred equity and LTIP performance rights into fully paid shares/securities reflects previous performance of executives and of the Group up to 25 June 2019. Shares to be issued in respect of the financial year are valued at $1.00 per share, representing the closing price at 25 June 2019 (2018: $1.97 per security, representing the closing price at 26 June 2018). Amounts expressed in US dollars are converted from Australian dollars at an exchange rate of 0.6958 representing the closing rate at 25 June 2019 (2018: 0.7416, representing the closing rate at 26 June 2018).

(2) Commenced employment and became KMP on 26 March 2018.

(3) Commenced employment and became KMP on 5 November 2018.

11. Remuneration report (continued)

(v) Details of remuneration – Executive Key Management Personnel

Details of the remuneration of Executive KMP of the Group for FY19 are set out in the table below. The table sets out the total cash benefits paid to the executives in the relevant period and, under the heading "Equity-based payments", shows a component of the fair value of the performance rights. The fair value of the performance rights is recognised over the vesting period as an employee benefit expense.

		Short term benefits			Post-employment benefits	Other long term benefits				
		Salary $	Cash bonus $	Annual leave (1) $	Super-annuation $	Termin-ation payment $	Total remuneration excl. equity backed payments $	Equity-based payments $	Total remuner-ation $	Equity-based payment % of total
Chris Morris (2) (3)	FY19	837,098	313,912	573	-	-	1,151,583	-	1,151,583	-
CEO – Main Event	FY18	208,394	-	11,378	-	-	219,772	-	219,772	-
Darin Harper (2)(4)	FY19	613,539	161,058	2,405	-	-	777,002	107,091	884,093	12.11%
Group Chief Financial Officer	FY18	27,041	-	1,128	-	-	28,169	167,304	195,473	85.59%
John Osborne (5)	FY19	316,013	-	22,465	15,399	-	353,877	-	353,877	-
CEO – Theme Parks	FY18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Craig Davidson (6)	FY19	-	-	1,639	5,133	88,067	94,839	(47,479)	47,360	-
Former CEO – Theme Parks	FY18	364,759	-	82,887	20,049	177,000	644,695	30,157	674,852	4.47%
Geoff Richardson	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former Acting Chief Executive and Chief Financial Officer	FY18	846,700	-	-	-	-	846,700	-	846,700	-
Simon Kelly	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former Chief Executive Officer and Managing Director	FY18	322,703	-	(4,038)	10,024	300,000	628,689	266,501	895,190	29.77%
Deborah Thomas	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former Chief Executive Officer and Managing Director	FY18	-	-	-	-	731,291	731,291	(240,976)	490,315	(49.15%)
Richard Johnson	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former Chief Financial Officer	FY18	22,685	-	(35,431)	5,012	246,998	239,264	(257,880)	(18,616)	1385.29%
Nicole Noye	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former CEO – Bowling & Entertainment	FY18	197,015	204,988	(22,823)	15,037	17,958	412,175	(76,251)	335,924	(22.70%)
Charlie Keegan	FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former CEO – Main Event	FY18	348,378	-	(58,487)	-	379,761	669,652	(280,347)	389,305	(72.01%)
	FY19	**1,766,650**	**474,970**	**27,082**	**20,532**	**88,067**	**2,377,301**	**59,612**	**2,436,913**	**2.45%**
	FY18	**2,337,675**	**204,988**	**(25,386)**	**50,122**	**1,853,008**	**4,420,407**	**(391,492)**	**4,028,915**	**(9.72%)**

(1) Annual leave amounts represent the increase/(decrease) in the liability for accumulated annual leave during the year.
(2) Remuneration is converted from US dollars to Australian dollars at the average exchange rate of 0.7168 (2018: 0.7752) and includes both cash settled and equity settled awards.
(3) Cash bonus includes a US$225,000 initial sign-on bonus. A further US$225,000 was paid on 30 June 2019.
(4) Cash bonus received in the year in respect of FY18 performance of Main Event prior to Mr Harper's appointment as Group Chief Financial Officer and him becoming KMP of the Group.
(5) Commenced employment and became KMP on 5 November 2018.
(6) Termination payment amounts comprise a retention payment of $100,000 and payment on exit of the Group of $165,067, of which an estimate of $177,000 was disclosed as part of FY18 remuneration and $88,067 has been disclosed as part of FY19 remuneration.

Cash bonus payments included in the table above reflects amounts received in the current year for prior performance periods and do not include bonus payments in respect of FY19 performance which are included in Section 11(d)(i) and 11(d)(iv) above.

Equity-based payments included in the table above reflects the amounts in the Income Statements of the Group. For performance rights issued to executives, the amount is based on the fair value of the equity instruments at the date of the grant rather than at vesting or reporting date for those instruments not yet vested. If the fair value recorded in the Income Statement was based on the movement in the fair value of the instruments between reporting dates, the amount included in executive compensation would be decreased by $59,868 to ($256) (2018: increased by $673,084 to $281,592).

Directors' Report

11. Remuneration report (continued)

(e) Service agreements of Key Management Personnel

Remuneration and other terms of employment for KMP are formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below:

Executive	Term	Termination
Chris Morris President and CEO – Main Event	No fixed term.	Employment shall continue with the Group unless the executive gives the Group 90 days' notice in writing. The Group may terminate Mr Morris' employment at any time, subject to a requirement to provide 30 days' notice where the Group intends to terminate Mr Morris' employment for certain 'cause' reasons. In certain circumstances, on termination of employment, Mr Morris is entitled to continued payment of total fixed remuneration for 12 months plus any owed but unpaid incentive amounts.
Darin Harper Group Chief Financial Officer	No fixed term.	Employment shall continue as Group Chief Financial Officer with the Group unless either party provides notice in writing.
John Osborne CEO – Theme Parks	No fixed term.	Employment shall continue with the Group unless the executive gives the Group 90 days' notice in writing. The Group may terminate Mr Osborne's employment at any time, subject to a requirement to provide 30 days' notice where the Group intends to terminate Mr Osborne's employment for certain 'cause' reasons. In certain circumstances, on termination of employment, Mr Osborne is entitled to continued payment of total fixed remuneration for 12 months plus any owed but unpaid incentive amounts.

Other than as set out above, there are no contracted termination benefits payable to any KMP.

(f) Non-Executive Director fees

Fees paid to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees are reviewed annually by the Board and the Remuneration & Nomination Committee.

Non-Executive Directors are paid solely by the way of Directors' fees and Non-Executive Directors do not participate in equity nor cash-based incentive schemes. Non-Executive Directors bring a depth of experience and knowledge to their roles and are a key component in the effective operation of the Board. The maximum total aggregate level of Directors' fees payable by the Group is $1,200,000 per annum as set by investors at the 30 October 2014 general meeting. This aggregate level has not changed following the destapling and corporatisation of the Group and there is no proposal to increase the aggregate fee cap in FY20.

Board fees payable to Non-Executive Directors are as follows:

Position		Non-Executive Director fees
Board Chair		$205,000
Other Non-Executive Director	- Australian-based	$120,000
	- US-based	$136,000
Audit and Risk Committee	- Chair	$20,000
	- Member	$15,000
Other Committee	- Chair	$12,500
	- Member	$7,500
Dreamworld Committee	- Chair	$12,500
	- Member	$7,500
Main Event Committee	- Chair	$12,500
	- Member	$7,500

11. Remuneration report (continued)

Details of the actual fees delivered to Non-Executive Directors of the Company for FY19 and FY18 are set out below:

		Salary $	Superannuation $	Total $
Gary Weiss AM[1]	FY19	192,161	18,255	210,416
	FY18	-	-	-
David Haslingden	FY19	134,703	12,797	147,500
	FY18	117,670	11,622	129,292
Randy Garfield	FY19	157,886	2,788	160,674
	FY18	136,034	2,391	138,425
Brad Richmond	FY19	167,361	1,465	168,826
	FY18	131,780	1,977	133,757
Antonia Korsanos	FY19	132,718	12,608	145,326
	FY18	n/a	n/a	n/a
Don Morris AO	FY19	104,725	9,949	114,674
	FY18	114,023	12,352	126,375
Roger Davis	FY19	17,570	1,669	19,239
	FY18	122,122	12,045	134,167
	FY19	**907,124**	**59,531**	**966,655**
	FY18	**621,629**	**40,387**	**662,016**

(1) After joining the Group in September 2017, Dr Weiss did not receive any fees for being a Director, Chairman or member of any Committee for the first 12 months of his tenure.

(2) FY18 amounts do not include fees paid to Directors who were not KMP in the current year.

(g) Additional statutory disclosures

(i) Directors' interests in shares/securities

Changes to Directors' interests in shares/securities during the period are set out below:

	Opening balance	On joining the Group	Acquired	Disposed	On leaving the Group	Closing balance
Gary Weiss AM	53,942,531	-	16,607,295	-	-	70,549,826
David Haslingden	160,000	-	171,673	-	-	331,673
Brad Richmond	48,450	-	261,550	-	-	310,000
Don Morris AO	13,950	-	-	-	(13,950)	-
Roger Davis	200,658	-	-	-	(200,658)	-
	54,365,589	**-**	**17,040,518**	**-**	**(214,608)**	**71,191,499**

(ii) Minimum share holdings

Non-Executive Directors are expected to hold the minimum value of shareholdings within four years of appointment and thereafter increase holdings over their tenure; specifically, the minimum values are equivalent to the Chairman base fee and Non-Executive Director base fee.

(iii) Other KMP interests in shares/securities

Changes to the interests of other KMP in shares/securities during the period are set out below:

	Opening balance	Acquired under the Group's equity plans	Disposed	On leaving the Group	Closing balance
Darin Harper	-	69,279	-	-	69,279
Craig Davidson	72,708	25,367	-	(98,075)	-
	72,708	**94,646**	**-**	**(98,075)**	**69,279**

Directors' Report

11. Remuneration report (continued)

(iv) Valuation inputs

For performance rights outstanding at 25 June 2019, the tables below show the fair value of the performance rights on each grant date as well as the factors used to value the performance rights at the grant date. Under AASB 2 *Share Based Payment*, this valuation is used to value the performance rights granted to employees at 25 June 2019:

DSTI grant	2017	2018
Grant date	29 September 2017	24 June 2019
Vesting date – year 1	24 August 2018	31 August 2019
Vesting date – year 2	31 August 2019	31 August 2020
Average risk-free rate	2.00% per annum	1.50% per annum
Expected price volatility	42.0% per annum	32.0% per annum
Expected distribution yield	1.6% per annum	2.5% per annum
Security/share price at grant date	$1.82	$1.03
Valuation per performance right on issue	$1.78	$0.98

LTIP grant	2015	2016	2017
Grant date	15 December 2015	23 August 2016	29 September 2017
Vesting date – year 2	5 September 2017	24 August 2018	31 August 2019
Vesting date – year 3	24 August 2018	31 August 2019	31 August 2020
Vesting date – year 4	31 August 2019	31 August 2020	31 August 2021
Average risk-free rate	2.10% per annum	1.40% per annum	2.00% per annum
Expected price volatility	38.3% per annum	40.0% per annum	42.0% per annum
Expected distribution yield	5.8% per annum	5.0% per annum	1.6% per annum
Security price at grant date	$2.17	$2.50	$2.50
Valuation per performance right on issue			
US employees	$1.06	$1.51	$0.65
Australian employees	$1.06	$1.51	$0.19

Grants of performance rights are made annually with the grant date being the date of the issue of the offer letters to employees. Although the grant date may vary from year to year, the testing period (subject to any hurdles) remains constant with the vesting date being 24 hours immediately following the announcement of the Group's full year financial results.

(v) Details of equity grant movements

The table below sets out the number of performance rights that were granted, lapsed and vested during the financial year and that are yet to vest:

		Year granted	Tranche	Financial years in which performance rights may vest		Value of performance rights at grant	Number lapsed	Value of performance rights at lapse	Number vested	Value of performance rights at vesting	Maximum value yet to vest
				Year	Number	$		$		$	$
Current Executive											
Equity settled											
Darin Harper	LTIP	2017	T1	2020	35,677	20,925	-	-	-	-	20,925
			T2	2021	35,677	26,458	-	-	-	-	26,458
			T3	2022	35,678	30,308	-	-	-	-	30,308
	DSTI	2017	T1	2019	69,279	124,065	-	-	69,279	128,513	-
			T2	2020	69,279	121,896	-	-	-	-	121,896
	Total				**245,590**	**323,652**	**-**	**-**	**69,279**	**128,513**	**199,587**
Former Executives											
Craig Davidson	LTIP	2014	T3	2019	11,368	14,973	11,368	21,088	-	-	-
		2015	T2	2019	16,741	18,738	16,741	31,055	-	-	-
			T3	2020	16,741	16,776	-	-	-	-	16,776
		2016	T1	2019	15,313	23,141	15,313	28,406	-	-	-
			T2	2020	15,314	21,178	-	-	-	-	21,178
			T3	2021	15,314	15,798	-	-	-	-	15,798
			T4	2020	22,971	49,374	22,971	45,827	-	-	-
		2017	T1	2020	36,948	-	-	-	-	-	-
			T2	2021	36,949	9,163	-	-	-	-	9,163
			T3	2022	36,949	15,701	-	-	-	-	15,701
	DSTI	2016	T2	2019	25,367	57,319	-	-	25,367	47,056	-
	Total				**249,975**	**242,161**	**66,393**	**126,376**	**25,367**	**47,056**	**78,616**

11. Remuneration report (continued)

		Year granted	Tranche	Financial years in which performance rights may vest		Value of performance rights at grant	Number lapsed	Value of performance rights at lapse	Number vested	Value of performance rights at vesting	Maximum value yet to vest
				Year	Number	$		$		$	$
Richard Johnson	LTIP	2014	T3	2019	33,804	44,523	33,804	62,706	-	-	-
		2015	T2	2019	65,994	73,867	65,994	122,419	-	-	-
			T3	2020	65,994	66,133	-	-	-	-	66,133
		2016	T1	2019	32,719	49,445	32,719	60,694	-	-	-
			T2	2020	32,719	45,247	-	-	-	-	45,247
			T3	2021	32,719	33,753	-	-	-	-	33,753
			T4	2020	49,080	105,493	49,080	104,540	-	-	-
	Total				**313,029**	**418,461**	**181,597**	**350,359**	**-**	**-**	**145,133**
Charlie Keegan	LTIP	2014	T3	2019	27,961	36,827	27,961	51,868	-	-	-
		2015	T2	2019	62,056	69,459	62,056	115,114	-	-	-
		2016	T1	2019	41,710	63,032	41,710	77,372	-	-	-
	DSTI	2016	T2	2019	42,724	96,539	-	-	42,724	79,253	-
	Total				**174,451**	**265,857**	**131,727**	**244,354**	**42,724**	**79,253**	**-**
Total					**983,045**	**1,250,131**	**379,717**	**721,089**	**137,370**	**254,822**	**423,336**

(vi) LTIP performance rights

The number of performance rights on issue and granted to the Group's executive KMP under the LTIP is set out below:

	Opening balance	Granted as compensation	Exercised	Lapsed	Closing balance	Vested and exercisable	Unvested
Chris Morris	-	-	-	-	-	-	-
Darin Harper	107,032	-	-	-	107,032	-	107,032
John Osborne	-	-	-	-	-	-	-
Craig Davidson	224,608	-	-	(66,393)	158,215	-	158,215
Richard Johnson	313,029	-	-	(181,597)	131,432	-	131,432
Charlie Keegan	131,727	-	-	(131,727)	-	-	-
Equity settled	**776,396**	**-**	**-**	**(379,717)**	**396,679**	**-**	**396,679**

(vii) DSTI rights

The number of rights on issue and granted to the Group's executive KMP under the DSTI is set out below:

	Opening balance	Granted as compensation	Exercised	Forfeited	Closing balance	Vested and exercisable	Unvested
Chris Morris	-	-	-	-	-	-	-
Darin Harper(1)	138,558	-	(69,279)	-	69,279	-	69,279
John Osborne	-	-	-	-	-	-	-
Craig Davidson	25,367	-	(25,367)	-	-	-	-
Charlie Keegan	42,724	-	(42,724)	-	-	-	-
Equity settled	**206,649**	**-**	**(137,370)**	**-**	**69,279**	**-**	**69,279**

(1) Opening balance of DSTI rights were granted to Darin Harper prior to him becoming KMP on 4 June 2018.

(viii) Loans and other transactions with KMP

There were no loans made to KMP during the financial year, as disclosed in Note 34(e) to the financial statements. Refer to Note 34(f) to the financial statements for details of other transactions with KMP during the financial year.

12. Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid to the auditor (Ernst & Young) for audit and non-audit services provided during the year are disclosed in Note 32 to the financial statements.

The Directors have considered the position and, in accordance with the recommendation received from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

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Directors' Report

12. Non-audit services (continued)

The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 32 to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermines the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants*.

13. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 26.

14. Events occurring after reporting date

Since the end of the financial year, the Directors of the Company are not aware of any matters or circumstances not otherwise dealt with in this report or the financial report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the year ended 25 June 2019.

15. Likely developments and expected results of operations

The financial statements have been prepared on the basis of the current known market conditions. The extent to which any potential deterioration in either the capital or physical property markets may have on the future results of the Group is unknown. Such results could include the potential to influence property market valuations, the ability of borrowers, including the Group, to raise or refinance debt, and the cost of such debt and the ability to raise equity.

At the date of this report, and to the best of the Directors' knowledge and belief, there are no other anticipated changes in the operations of the Group which would have a material impact on the future results of the Group.

16. Indemnification and insurance of officers and auditor

Under the Company's Constitution, the Company indemnifies:

- All past and present officers of the Company, and persons concerned in or taking part in the management of the Company, against all liabilities incurred by them in their respective capacities in successfully defending proceedings against them; and
- All past and present officers of the Company against liabilities incurred by them, in their respective capacities as an officer of the Company, to other persons (other than the Company or its related parties), unless the liability arises out of conduct involving a lack of good faith.

During the reporting period, the Company had in place a policy of insurance covering the Directors and officers against liabilities arising as a result of work performed in their capacity as Directors and officers of the Company. Disclosure of the premiums paid for the insurance policy is prohibited under the terms of the insurance policy.

17. Environmental regulations

During the financial year, the Group's major businesses were subject to environmental legislation in respect of their operating activities as set out below:

(a) Theme Parks – Australia

The Dreamworld and WhiteWater World theme parks are subject to various legislative requirements in respect of environmental impacts of their operating activities. The *Environmental Protection Act 1994* (Qld) regulates all activities where a contaminant may be released into the environment and/or there is a potential for environmental harm or nuisance. Dreamworld holds licences or approvals for the operation of a helipad, motor vehicle workshop and train-shed and the storage and use of flammable/combustible goods. During the year, Dreamworld and WhiteWater World complied with all requirements of the Act.

Dreamworld's noise conservation program ensures that noise emissions emanating from park activities do not contravene State regulations or adversely impact surrounding neighbours. Local government regulations for the staging of night time events and functions were complied with at all times.

Dreamworld's Life Sciences department is subject to the *Biosecurity Act 2015* (Cth) and maintains an exhibition permit under the *Exhibited Animals Act 2015* (Qld). All licences and permits remain current and Dreamworld has complied fully with the requirements of each.

There are two water licences for the Dreamworld/WhiteWater World property. These relate to water conservation and irrigation. There have been no issues or events of non-compliance recorded by management or the regulatory authorities regarding water use.

17. Environmental regulations (continued)

(b) Main Event – United States of America

Main Event is subject to various Federal, State and local environmental requirements with respect to development of new centres in the United States of America. At a Federal level, the Environmental Protection Agency is responsible for setting national standards for a variety of environmental programs, and delegates to States the responsibility for issuing permits and for monitoring and enforcing compliance.

A prerequisite for any building permit for new centre construction is compliance with city and State planning and zoning requirements. A building permit, depending on locality, may require soils reports, site line studies, storm water and irrigation regulation compliance, asbestos testing etc. In addition a certificate of occupancy or equivalent certification is issued upon completion of construction and may require refuse and grease storage permits, health and food safety permits, and compliance with Occupational Safety and Health Administration (OSHA) regulations prior to issuance.

With respect to operating activities at Main Event, the OSHA requires that Safety Data Sheets (SDS) be available to all employees for explaining potentially harmful chemical substances handled in the workplace under the hazard communication regulation. The SDS is also required to be made available to local fire departments and local and State emergency planning officials under Section 311 of the Emergency Planning and Community Right-to-Know Act.

At this time, there are no known issues of non-compliance with any environmental regulation at Main Event.

(c) Australian Greenhouse gas and energy data reporting requirements

Following the divestment of the Health Clubs, Marinas and Bowling and Entertainment divisions, the Group ceased to be an entity that is required to be registered under the *National Greenhouse and Energy Reporting Act 2007* (Cth). The Group's application for removal from the National Greenhouse and Energy Register was accepted by the Clean Energy Regulator in March 2019 and the Group is therefore no longer required to report its annual greenhouse gas emissions and energy use under the Act. The Group submitted its final emissions report under the Act for the 2017/2018 financial year in October 2018.

Notwithstanding the fact that the Group is no longer subject to a reporting requirement, the Theme Parks division and Main Event continue to identify and implement energy efficiency initiatives.

The Group is not subject to any other significant environmental regulations and there are adequate systems in place to manage its environmental responsibilities.

18. Rounding of amounts to the nearest thousand dollars

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

This report is made in accordance with a resolution of the Boards of Directors of Ardent Leisure Group Limited.

Gary Weiss AM
Chairman

Antonia Korsanos
Director

Sydney
22 August 2019

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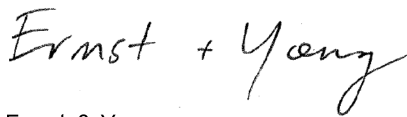
Auditor's Independence Declaration

As lead auditor for the audit of Ardent Leisure Group Limited for the financial year ended 25 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

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

This declaration is in respect of Ardent Leisure Group Limited, and the entities it controlled during the financial year.



Ernst & Young

John Robinson
Partner
22 August 2019

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Income Statement
for the year ended 25 June 2019

	Note	2019 $'000	2018 $'000
Income			
Revenue from operating activities	3	483,301	422,393
Net gain from derivative financial instruments		-	881
Interest income		339	191
Other income		9,199	13,501
Total income		**492,839**	**436,966**
Expenses			
Purchases of finished goods		67,086	60,253
Salary and employee benefits		198,552	176,824
Borrowing costs	5	8,262	10,339
Property expenses		62,792	49,465
Depreciation and amortisation		52,356	43,033
Loss on disposal of assets		2,070	507
Loss on sale and leaseback of Main Event centre		-	706
Advertising and promotions		24,137	20,004
Repairs and maintenance		30,478	25,661
Pre-opening expenses		2,791	5,900
Impairment of goodwill		-	3,583
Impairment of other intangible assets		-	1,188
Impairment of property, plant and equipment		17,567	39,287
Valuation loss - property, plant and equipment		-	75,031
Valuation loss - investment held at fair value		-	390
Dreamworld incident costs		12,486	10,435
Net loss from derivative financial instruments		1,376	-
Loss on disposal of damaged assets		-	9,224
Other expenses	4	60,858	53,472
Total expenses		**540,811**	**585,302**
Loss before tax expense/(benefit)		**(47,972)**	**(148,336)**
Income tax expense/(benefit)	6(b)	12,293	(29,522)
Loss from continuing operations		**(60,265)**	**(118,814)**
(Loss)/profit from discontinued operations	31(b)	(612)	28,124
Loss for the year		**(60,877)**	**(90,690)**
Attributable to:			
Ordinary share/security holders		**(60,877)**	**(90,690)**

The above Income Statement should be read in conjunction with the accompanying notes.

	Note	2019	2018
Total basic losses per share/security (cents)	8	(12.74)	(19.32)
Basic losses per share/security (cents) from continuing operations	8	(12.61)	(25.31)
Total diluted losses per share/security (cents)	8	(12.74)	(19.33)
Diluted losses per share/security (cents) from continuing operations	8	(12.61)	(25.31)

Statement of Comprehensive Income
for the year ended 25 June 2019

	Note	2019 $'000	2018 $'000
Loss for the year		(60,877)	(90,690)
Other comprehensive income/(loss) for the year			
Items that may be reclassified to profit and loss:			
Cash flow hedges	19	-	835
Foreign exchange translation difference	19	17,501	13,520
Income tax benefit relating to these items	19	-	68
Items that will not be reclassified to profit and loss:			
Loss on revaluation of property, plant and equipment	19	-	(722)
Other comprehensive income for the year, net of tax		**17,501**	**13,701**
Total comprehensive loss for the year, net of tax		**(43,376)**	**(76,989)**
Attributable to:			
Ordinary share/security holders		(43,376)	(76,989)
Total comprehensive loss for the year, net of tax		**(43,376)**	**(76,989)**
Total comprehensive loss for the year, net of tax attributable to share/security holders, arises from:			
Continuing operations		(42,764)	(105,113)
Discontinued operations	31(b)	(612)	28,124
Total comprehensive loss for the year, net of tax		**(43,376)**	**(76,989)**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet
as at 25 June 2019

	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	7(c)	92,332	16,548
Receivables	10	12,524	13,102
Derivative financial instruments	22	13	748
Inventories	11	7,782	8,180
Construction in progress inventories	12(a)	578	772
Other	13	8,427	9,625
Total current assets		**121,656**	**48,975**
Non-current assets			
Property, plant and equipment	15	478,641	455,668
Investment held at fair value	28	2,811	2,811
Derivative financial instruments	22	177	-
Livestock		220	236
Intangible assets	16	78,973	70,275
Deferred tax assets	6(g)	22,845	20,766
Total non-current assets		**583,667**	**549,756**
Total assets		**705,323**	**598,731**
Current liabilities			
Payables	14	69,195	70,295
Construction in progress deposits	12(b)	-	-
Interest bearing liabilities	21	1,796	-
Current tax liabilities		6,415	318
Provisions	29(b)	1,512	1,695
Other		4,294	3,264
Total current liabilities		**83,212**	**75,572**
Non-current liabilities			
Payables	14	37,603	31,422
Derivative financial instruments	22	505	28
Interest bearing liabilities	21	167,633	27,849
Provisions	29(b)	5,962	2,651
Non-current tax liabilities		10,000	-
Deferred tax liabilities	6(i)	15,306	17,091
Total non-current liabilities		**237,009**	**79,041**
Total liabilities		**320,221**	**154,613**
Net assets		**385,102**	**444,118**
Equity			
Contributed equity	17	777,124	666,731
Other equity	18	(148)	(1,405)
Reserves	19	(92,039)	(14,246)
Accumulated losses	20	(299,835)	(206,962)
Total equity		**385,102**	**444,118**

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 25 June 2019

	Note	Contributed equity $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Total equity at 1 July 2017		662,450	(1,662)	(26,861)	(102,205)	531,722
Loss for the year		-	-	-	(90,690)	(90,690)
Other comprehensive income for the year		-	-	13,701	-	13,701
Total comprehensive income/(loss) for the year		**-**	**-**	**13,701**	**(90,690)**	**(76,989)**
Transactions with owners in their capacity as owners:						
Equity-based payments	19	-	-	(1,086)	-	(1,086)
Contributions of equity, net of issue costs	17	2,968	-	-	-	2,968
Equity-based payments - securities issued	17	1,313	-	-	-	1,313
Issuance of treasury shares	18	-	257	-	-	257
Distributions paid and payable	20	-	-	-	(14,067)	(14,067)
Total equity at 26 June 2018		**666,731**	**(1,405)**	**(14,246)**	**(206,962)**	**444,118**
Impact of change in accounting standard	20	-	-	-	(1,401)	(1,401)
Total restated equity at 27 June 2018		666,731	(1,405)	(14,246)	(208,363)	442,717
Loss for the year		-	-	-	(60,877)	(60,877)
Other comprehensive income for the year		-	-	17,501	-	17,501
Total comprehensive income/(loss) for the year		**-**	**-**	**17,501**	**(60,877)**	**(43,376)**
Transactions with owners in their capacity as owners:						
Equity-based payments	19	-	-	(1,203)	-	(1,203)
Contributions of equity, net of issue costs	17	16,302	-	-	-	16,302
Issuance of treasury shares	18	-	1,257	-	-	1,257
Distributions paid and payable	20	-	-	-	(30,595)	(30,595)
Impact of corporate restructure	17, 19	94,091	-	(94,091)	-	-
Total equity at 25 June 2019		**777,124**	**(148)**	**(92,039)**	**(299,835)**	**385,102**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 25 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from customers		537,785	589,706
Payments to suppliers and employees		(448,047)	(463,235)
Property expenses paid		(59,729)	(75,241)
Payments for construction in progress inventories		(11,345)	(11,352)
Interest received		339	191
Deposits received for construction in progress		7,154	16,251
US withholding tax paid		(305)	(344)
Insurance recoveries		7,492	2,107
Income tax paid		(847)	(1,001)
Net cash flows from operating activities	7(a)	**32,497**	**57,082**
Cash flows from investing activities			
Payments for property, plant and equipment and other intangible assets		(76,095)	(122,321)
Proceeds from sale of plant and equipment		159	429
Proceeds from sale of land and buildings		-	12,583
Proceeds from the sale of Bowling & Entertainment, net of cash disposed		2,665	152,325
Proceeds from the sale of Marinas, net of cash disposed		-	123,080
Insurance recoveries relating to damaged assets		2,021	9,171
Net cash flows (used in)/from investing activities		**(71,250)**	**175,267**
Cash flows from financing activities			
Proceeds from borrowings		869,563	941,246
Repayments of borrowings		(721,161)	(1,146,209)
Borrowing costs		(18,700)	(10,376)
Costs of issue of shares/securities		(30)	(19)
Distributions paid to share/security holders		(14,263)	(11,080)
Net cash flows from/(used in) financing activities		**115,409**	**(226,438)**
Net increase in cash and cash equivalents		76,656	5,911
Cash and cash equivalents at the beginning of the year		16,548	10,846
Effect of exchange rate changes on cash and cash equivalents		(872)	(209)
Cash and cash equivalents at the end of the year		**92,332**	**16,548**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the year ended 25 June 2019

1. Basis of preparation

Ardent Leisure Group Limited is a limited company, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

Ardent Leisure Group Limited is a for-profit entity for the purposes of preparing financial statements.

The significant policies which have been adopted in the preparation of these consolidated financial statements for the year ended 25 June 2019 are set out in the accompanying notes. These policies have been consistently applied to the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

(a) Corporate restructure

On 3 October 2018, Ardent Leisure Group announced its proposal (Proposal) to establish a new listed company, Ardent Leisure Group Limited (Company), as the single head entity of the Group, replacing the previous stapled structure.

The Proposal was approved by Ardent Leisure Group security holders on 20 November 2018 and by the Supreme Court of New South Wales on 28 November 2018. Implementation of the Proposal occurred effective 24 December 2018, by way of company and trust schemes of arrangement, resulting in previously stapled securities being exchanged for ordinary shares issued by the newly listed entity. On implementation of the Proposal, eligible security holders were issued shares in the Company in the same proportion as stapled securities previously held.

This financial report represents the consolidated financial statements of the Company and its controlled entities (collectively, the Group) for the year ended 25 June 2019. The financial report is a continuation of the combined financial statements of Ardent Leisure Group (Stapled Group), which comprised Ardent Leisure Trust (Trust) and its controlled entities and Ardent Leisure Limited (ALL) and its controlled entities.

While this is the first financial report with Ardent Leisure Group Limited as parent entity of the Group, the consolidated financial report is accounted for as a corporate reorganisation rather than a business combination. Accounting for a corporate reorganisation requires that the new group's financial statements reflect the financial position and performance of the new group as if the restructure had always been in place. Therefore, the corporate restructure is deemed to have been in place for the entire period and the Group accounting policies are consistent with the previous Stapled Group's accounting policies, except as disclosed in the notes to financial statements.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, property, plant and equipment, investments held at fair value and derivative financial instruments held at fair value.

(c) Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, these financial statements have also been prepared in accordance with and comply with IFRS as issued by the IASB.

(d) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

(e) Foreign currency translation

Functional and presentation currencies

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 consolidated financial statements are presented in Australian dollars, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or they are attributable to part of the net investment in a foreign operation.

1. Basis of preparation (continued)

(e) Foreign currency translation (continued)

Foreign operations

Assets and liabilities of foreign controlled entities are translated at exchange rates ruling at reporting date while income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign controlled entities are taken directly to the foreign currency translation reserve. On consolidation, exchange differences on loans denominated in foreign currencies, where the loan is considered part of the net investment in that foreign operation, are taken directly to the foreign currency translation reserve. At 25 June 2019, the spot rate used was A$1.00 = NZ$1.0482 (2018: A$1.00 = NZ$1.0751) and A$1.00 = US$0.6958 (2018: A$1.00 = US$0.7416). The average spot rate during the year ended 25 June 2019 was A$1.00 = NZ$1.0630 (2018: A$1.00 = NZ$1.0878) and A$1.00 = US$0.7147 (2018: A$1.00 = US$0.7752).

(f) Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies. Other than the estimation of fair values described in Notes 15, 16, 22, 24, 28, 29 and 31 and assumptions related to deferred tax assets and liabilities, impairment testing of goodwill, and Director valuations for some property, plant and equipment, no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the financial statements in the next annual reporting period.

(g) Reclassification of comparative information

The Company has reclassified certain amounts related to the prior period financial position to conform to current period presentation. These reclassifications have not changed the results of operations of prior periods.

(h) New accounting standards, amendments and interpretations not yet adopted by the Group

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group for accounting periods beginning on or after 26 June 2019 but which the Group has not yet adopted. The Group's assessment of the impact of those new standards, amendments and interpretations which may have an impact is set out below:

AASB 16 *Leases* (effective from 1 January 2019)

The Australian Accounting Standards Board has issued a new Standard for leases which applies to accounting periods commencing on or after 1 January 2019. Given the number of properties the Group leases under operating leases, it is expected that the impact of this Standard will be significant. Specifically, new assets will be recognised in respect of the right to use the leased asset as well as new liabilities, being the liability to pay rentals. The consolidated Income Statement of Comprehensive Income will also be affected. Further detail is included in Note 26.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date.

(i) New and amended standards adopted by the Group

The new or amended accounting standards and interpretations which became effective for the reporting period commencing on 27 June 2018 are set out below:

- AASB 9 *Financial Instruments* and relevant amending standards;
- AASB 15 *Revenue from Contracts with Customers* and relevant amending standards;
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*;
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*; and
- AASB Interpretation 23 *Uncertainty Over Income Tax Treatments*.

Except as disclosed in Note 3, the adoption of new and amended standards and interpretations has not resulted in a material change to the financial performance or position of the Group.

(j) Rounding

The Group has relied on the relief provided by ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

2. Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

Segment income, expenditure, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of cash, receivables (net of any related provisions) and investments. Any assets used jointly by segments are allocated based on reasonable estimates of usage.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The main income statement items used by management to assess each of the divisions are divisional revenue, divisional EBITDA and divisional EBIT.

Business segments

The Group is organised on a global basis into the following divisions by product and service type:

(i) Main Event

This segment operates solely in the United States of America and comprises 42 Main Event sites in Texas, Arizona, Georgia, Illinois, Kentucky, Missouri, New Mexico, Ohio, Oklahoma, Kansas, Florida, Indiana, Pennsylvania, Tennessee, Maryland, Delaware and Colorado.

(ii) Theme Parks

This segment comprises Dreamworld and WhiteWater World in Coomera, Queensland and the SkyPoint observation deck and climb in Surfers Paradise, Queensland.

(iii) Bowling & Entertainment

This segment was sold in the prior year on 30 April 2018.

(iv) Marinas

This segment was sold in the prior year on 14 August 2017.

(v) Health Clubs

This segment was sold in FY17 on 25 October 2016.

2. Segment information (continued)

27 June 2018 to 25 June 2019

	Main Event $'000	Theme Parks $'000	Corporate $'000	Continuing operations $'000	Bowling & Entertainment $'000	Marinas $'000	Health Clubs $'000	Discontinued operations $'000	Total $'000
Segment revenue	**416,164**	**67,133**	**4**	**483,301**	**-**	**-**	**-**	**-**	**483,301**
Segment EBITDA	**47,278**	**(19,834)**	**(15,137)**	**12,307**	**(528)**	**(7)**	**(77)**	**(612)**	**11,695**
Depreciation and amortisation	(42,293)	(9,226)	(837)	(52,356)	-	-	-	-	(52,356)
Segment EBIT	**4,985**	**(29,060)**	**(15,974)**	**(40,049)**	**(528)**	**(7)**	**(77)**	**(612)**	**(40,661)**
Borrowing costs				(8,262)				-	(8,262)
Interest income				339				-	339
Net loss before tax				**(47,972)**				**(612)**	**(48,584)**
Income tax expense				(12,293)				-	(12,293)
Net loss after tax				**(60,265)**				**(612)**	**(60,877)**
The segment EBITDA above includes the following specific items:									
Impairment of property, plant and equipment	(17,567)	-	-	(17,567)	-	-	-	-	(17,567)
Pre-opening expenses	(2,791)	-	-	(2,791)	-	-	-	-	(2,791)
Dreamworld incident costs, net of insurance recoveries	-	(5,407)	-	(5,407)	-	-	-	-	(5,407)
Provision for onerous lease contract	(3,072)	-	-	(3,072)	-	-	-	-	(3,072)
Restructuring and other non-recurring items	(5,180)	(3,048)	(4,767)	(12,995)	-	-	-	-	(12,995)
Selling costs associated with discontinued operations	-	-	-	-	(528)	(7)	(77)	(612)	(612)
Net gain/(loss) on disposal of assets	1,695	(1,410)	(334)	(49)	-	-	-	-	(49)
	(26,915)	**(9,865)**	**(5,101)**	**(41,881)**	**(528)**	**(7)**	**(77)**	**(612)**	**(42,493)**
The income tax expense above includes the following specific items:									
Tax impact of specific items listed above	5,652	3,203	1,530	10,385	-	-	-	-	10,385
Impact of destapling and corporatisation of the Group	-	-	3,865	3,865	-	-	-	-	3,865
Australian tax losses for which deferred tax asset derecognised	-	-	(12,376)	(12,376)	-	-	-	-	(12,376)
Estimated tax payable in respect of prior periods	-	-	(15,919)	(15,919)	-	-	-	-	(15,919)
	5,652	**3,203**	**(22,900)**	**(14,045)**	**-**	**-**	**-**	**-**	**(14,045)**
Total assets	472,104	146,857	86,362	705,323	-	-	-	-	705,323
Acquisitions of property, plant and equipment and intangible assets	48,031	29,033	9	77,073	-	-	-	-	77,073

2. Segment information (continued)

1 July 2017 to 26 June 2018

	Main Event $'000	Theme Parks $'000	Corporate $'000	Continuing operations $'000	Bowling & Entertainment $'000	Marinas $'000	Health Clubs $'000	Discontinued operations $'000	Total $'000
Segment revenue	**355,571**	**66,822**	**-**	**422,393**	**122,408**	**2,653**	**-**	**125,061**	**547,454**
Segment EBITDA	**14,159**	**(93,795)**	**(15,519)**	**(95,155)**	**36,153**	**5,175**	**(133)**	**41,195**	**(53,960)**
Depreciation and amortisation	(33,210)	(8,679)	(1,144)	(43,033)	(12,875)	-	-	(12,875)	(55,908)
Segment EBIT	**(19,051)**	**(102,474)**	**(16,663)**	**(138,188)**	**23,278**	**5,175**	**(133)**	**28,320**	**(109,868)**
Borrowing costs				(10,339)				(65)	(10,404)
Interest income				191				-	191
Net (loss)/profit before tax				**(148,336)**				**28,255**	**(120,081)**
Income tax benefit/(expense)				29,522				(131)	29,391
Net (loss)/profit after tax				**(118,814)**				**28,124**	**(90,690)**
The segment EBITDA above includes the following specific items:									
Valuation loss - property, plant and equipment and investment held at fair value	-	(75,031)	(390)	(75,421)	-	-	-	-	(75,421)
Impairment of intangible assets including goodwill	-	(3,583)	(1,188)	(4,771)	-	-	-	-	(4,771)
Impairment of property, plant and equipment	(38,287)	(1,000)	-	(39,287)	-	-	-	-	(39,287)
Pre-opening expenses	(5,900)	-	-	(5,900)	(571)	-	-	(571)	(6,471)
Dreamworld incident costs, net of insurance recoveries	-	(6,158)	-	(6,158)	-	-	-	-	(6,158)
Restructuring and other non-recurring items	(7,405)	-	(1,849)	(9,254)	-	-	-	-	(9,254)
Gain on sale of discontinued operations	-	-	-	-	20,319	4,668	-	24,987	24,987
Selling costs associated with discontinued operation classified as held for sale	-	-	-	-	-	-	(133)	(133)	(133)
Loss on disposal of assets and sale and leaseback of Main Event centre	(654)	(493)	(66)	(1,213)	(892)	(29)	-	(921)	(2,134)
	(52,246)	**(86,265)**	**(3,493)**	**(142,004)**	**18,856**	**4,639**	**(133)**	**23,362**	**(118,642)**
The income tax benefit/(expense) above includes the following specific items:									
Restatement of deferred tax balances to reflect US tax reforms	12,230	-	-	12,230	-	-	-	-	12,230
Tax impact of specific items listed above	14,629	1,865	1,048	17,542	410	89	-	499	18,041
	26,859	**1,865**	**1,048**	**29,772**	**410**	**89**	**-**	**499**	**30,271**
Total assets	462,120	124,722	34,248	621,090	38	-	-	38	621,128
Acquisitions of property, plant and equipment and intangible assets	83,990	12,776	1,128	97,894	19,922	-	-	19,922	117,816

3. Revenue from operating activities

Revenue by type	2019 $'000	2018 $'000
Revenue from services	303,957	268,068
Revenue from sale of goods	179,340	154,325
Other revenue	4	-
Revenue from operating activities	**483,301**	**422,393**

Revenue by geographical market	2019 $'000	2018 $'000
Australia	67,137	66,822
United States	416,164	355,571
	483,301	**422,393**

(a) Accounting policy

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Rendering of services

Prior to adoption of AASB 15, revenue from rendering of services including theme park and SkyPoint entry and bowling games was recognised when the outcome could be reliably measured and the service had taken place. Revenue relating to theme park annual passes was recognised as the passes were used.

Under AASB 15, revenue from rendering of services is recognised when performance obligations to the customers have been satisfied.

In the case of Theme Parks, the performance obligation is satisfied by the provision of entry to Dreamworld, WhiteWater World and SkyPoint during the validity period of the entry pass/ticket.

Revenue relating to theme park annual/season passes is recognised on a straight-line basis over the period that the pass allows access to the parks.

In the case of Main Event, the performance obligation is satisfied by provision of a bowling, amusement or other game/activity which has been paid for by a customer.

Sale of goods

Prior to adoption of AASB 15, revenue from sale of goods including merchandise and food and beverage items was recognised when the risks and rewards of ownership had passed to the buyer.

Under AASB 15, revenue from sale of goods including merchandise and food and beverage items is recognised when control of the goods has passed to the buyer, generally on delivery of the goods at the time of sale.

(b) Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 25 June 2019 is as follows:

	2019 $'000
Within one year	21,744
More than one year	78
	21,822

Set out below is the amount of revenue recognised from:

	2019 $'000
Amounts included in deferred revenue at the beginning of the year	10,783
Performance obligations recognised in previous years	-

(c) Implementation of AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* establishes a new revenue recognition model, changes the basis for deciding whether revenue is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics, and expands and improves disclosures about revenue.

The most significant impact of the new Standard for the Group is a change in the revenue recognition profile of Theme Parks' annual/season passes. Under the previous standards, revenue was recognised on these passes based on usage and visitation whereas the new Standard requires such income to be recognised on a straight-line basis over the period that the pass allows access to the parks.

The Group adopted AASB 15 using the modified retrospective approach from 27 June 2018. As a result of adopting the Standard, the Company recorded a $1.4 million increase to accumulated losses with a corresponding increase in deferred revenue.

Notes to the Financial Statements
for the year ended 25 June 2019

3. Revenue from operating activities (continued)

(c) Implementation of AASB 15 *Revenue from Contracts with Customers* (continued)

In accordance with AASB 15 disclosure requirements, the impact of the adoption of the new Standard on revenue reported for the year ended 25 June 2019 is to increase revenue from services by $2.4 million with corresponding impacts to accumulated losses and deferred revenue as follows:

	Before adoption of AASB 15 $'000	Impact of AASB 15 $'000	As reported under AASB 15 $'000
Revenue from operating activities	480,872	2,429	483,301
Payables	70,221	(1,028)	69,193
Accumulated losses	(279,616)	(1,401)	(281,017)

4. Other expenses

	2019 $'000	2018 $'000
Audit fees	688	708
Consulting fees	4,777	6,834
Consumables	2,737	2,093
Electricity	12,345	11,177
Insurance	5,600	5,771
Legal fees	1,831	1,064
Merchant fees	7,817	6,431
Printing, stationery and postage	2,463	1,877
Taxation fees	546	626
Telecommunications	3,517	3,373
Travel costs	3,882	3,564
Other administrative costs	3,979	4,204
Destapling costs	3,878	30
Other	6,798	5,720
	60,858	**53,472**

5. Borrowing costs

	2019 $'000	2018 $'000
Borrowing costs paid or payable	8,595	10,747
Less: capitalised borrowing costs	(333)	(408)
Borrowing costs expensed	**8,262**	**10,339**

(a) Accounting policy

Borrowing costs are recognised as expenses using the effective interest rate method, except where they are included in the costs of qualifying assets.

Borrowing costs include interest on short term and long term borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

Borrowing costs associated with the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs not associated with qualifying assets, are expensed in the Income Statement.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year. The average capitalisation rate used was 4.08% per annum (2018: 4.91% per annum) for Australian dollar debt and nil per annum (2018: 4.82% per annum) for US dollar debt.

6. Taxation

(a) Impact of corporate restructure

Taxation of Trust Income

Under the previous stapled structure, the Trust was a managed investment trust which derived its earnings from passive income, predominantly rent and interest. Under these arrangements, the trustee of the Trust was not liable for payment of income tax provided that its net income, as determined under the Trust Constitution, was fully distributed to its unit holders. As the Trust was treated as a 'flow through' entity for taxation purposes, with its net taxable income being taxed in the hands of its unit holders, it did not recognise any taxation balances in its financial statements.

Following implementation of the corporate restructure, the Trust became a member of a tax consolidated group and, as such its net income is now included in the taxable income of that tax consolidated group. The Group has recognised current and deferred tax balances in its Balance Sheet and an associated tax benefit in its Income Statement of $13.0 million in respect of the Trust's impact on the taxable income of the tax consolidated group.

Tax base adjustments

For Australian tax purposes, following implementation of the corporate restructure, the Group has a tax consolidated group comprising Ardent Leisure Group Limited, ALL, the Trust and their wholly-owned Australian subsidiaries. The application of the tax consolidation provisions required the tax bases of the Trust assets to be reset when the Trust joined the tax consolidated group, resulting in a decrease in deferred tax assets of $9.8 million.

The tax cost base of the ALL assets has not been reset as a result of the capital gains tax rollover that is automatically applied when the ALL shares were exchanged for Company shares.

6. Taxation (continued)

(b) Income tax expense/(benefit)

	Note	2019 $'000	2018 $'000
Current tax		17,122	1,145
Deferred tax		(5,137)	(31,228)
Over provided in prior year		308	692
		12,293	**(29,391)**
Income tax expense/(benefit) is attributable to:			
Loss from continuing operations		12,293	(29,522)
Profit from discontinued operations		-	131
		12,293	**(29,391)**
Deferred income tax benefit included in income tax expense/(benefit) comprises:			
Increase in deferred tax assets	6(g)	(1,079)	(11,001)
Decrease in deferred tax liabilities	6(i)	(4,058)	(20,227)
		(5,137)	**(31,228)**

(c) Numerical reconciliation of income tax expense/(benefit) to prima facie tax benefit

	2019 $'000	2018 $'000
Loss from continuing operations before income tax benefit	(47,972)	(148,336)
(Loss)/profit from discontinued operations before income tax benefit	(612)	28,255
	(48,584)	(120,081)
Less: Loss from trusts[(1)]	-	69,223
Prima facie loss	**(48,584)**	**(50,858)**
Tax at the Australian tax rate of 30% (2018: 30%)	(14,575)	(15,257)
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of goodwill	-	1,075
Entertainment	85	236
Non-deductible depreciation and amortisation	386	2,008
Non-deductible interest due to thin capitalisation	-	719
Sundry items	(802)	959
Employee equity-based payments	(54)	(155)
Business acquisition costs	-	(382)
Australian tax losses for which deferred tax asset derecognised	12,376	-
Gain on disposal of businesses	-	(7,424)
Restructuring costs	303	-
Impact of destapling and corporatisation	(3,355)	-
Deferred tax benefit arising from US tax reforms	-	(12,230)
Foreign exchange conversion differences	33	265
US State taxes	197	(348)
Withholding tax	401	375
Research and development and other credits	(18)	(514)
Difference in overseas tax rates	1,089	590
Estimated tax payable in respect of prior periods	15,919	-
Over provided in prior year	308	692
Income tax expense/(benefit)	**12,293**	**(29,391)**

(1) Profits relating to the trusts were largely distributed to unit holders via distributions and were subject to tax upon receipt of this distribution income by the unit holders.

6. Taxation (continued)

(d) Income tax benefit relating to items of other comprehensive income

	Note	2019 $'000	2018 $'000
Unrealised loss on derivative financial instruments recognised in the cash flow hedge reserve	19	-	(68)
		-	**(68)**

(e) Unrecognised temporary differences

There were no unrecognised temporary differences as at 25 June 2019 (2018: $Nil).

(f) Tax consolidation legislation

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation and are in the process of entering into tax sharing and tax funding agreements, effective for the year ended 25 June 2019, with the entities in the tax consolidated group. The tax sharing agreement will, in the opinion of the Directors, limit the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Ardent Leisure Group Limited.

Under the tax funding agreement, the wholly-owned entities will fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are payable upon demand by the head entity. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are netted off in non-current inter-entity payables.

(g) Deferred tax assets

	2019 $'000	2018 $'000
The balance comprises temporary differences attributable to:		
Allowance for expected credit losses - trade receivables	7	14
Employee benefits	2,535	4,014
Provisions and accruals	2,763	2,045
Property, plant and equipment	3,228	-
Inventory diminution	180	93
Deferred revenue	2,517	963
Lease incentives	7,252	7,130
Tax losses	28,044	30,048
Other	296	22
Deferred tax assets	**46,822**	**44,329**
Set-off of deferred tax balances pursuant to set-off provisions		
Australia	526	(1,356)
United States	(24,503)	(22,207)
Net deferred tax assets	**22,845**	**20,766**
Movements		
Balance at the beginning of the year	44,329	34,275
Foreign exchange differences	1,414	802
Credited to the Income Statement (refer to Note 6(b))	1,079	11,001
Disposal of businesses	-	(1,749)
Balance at the end of the year	**46,822**	**44,329**
Deferred tax assets to be recovered within 12 months	5,460	6,635
Deferred tax assets to be recovered after more than 12 months	41,362	37,694
	46,822	**44,329**

6. Taxation (continued)

(h) Tax losses

	2019 $'000	2018 $'000
Unused capital tax losses for which no deferred tax asset has been recognised	-	9,261
Total losses	**-**	**9,261**
Potential tax benefit at 30%	**-**	**2,778**

The unused capital tax losses were realised on sale of the Health Clubs business in October 2016.

(i) Deferred tax liabilities

	2019 $'000	2018 $'000
The balance comprises temporary differences attributable to:		
Prepayments	457	458
Accrued revenue and other	399	2,093
Property, plant and equipment	38,383	38,103
Other	44	-
Deferred tax liabilities	**39,283**	**40,654**
Set-off deferred tax balances pursuant to set-off provisions		
Australia	526	(1,356)
United States	(24,503)	(22,207)
Net deferred tax liabilities	**15,306**	**17,091**
Movements		
Balance at the beginning of the year	40,654	59,522
Foreign exchange differences	2,687	2,175
Credited to the Income Statement (refer to Note 6(b))	(4,058)	(20,227)
Disposal of businesses	-	(816)
Balance at the end of the year	**39,283**	**40,654**
Deferred tax liabilities to be settled within 12 months	1,271	2,550
Deferred tax liabilities to be settled after more than 12 months	38,012	38,104
	39,283	**40,654**

(j) Review of prior period taxation arrangements

The Group has been in discussions with the Australian Taxation Office (ATO) regarding the tax treatment of intragroup leases by the previous stapled group in prior financial years. Although these discussions are ongoing, it is likely that the outcome will result in tax payments. Based on the Group's best estimates, a liability has been recognised at 25 June 2019 for $15.9 million inclusive of interest, of which $10.0 million has been classified as a non-current liability.

In addition, the Group has recorded an expense for $12.4 million in the year in respect of Australian tax losses for which deferred tax assets have now been derecognised. The recoverability of these losses against future taxable income is not considered probable under AASB 112 *Income Taxes*.

6. Taxation (continued)

(k) Accounting policy

Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Ardent Leisure Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Entities within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such investment allowances as tax credits. This means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority, are presented as operating cash flow.

7. Cash flow information

(a) Reconciliation of loss for the year to net cash flows from operating activities

	2019 $'000	2018 $'000
Loss for the year	(60,877)	(90,690)
Non-cash items		
Depreciation of property, plant and equipment	48,567	52,546
Amortisation	3,789	3,363
Impairment of goodwill	-	3,583
Impairment of other intangible assets	-	1,188
Impairment of property, plant and equipment	17,567	39,287
Equity-based payments	166	228
Write-off of doubtful debts	649	424
Inventory provision increase/(decrease)	19	(2)
Provision for onerous lease contract	3,072	-
Loss on sale of property, plant and equipment	2,418	1,427
Valuation losses on property, plant and equipment	-	75,031
Write-off of New Zealand tax losses	-	332
Valuation loss on investment held at fair value	-	390
Classified as financing activities		
Borrowing costs	8,262	10,404
Classified as investing activities		
Unrealised net loss/(gain) on derivative financial instruments	1,376	(881)
Gain on the sale of Bowling & Entertainment before selling costs	-	(25,268)
Gain on the sale of Marinas before selling costs	-	(6,434)
Loss on sale and leaseback of Main Event centres	-	706
Insurance recovery for damaged Main Event centres	(2,021)	-
Changes in asset and liabilities:		
Decrease/(increase) in assets:		
Receivables	(72)	(10,931)
Inventories	(389)	1,019
Deferred tax assets	(2,079)	(10,929)
Construction in progress inventories	1,805	33,216
Other assets	(1,469)	(2,413)
Increase/(decrease) in liabilities:		
Payables and other liabilities	246	29,823
Provisions	(300)	219
Construction in progress deposits	(1,358)	(28,317)
Current tax liabilities	6,008	(528)
Non-current tax liabilities	10,000	-
Deferred tax liabilities	(2,882)	(19,711)
Net cash flows from operating activities	**32,497**	**57,082**

(b) Non-cash investing and financing activities

	Note	2019 $'000	2018 $'000
The following item is not reflected in the Statements of Cash Flows: Distributions by the Group satisfied during the year by the issue of shares/securities under the DRP	29(a)	16,332	2,987

Notes to the Financial Statements
for the year ended 25 June 2019

7. Cash flow information (continued)

(c) Cash and cash equivalents

Cash and cash equivalents at 25 June 2019 comprise the following:

	2019 $'000	2018 $'000
Cash at banks and on hand	23,719	16,548
Short term deposits	68,613	-
	92,332	**16,548**

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

For Statement of Cash Flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(d) Accounting policy

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e) Financial liability changes from financing cash flow

	2019 $'000	2018 $'000
Interest bearing liabilities		
Opening interest bearing liabilities balance	27,849	232,627
Changes from financing cash flows	137,345	(205,220)
Effect of changes in foreign currency rates	3,295	(448)
Other	940	890
Closing interest bearing liabilities balance	**169,429**	**27,849**
Derivative financial instruments		
Opening derivatives asset	(720)	(244)
Changes in fair value	1,035	(476)
Closing derivatives liability/(asset)	**315**	**(720)**
Total financial liabilities	**169,744**	**27,129**

8. Losses per share/security

	2019	2018
Basic losses per share/security (cents) from continuing operations	(12.61)	(25.31)
Basic (losses)/earnings per share/security (cents) from discontinued operations	(0.13)	5.99
Total basic losses per share/security (cents)	**(12.74)**	**(19.32)**
Diluted losses per share/security (cents) from continuing operations	(12.61)	(25.31)
Diluted (losses)/earnings per share/security (cents) from discontinued operations	(0.13)	5.98
Total diluted losses per share/security (cents)	**(12.74)**	**(19.33)**
Losses used in the calculation of basic and diluted earnings per share/security ($'000)	(60,877)	(90,690)
Weighted average number of shares/securities on issue used in the calculation of basic losses per share/security ('000)	477,999	469,496
Weighted average number of shares/securities held by ALL employees under employee share plans (refer to Note 33) ('000)	334	692
Weighted average number of shares/securities on issue used in the calculation of diluted earnings per share/security ('000)	477,999	469,496

Basic earnings per share/security are determined by dividing profit by the weighted average number of ordinary shares/securities on issue during the period.

Diluted earnings per share/security are determined by dividing the profit by the weighted average number of ordinary shares/securities and dilutive potential ordinary shares/securities on issue during the period.

9. Distributions and dividends paid and payable

Distributions/dividends

No interim or final distribution or dividend has been paid or declared for the year ended 25 June 2019. The following distributions were paid and payable by Ardent Leisure Trust to stapled security holders in the prior year:

	Distribution cents per stapled security	Total amount $'000	Distribution tax deferred %	Distribution CGT concession amount %	Distribution taxable %
2018 distributions for the half year ended:					
26 December 2017	2.00	9,397			
26 June 2018[1]	6.50	30,637			
	8.50	**40,034**	**-**	**46.68**	**52.32**

(1) The distribution of 6.50 cents per security for the half year ended 26 June 2018 was not declared prior to 26 June 2018.

(a) Franking credits

The tax consolidated group has franking credits of $1,501,307 (2018: $1,501,307).

10. Receivables

	2019 $'000	2018 $'000
Trade receivables	6,840	12,080
Allowance for expected credit losses	(23)	(48)
Other receivables	5,707	1,070
	12,524	**13,102**

The Group has recognised an expense of $649,365 in respect of expected credit losses (ECLs) during the year ended 25 June 2019 (2018: $424,425). The expense has been included in other expenses in the Income Statement.

Refer to Note 23(e) for information on the Group's management of, and exposure to, credit risk.

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10. Receivables (continued)

(a) Accounting policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less allowances for ECLs. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectability of debts is reviewed on an ongoing basis. Debts are written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group applies a provision matrix in calculating ECLs for trade receivables. The provision rates are based on days past due for groupings of customers that have similar loss patterns and are based on the Group's historically observed default rates and adjusted with forward-looking information at each reporting date where applicable.

Assessment of the relationship between historical observed default rates, forecast economic conditions and ECLs requires judgement. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of actual default rates in the future.

The amount of any provision for ECLs is recognised in the Income Statement within other expenses. When a trade receivable for which a provision has been recognised becomes uncollectible in a subsequent period, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

(b) Implementation of AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB *139 Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 prospectively, with an initial application date of 27 June 2018. The Group has not restated the comparative information, which continues to be reported under AASB 139. There were no transition adjustments arising from the adoption of AASB 9.

Classification and measurement

The classification and measurement requirements of AASB 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under AASB 139. The following are the changes in the classification of the Group's financial assets:

- *Trade receivables classified as Loans and receivables* as at 26 June 2018 which are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest, have been classified and measured as *Debt instruments at amortised cost* under AASB 9 from 27 June 2018.

11. Inventories

	2019 $'000	2018 $'000
Goods held for resale	7,915	8,294
Provision for diminution	(133)	(114)
	7,782	**8,180**

There was no expense relating to the write-downs of inventories during the year ended 25 June 2019 (2018: $Nil).

(a) Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost of goods held for resale is determined by weighted average cost. Cost of catering stores (which by nature are perishable) and other inventories is determined by purchase price.

12. Construction in progress

Construction in progress inventories relate to centres that are under construction by Main Event under agreements that Main Event has entered into with third parties. Once the Group has satisfied the requirements of the agreements and acceptance of the centre by the third parties has occurred, the risks and rewards pass to the third parties. The costs funded by the third parties during the course of construction are recorded as a current liability, construction in progress deposits, and upon acceptance of the centre by the third parties this liability and related construction in progress inventories are settled. Any net realisable value adjustment is recorded in the Income Statement as a gain/loss on sale of the construction in progress inventories.

At 25 June 2019, the Group had agreements for construction of three Main Event Centres. These agreements set out agreed construction timetables, estimated costs and other key terms, including the right of the third party to exercise a put option and recover deposits advanced to the Group should construction not be completed within agreed timeframes. At 25 June 2019, construction on two of these centres was complete, with the remaining centre expected to be completed within 12 months and agreed timeframes.

(a) Construction in progress inventories

A reconciliation of the carrying amount of the construction in progress inventories at the beginning and end of the current period is set out below:

	2019 $'000	2018 $'000
Carrying amount at the beginning of the year	772	56,756
Additions	11,345	8,989
Disposals	(13,149)	(65,633)
Foreign exchange movements	1,610	660
Carrying amount at the end of the year	**578**	**772**

(b) Construction in progress deposits

A reconciliation of the carrying amount of the construction in progress deposits liability at the beginning and end of the current period is set out below:

	2019 $'000	2018 $'000
Carrying amount at the beginning of the year	-	50,050
Deposits received	7,154	13,889
Settlements of deposits received	(8,512)	(64,563)
Foreign exchange movements	1,358	624
Carrying amount at the end of the year	**-**	**-**

(c) Accounting policy

Construction in progress inventories are valued at the lower of cost and net realisable value. Cost of construction in progress comprises the purchase price and other costs, including labour costs which are allocated in accordance with the terms of the agreements.

13. Other assets

	2019 $'000	2018 $'000
Prepayments	5,654	6,707
Accrued revenue	2,773	2,918
	8,427	**9,625**

14. Payables

	2019 $'000	2018 $'000
Current		
Interest payable	1,954	147
GST payable	97	14
Trade creditors	9,297	10,229
Property expenses payable	427	446
Employee benefits	17,577	16,662
Deferred revenue	11,273	10,783
Straight-line rent liabilities	97	931
Lease incentive liabilities	3,984	3,377
Property tax payable	5,332	5,311
Capital expenditure including construction in progress inventories payable	5,165	4,639
Other payables	13,992	17,756
Total current payables	**69,195**	**70,295**
Non-current		
Lease incentive liabilities	33,782	28,575
Straight-line rent liabilities	3,821	2,847
Total non-current payables	**37,603**	**31,422**
Total payables	**106,798**	**101,717**

(a) Accounting policy

Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

15. Property, plant and equipment

Segment	Note	Cost less accumulated depreciation & impairments 2019 $'000	Cumulative revaluation (decrements)/ increments 2019 $'000	Consolidated book value 2019 $'000	Cost less accumulated depreciation & impairments 2018 $'000	Cumulative revaluation (decrements)/ increments 2018 $'000	Consolidated book value 2018 $'000
Theme Parks	(1) (2) (3)	243,448	(112,674)	130,774	226,318	(112,674)	113,644
Main Event		346,752	-	346,752	339,918	-	339,918
Other		1,115	-	1,115	2,106	-	2,106
Total		**591,315**	**(112,674)**	**478,641**	**568,342**	**(112,674)**	**455,668**

(1) The book value of Dreamworld and WhiteWater World land and buildings, major rides and attractions and other plant and equipment (including construction work in progress of $28.8 million (2018: $6.7 million), intangible assets of $2.9 million (2018: $0.8 million) and livestock of $0.2 million (2018: $0.2 million) is $96.1 million (2018: $78.5 million). At 25 June 2019, the Directors have assessed the fair value of land and buildings and major rides and attractions to be $50.6 million. Refer to additional Theme Parks valuation information below. All other plant and equipment are carried at depreciated historic cost of $45.5 million. The last independent valuation of this property was undertaken at 25 December 2018 by Jones Lang LaSalle.

(2) The excess land adjacent to Dreamworld has been valued by the Directors at $5.2 million (2018: $3.6 million). The last independent valuation of this property was undertaken at 25 December 2018 by Jones Lang LaSalle.

(3) The Directors have assessed the fair value of SkyPoint at 25 June 2019 to be $32.6 million (2018: $32.3 million). The last independent valuation of this property was undertaken at 25 December 2018 by Jones Lang LaSalle.

15. Property, plant and equipment (continued)

Refer to Note 24(b) for information on the valuation techniques used to derive the fair value of the Theme Parks.

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current and previous years is set out below:

	Land and buildings $'000	Major rides and attractions $'000	Plant and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
2019						
Carrying amount at the beginning of the year	183,244	65,612	202,343	4,128	341	455,668
Additions	12,228	27,476	28,608	932	32	69,276
Transfer from inventories	-	-	767	-	-	767
Transfer to intangible assets	-	-	(712)	-	-	(712)
Disposals	(363)	(1,234)	(564)	(42)	-	(2,203)
Depreciation	(7,583)	(866)	(39,037)	(1,010)	(55)	(48,551)
Foreign exchange movements	10,815	-	11,148	-	-	21,963
Impairment	(7,197)	-	(10,370)	-	-	(17,567)
Carrying amount at the end of the year	**191,144**	**90,988**	**192,183**	**4,008**	**318**	**478,641**

	Land and buildings $'000	Major rides and attractions $'000	Plant and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
2018						
Carrying amount at the beginning of the year	283,107	64,108	279,664	9,210	351	636,440
Additions	64,734	3,074	41,278	2,911	55	112,052
Disposal relating to the sale of Bowling & Entertainment	(51,908)	-	(69,447)	(5,816)	-	(127,171)
Disposals	(2,851)	(551)	(7,489)	(132)	(10)	(11,033)
Depreciation	(10,059)	(1,019)	(39,342)	(2,044)	(55)	(52,519)
Foreign exchange movements	7,338	-	5,602	(1)	-	12,939
Revaluation decrements	(75,753)	-	-	-	-	(75,753)
Impairment	(31,364)	-	(7,923)	-	-	(39,287)
Carrying amount at the end of the year	**183,244**	**65,612**	**202,343**	**4,128**	**341**	**455,668**

(a) Theme Parks valuation

The tragic incident which occurred on the Thunder River Rapids ride at Dreamworld in October 2016 and subsequent Coronial Inquest continues to negatively impact attendance and revenues in the current period, with recovery being slower than expected. In the prior two years, the Group has recognised revaluation decrements to the property, plant and equipment of Dreamworld and WhiteWater World of $167.7 million and a further impairment provision of $1.0 million.

At 25 June 2019, the valuation of Dreamworld and WhiteWater World has been determined in accordance with AASB 13 *Fair Value Measurement*, which defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants. This Standard requires that the valuation take account of the benefits attainable under the highest and best use, provided that any alternate uses are physically possible, legally permissible and financially feasible. Under the Standard, uses that are legally permissible take into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning restrictions applicable to a property). This resulted in the fair value of land, buildings and major rides and attractions being assessed at $50.6 million. Together with other assets carried at historic cost of $45.5 million, the book value of Dreamworld and WhiteWater World is $96.1 million at 25 June 2019.

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15. Property, plant and equipment (continued)

(a) Theme Parks valuation (continued)

At 25 December 2018, the Group obtained independent valuation advice from Jones Lang LaSalle (JLL) to assist in determining a Directors' valuation of the property. The valuer considered the work undertaken in the prior year (as set out in the annual financial report for the year ended 26 June 2018) and reviewed management's updated forecasts in light of the park's performance and market conditions at that time. In determining a Directors' valuation at 25 June 2019, the Directors have had regard to the work of JLL in December 2018 as well as updated forecasts for the park in light of market conditions and management initiatives currently in place to improve its performance.

The significant unobservable inputs associated with the valuation of the Dreamworld and WhiteWater World valuation are as follows:

	June 2019	June 2018
Capitalisation rate	11.50%	11.50%
Discount rate	14.00% - 14.50%	14.00% - 14.50%
Terminal yield	11.50% - 12.00%	11.50% - 12.00%
10 year average annual EBITDA ($'000)	26,503	18,528
10 year average annual capital expenditure ($'000)	15,409	8,340

In addition, the valuation has assumed a gradual recovery of attendances to FY16 (pre-incident) levels over the next five years, with FY20 attendances estimated to be approximately 64% of FY16 (pre-incident) levels.

The Directors note the material valuation uncertainty which exists both in terms of market disruption (e.g. liquidity) and availability of inputs (e.g. cash flows, discount rates and capitalisation rates) which could impact the valuation of these assets.

The sensitivity of the fair values of the land and buildings and major rides and attractions in relation to the significant unobservable inputs is set out in the table below:

	Capitalisation rate (%)	Discount rate (%)	Terminal yield (%)	Attendance levels
Fair value measurement sensitivity to 0.5% increase in rate/yield	- $2.6 million	- $2.9 million	- $1.7 million	n/a
Fair value measurement sensitivity to 0.5% decrease in rate/yield	+ $2.8 million	+ $3.1 million	+ $1.9 million	n/a
Fair value measurement sensitivity to 10.0% increase in assumed attendance levels	n/a	n/a	n/a	+ $22.6 million
Fair value measurement sensitivity to 10.0% decrease in assumed attendance levels	n/a	n/a	n/a	- $17.7 million

When calculating the income capitalisation approach, EBITDA has a strong inter-relationship with the adopted capitalisation rate given the methodology involves assessing the total income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the income and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the income and a decrease (tightening) in the adopted capitalisation rate. A directionally opposite change in the income and the adopted capitalisation rate could potentially magnify the impact to the fair value.

There are no other significant inter-relationships between unobservable inputs that materially affect the fair value.

(b) Accounting policy

Revaluation model

The revaluation model of accounting is used for Theme Parks land, buildings and major rides and attractions. All other classes of property, plant and equipment (PPE) are carried at historic cost. Initially, PPE is measured at cost. For assets carried under the revaluation model, PPE is carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

15. Property, plant and equipment (continued)

(b) Accounting policy (continued)

Revaluation model (continued)

Increases in the carrying amounts arising on revaluation of PPE are credited, net of tax, to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against the asset revaluation reserve directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income Statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset is charged to the Income Statement and depreciation based on the asset's original cost, net of tax, is transferred from the asset revaluation reserve to retained profits.

At each reporting date, the fair values of PPE are assessed by reference to independent valuation reports or through appropriate valuation techniques adopted by management. Fair value is determined assuming a long term property investment. Specific circumstances of the owner are not taken into account.

The use of independent valuers is on a progressive basis over a three-year period, or earlier, where the management believes there may be a material change in the carrying value of the property.

Where an independent valuation is not obtained, factors taken into account where appropriate, by the Directors in determining fair value may include:

- Assuming a willing buyer and a willing seller, without duress and an appropriate time to market the property to maximise price;
- Information obtained from valuers, sales and leasing agents, market research reports, vendors and potential purchasers;
- Capitalisation rates used to value the asset, market rental levels and lease expiries;
- Changes in interest rates;
- Asset replacement values;
- Discounted cash flow (DCF) models;
- Available sales evidence; and
- Comparisons to valuation professionals performing valuation assignments across the market.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

In assessing impairment of assets, the Group has determined that it has the following CGUs:

- Dreamworld/WhiteWater World combined theme park;
- SkyPoint, including the SkyPoint climb;
- Dreamworld excess land; and
- Each individual Main Event US entertainment centre.

During the prior year, the Group performed an impairment assessment of property, plant and equipment in accordance with AASB 136 *Impairment of assets*. This analysis determined that the carrying value of assets in five Main Event centres exceeded their recoverable amount by US$28.4 million (A$38.3 million) and an impairment loss was recognised for this amount. In the current year, a similar impairment assessment has resulted in an additional impairment loss of $12.2 million (A$17.6 million) relating to four of the five previously impaired centres.

The recoverable amount of assets has been determined based on value-in-use calculations, which include the following key assumptions:

	2019 $'000	2018 $'000
Pre-tax discount rate	11.3%	10.3%
Long term EBITDA growth rate	1.0%	1%

Depreciation

Land and construction work in progress are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	2019	2018
Buildings	40 years	40 years
Leasehold improvements	Lease term	Lease term
Major rides & attractions	20 - 40 years	20 - 40 years
Plant and equipment	4 - 25 years	4 - 25 years
Furniture, fittings & equipment	3 - 13 years	3 - 13 years
Motor vehicles	8 years	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement. When revalued assets are sold, it is Group policy to transfer the amounts included in reserves in respect of those assets to retained profits.

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16. Intangible assets

	2019 $'000	2018 $'000
Software at cost	29,928	20,950
Accumulated amortisation and impairment	(10,905)	(7,116)
	19,023	**13,834**
Goodwill at cost	72,830	69,321
Accumulated impairment	(12,880)	(12,880)
	59,950	**56,441**
Total intangible assets	**78,973**	**70,275**

	2019 $'000	2018 $'000
Software		
Opening net book amount	13,834	13,616
Additions	7,797	5,764
Transfer from property, plant and equipment	712	-
Disposals	(370)	(1,391)
Impairment	-	(1,188)
Amortisation	(3,789)	(3,363)
Foreign exchange movements	839	396
Closing net book amount	**19,023**	**13,834**
Goodwill		
Opening net book amount	56,441	82,971
Disposals	-	(24,787)
Impairment	-	(3,583)
Foreign exchange movements	3,509	1,840
Closing net book amount	**59,950**	**56,441**
Total intangible assets	**78,973**	**70,275**

(a) Goodwill

Goodwill represents goodwill acquired by the Group as part of various acquisitions. Goodwill is monitored by management at the operating segment level. Management reviews the business performance based on geography and type of business as disclosed in Note 2.

A segment level summary of the goodwill allocation is presented below:

	2019 $'000	2018 $'000
United States		
Main Event	59,950	56,441
	59,950	**56,441**

16. Intangible assets (continued)

(c) Goodwill (continued)

(i) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment and country of operation.

Key assumptions used for value in use calculations

The table below shows the key assumptions used in the value in use calculations to test for impairment in the business segments to which a significant amount of goodwill was allocated:

	Budget/forecast EBITDA period growth rate		Long term EBITDA growth rate[1]		Post-tax discount rate[2]	
	2019	2018	2019	2018	2019	2018
	% per annum	% per annum	% per annum	% per annum	% per annum	% per annum
Main Event	2.00	2.00	2.00	2.00	7.50	7.50

(1) Average growth rate used to extrapolate cash flows beyond the budget/forecast period.

(2) In performing the value in use calculation, the Group has applied a post-tax discount rate to discount the forecast future attributable post-tax cash flows. The pre-tax discount rate is 7.91% (2018: 7.68%) for Main Event centres.

The period over which management has projected the CGU cash flows is five years. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are post tax and reflect specific risks relating to the country in which the CGU operates.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on the FY20-FY24 financial year budgets/forecasts. Cash flows beyond the budget period are extrapolated using the growth rates stated above. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates.

Sensitivity to changes in assumptions

Management recognises that the calculation of recoverable amount can vary based on the assumptions used to project or discount cash flows and those changes to key assumptions can result in recoverable amounts falling below carrying amounts. In relation to the CGUs above, the recoverable amounts of Main Event centres are in excess of their carrying amounts.

The Directors consider that the growth rates are reasonable, and do not consider a change in any of the key assumptions would cause the CGUs' carrying amount to exceed their recoverable amount to be reasonably possible.

(b) Accounting policy

Software

Software is amortised on a straight-line basis over the period during which the benefits are expected to be received, which is between 5 – 8 years (2018: 5 – 8 years).

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purposes of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer to Note 2).

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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17. Contributed equity

No. of shares/securities	Details	Date of income entitlement	Note	2019 $'000	2018 $'000
469,153,284	Securities on issue	30 Jun 2017			662,450
1,510,100	DRP issue	1 Jul 2017	(a)		2,987
681,149	Equity-based payments - securities issued	1 Jul 2017	(b)		1,313
-	Issue costs paid		(d)		(19)
471,344,533	Securities on issue	26 Jun 2018		666,731	**666,731**
8,361,483	DRP issue	1 Jul 2018	(a)	16,332	
-	Impact of corporate restructure	24 Dec 2018	(c)	94,091	
-	Issue costs paid		(d)	(30)	
479,706,016	**Shares/securities on issue**	**25 Jun 2019**		**777,124**	**666,731**

(a) Dividend/Distribution Reinvestment Plan (DRP) issues

The Group has established a DRP under which security holders/shareholders may elect to have all or part of their dividend/distribution entitlements satisfied by the issue of new shares/securities rather than being paid in cash. The discount available on shares/securities issued under the DRP is 2.0% on the market price.

(b) Equity-based payments

The Group has Deferred Short Term Incentive Plan (DSTI) and Long Term Incentive Plan (LTIP) remuneration arrangements under which performance rights are issued to certain management and other personnel within the Group as part of their remuneration arrangements. These performance rights are subject to vesting conditions as set out in Note 33.

Upon vesting, the Group issues shares to these personnel.

(c) Impact of corporate restructure

Refer to Note 19.

(d) Equity

Incremental costs directly attributable to the issue of new shares/securities are recognised directly in equity as a reduction in the proceeds of shares/securities to which the costs relate. Incremental costs directly attributable to the issue of new shares/securities for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

18. Other equity

	2019 $'000	2018 $'000
Treasury shares/securities	148	1,405
Closing balance	**148**	**1,405**

	No. of shares/securities 2019	No. of shares/securities 2018	$'000 2019	$'000 2018
Opening balance	649,958	799,334	1,405	1,662
Acquisition of treasury shares/securities	20,341	-	25	-
Issuance of treasury shares/securities	(528,132)	(149,376)	(1,282)	(257)
Closing balance	**142,167**	**649,958**	**148**	**1,405**

(a) Accounting policy

Treasury shares/securities are equity investments in Ardent Leisure Group Limited that are held by the Ardent Leisure Employee Share Trust for the purpose of issuing shares under the Group's DSTI and LTIP. Shares/securities issued to employees are recognised on a first-in-first-out basis.

18. Other equity (continued)

(a) Accounting policy (continued)

Own equity instruments that are reacquired (treasury shares/securities) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued to employees under the Group's LTIP and DSTI, is recognised in the equity-based payments reserve. Performance rights vesting during the reporting period may be satisfied with treasury shares.

19. Reserves

	2019 $'000	2018 $'000
Asset revaluation reserve		
Opening balance	15,499	16,221
Revaluation - Theme Parks	-	(722)
Closing balance	**15,499**	**15,499**
Cash flow hedge reserve		
Opening balance	-	(903)
Movement in effective cash flow hedges	-	835
Tax on movement on cash flow hedges	-	68
Closing balance	**-**	**-**
Foreign currency translation reserve		
Opening balance	(22,856)	(36,376)
Translation of foreign operations	17,501	13,520
Closing balance	**(5,355)**	**(22,856)**
Equity-based payment reserve		
Opening balance	(6,889)	(5,803)
Option expense	(1,203)	(1,086)
Closing balance	**(8,092)**	**(6,889)**
Corporate restructure reserve		
Opening balance	-	-
Impact of corporate restructure	(94,091)	-
Closing balance	**(94,091)**	**-**
Total reserves	**(92,039)**	**(14,246)**

The asset revaluation reserve is used to record increments and decrements on the revaluation of property, plant and equipment, as set out in Note 15(b).

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity as described in Note 22(c).

Exchange differences arising on the translation of foreign controlled entities are taken to the foreign currency translation reserve. In addition, on consolidation, exchange differences on loans denominated in foreign currencies are taken directly to the foreign currency translation reserve where the loan is considered part of the net investment in that foreign operation.

The equity-based payment reserve is used to recognise the fair value of performance rights issued to employees but not yet exercised under the Group's DSTI and LTIP.

Under the corporate restructure, Ardent Leisure Group Limited shares were issued to security holders in return for their stapled securities. Ardent Leisure Group Limited share capital was measured at fair value on the date of the transaction, being the market capitalisation of the Stapled Ardent Leisure Group on the date of implementation ($777.1 million). The difference between the contributed equity of Ardent Leisure Group Limited and the pre-restructure contributed equity of the Stapled Ardent Leisure Group at the date of the transaction was recognised as a corporate restructure reserve.

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20. Accumulated losses

	Note	2019 $'000	2018 $'000
Opening balance		(206,962)	(102,205)
Loss for the year		(60,877)	(90,690)
Available for distribution		(267,839)	(192,895)
Impact of change in accounting standard	3(c)	(1,401)	-
Distributions paid and payable	9	(30,595)	(14,067)
Closing balance		**(299,835)**	**(206,962)**

21. Interest bearing liabilities

	2019 $'000	2018 $'000
Current		
Bank loan - term debt	1,796	-
Total current	**1,796**	**-**
Non-current		
Bank loan - term debt	177,853	27,849
Less: unamortised loan costs	(10,220)	-
Total non-current	**167,633**	**27,849**
Total interest bearing liabilities	**169,429**	**27,849**

In April 2019, the Group concluded the refinancing of its debt facilities with the completion of a US$200.0 million term loan facility, comprising a US$125.0 million drawn term loan and a US$75.0 million delayed draw term loan, as well as a US$25.0 million revolving credit facility (collectively, the Facility) by its wholly-owned US subsidiary, Main Event Entertainment, Inc. (Main Event). The facility is secured and guaranteed by Main Event and is non-recourse to the other assets of the Group.

The proceeds of the drawn term loan were used to repay the Group's previous Australian bank debt facility, and the balance of the proceeds will be available to support investment in Theme Parks and Main Event as well as general corporate purposes.

The terms of the facility also impose a net leverage covenant on Main Event, being the ratio of net debt to EBITDA adjusted for unrealised and certain non-cash and other one-off items (adjusted EBITDA).

(a) Total secured liabilities and assets pledged as security

The carrying amounts of Main Event assets (2018: Group assets) pledged as security for borrowings are as follows:

	2019 $'000	2018 $'000
Current assets	44,146	71,372
Non-current assets	362,302	472,549
Total assets	**406,448**	**543,921**

(b) Credit facilities

As at 25 June 2019, Main Event had unrestricted access to the following credit facilities:

	2019 $'000	2018 $'000
Group A$ syndicated facilities	-	66,667
Amount used	-	(5,600)
Amount unused	**-**	**61,067**
Group US$ syndicated facilities	-	102,769
Amount used	-	(22,249)
Amount unused	**-**	**80,520**
Main Event US$ term debt[(1)]	287,439	-
Amount used	(179,649)	-
Amount unused	**107,790**	**-**
Main Event US$ revolving credit facility[(2)]	35,930	-
Amount used	-	-
Amount unused	**35,930**	**-**
Total facilities	323,369	169,436
Total amount used	(179,649)	(27,849)
Total amount unused	**143,720**	**141,587**

(1) Main Event US$125.0 million term debt and US$75.0 million delayed draw term debt facilities will mature on 4 April 2025. Any part of the delayed draw term debt facility remaining undrawn at 4 April 2021 will expire at that date.

(2) Main Event US$25.0 million revolving credit facility will mature on 4 April 2024.

All of the facilities have a variable interest rate. As detailed in Note 22, the interest rates on the loans are partially fixed using interest rate swaps and caps. The weighted average interest rates payable on the loans at 25 June 2019, including the impact of the interest rate swaps and caps, is nil per annum for AUD denominated debt (2018: 4.64% per annum) and 8.77% per annum for USD denominated debt (2018: 2.07% per annum).

21. Interest bearing liabilities (continued)

(c) Accounting policy

Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowing using the effective interest rate method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Finance leases are recognised as interest bearing liabilities to the extent that the Group retains substantially all the risks and rewards of ownership.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(d) Implementation of AASB 9 *Financial Instruments*

As set out in Note 10(b), the Group has applied AASB 9 from 27 June 2018 on a prospective basis.

There were no changes in classification and measurement for the Group's interest bearing liabilities on adoption of AASB 9.

22. Derivative financial instruments

	2019 $'000	2018 $'000
Current assets		
Forward foreign exchange contracts	13	-
Interest rate swaps	-	748
	13	**748**
Non-current assets		
Interest rate caps	177	-
	177	**-**
Non-current liabilities		
Interest rate swaps	505	28
	505	**28**

(a) Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to buy US dollars and sell Australian dollars. These contracts total A$0.4 million (2018: A$0.4 million).

The forward contracts do not qualify for hedge accounting and accordingly, changes in fair value of these contracts are recorded in the Income Statement. Notwithstanding the accounting outcome, the Company considers that these derivative contracts are appropriate and effective in offsetting the economic foreign exchange exposures of the Group.

(b) Interest rate swaps and interest rate caps

The Group has interest rate swap agreements totalling A$Nil (2018: A$8.0 million) and US$70.0 million (A$100.6 million) (2018: US$48.0 million (A$64.7 million)) that entitle it to receive interest, at monthly/quarterly intervals, at a floating rate on a notional principal and oblige it to pay interest at a fixed rate. The interest rate swap agreements allow the Group to effectively swap a floating rate of interest on the notional principal amount into a fixed rate.

The Group also has an interest rate cap agreement in place effective from 3 December 2020 under which it can limit its interest expense on a notional principal amount of US$70.0 million. This notional principal amount reduces to US$55.0 million in April 2021, US$40.0 million in April 2022 and US$20.0 million in April 2023 with the agreement terminating in April 2024.

The Group has elected not to apply hedge accounting for its interest rate swap and cap agreements. Accordingly, changes in fair value of these swaps and caps are recorded in the Income Statement. Notwithstanding the accounting outcome, the Company considers that these derivative contracts are appropriate and effective in offsetting adverse economic interest rate exposures of the Group.

The table below shows the notional value and maturity profile of the interest rate swaps and caps:

	2019 $'000	2018 $'000
Less than 1 year	-	70,000
1 - 2 years	122,162	141,503
2 - 3 years	21,558	-
3 - 4 years	28,744	-
4 - 5 years	28,744	-
	201,208	**211,503**

(c) Accounting policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument if hedging criteria are met, and if so, the nature of the item being hedged. The Group may designate certain derivatives as either hedges of exposures to variability in cash flows associated with future interest payments on variable rate debt (cash flow hedges) or hedges of net investments in foreign operations (net investment hedges).

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22. Derivative financial instruments (continued)

(c) Accounting policy (continued)

The Group documents at the inception of the hedging transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements in the cash flow hedge reserve in equity are shown in Note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months. They are classified as current assets or liabilities when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in equity are recycled in the Income Statement in the period when the hedged item impacts the Income Statement.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

23. Capital and financial risk management

(a) Capital risk management

The Group's objectives when managing capital is to optimise shareholder value through the mix of available capital sources while complying with statutory requirements, maintaining gearing, interest cover and debt serviceability ratios within approved limits and continuing to operate as a going concern.

The Group assesses its capital management approach as a key part of the Group's overall strategy and it is continuously reviewed by management and the Board.

The Group is able to alter its capital mix by issuing new shares, activating the DRP, electing to have the DRP underwritten, adjusting the amount of dividends paid, activating a share buy-back program or selling assets to reduce borrowings.

The Group has a target gearing ratio of 30% to 35% of net debt to net debt plus equity. At 25 June 2019, gearing was 17.78% (2018: 3.18%) and the Group has complied with the financial covenants of its borrowing facilities in the current and previous financial years.

Protection of the Group's equity in foreign denominated assets was achieved through borrowing in the local functional currency to provide a natural hedge supplemented by the use of foreign exchange forward contracts to provide additional hedge protection. The Group has a target equity hedge of 50% to 100% of the asset value by foreign currency.

The Group also protects its equity in assets by taking out insurance with creditworthy insurers.

(b) Financial risk management

The Group's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities and derivative financial instruments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group manages its exposure to these financial risks in accordance with the Group's Financial Risk Management (FRM) policy as approved by the Board.

The FRM policy sets out the Group's approach to managing financial risks, the policies and controls utilised to minimise the potential impact of these risks on its performance and the roles and responsibilities of those involved in the management of these financial risks.

The Group uses various measures to manage exposures to these types of risks. The main methods include foreign exchange and interest rate sensitivity analysis, ageing analysis and counterparty credit assessment and the use of cash flow forecasts.

The Group uses derivative financial instruments such as forward foreign exchange contracts, interest rate swaps and interest rate caps to manage its financial risk as permitted under the FRM policy. Such instruments are used exclusively for hedging purposes i.e. not for trading or speculative purposes.

23. Capital and financial risk management (continued)

(c) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates will change the Australian dollar value of the Group's net assets or its Australian dollar earnings.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group is exposed to foreign exchange risk through investing in overseas businesses and deriving operating income from those businesses. The Group manages this exposure on a consolidated basis.

Foreign investment

The Group aims to minimise the impact of fluctuations in foreign currency exchange rates on its net investments overseas by funding such investments by borrowing in the local overseas currency or by taking out forward foreign exchange contracts. The Group's policy is to hedge 50% to 100% of overseas investments in this way.

The table below sets out the Group's overseas investments, by currency, and how, through the use of forward foreign exchange contracts, this exposure is reduced. All figures in the table below are shown in Australian dollars with foreign currency balances translated at the year-end spot rate:

	Australian dollars		New Zealand dollars		US dollars	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Cash and cash equivalents	63,720	1,636	9	1,658	28,603	13,254
Receivables, inventories and other current assets	8,705	13,890	-	9	20,028	17,008
Derivative financial instruments	13	-	-	-	177	748
Construction in progress inventories	-	-	-	-	578	772
Investment held at fair value	2,811	2,811	-	-	-	-
Property, plant and equipment	131,889	117,461	-	-	346,752	338,207
Intangible assets	6,100	1,933	-	-	72,873	68,342
Other non-current assets	23,065	21,002	-	-	-	-
Total assets	**236,303**	**158,733**	**9**	**1,667**	**469,011**	**438,331**
Liabilities						
Current payables and other current liabilities	23,994	28,299	-	27	57,422	78,668
Construction in progress deposits	-	-	-	-	-	-
Derivative financial instruments	-	28	-	-	505	-
Interest bearing liabilities	1	5,600	-	-	169,428	22,249
Non-current payables and other non-current liabilities	10,709	784	-	-	58,162	18,958
Total liabilities	**34,704**	**34,711**	**-**	**27**	**285,517**	**119,875**
Net assets	**201,599**	**124,022**	**9**	**1,640**	**183,494**	**318,456**
Notional value of derivatives	-	-	-	-	359	364
Net exposure to foreign exchange movements	**201,599**	**124,022**	**9**	**1,640**	**183,853**	**318,820**

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23. Capital and financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign exchange rate sensitivity

The table below demonstrates the sensitivity of the above net exposures to reasonably possible changes in foreign exchange rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in the profit, or equity, while a positive amount reflects a potential net increase.

	Profit movement		Total equity movement	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
AUD:USD - increase 10%	(33)	(33)	(16,732)	(28,984)
AUD:USD - decrease 10%	40	40	20,450	35,424
AUD:NZD - increase 10%	-	-	(1)	(148)
AUD:NZD - decrease 10%	-	-	2	183

Foreign income

Through investing in overseas assets, the Group earns foreign denominated income. Net operating income derived is naturally offset by local currency denominated expenses including interest and tax.

From time to time, the Group uses forward foreign exchange contracts to convert this net foreign denominated currency exposure back to Australian dollars at pre-determined rates out into the future. At reporting date, the Group has no hedging in place over its foreign income.

(iii) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will impact the earnings of the Group.

The Group is exposed to interest rate risk predominantly through borrowings. The Group manages this exposure on a consolidated basis. The Group applies benchmark hedging bands across its differing interest rate exposures and utilises interest rate swaps and caps, to manage its exposure between these bands. Compliance with the policy is reviewed regularly by management and is reported to the Board at each meeting.

The Group has exposures to interest rate risk on its net monetary liabilities, mitigated by the use of interest rate swaps and caps, as shown in the table below:

	Australian interest		US interest	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Floating rates				
Cash and cash equivalents	63,729	3,294	28,603	13,254
Interest bearing liabilities	-	(5,600)	(179,649)	(22,249)
	63,729	**(2,306)**	**(151,046)**	**(8,995)**
Interest rate swaps and interest rate caps	-	8,000	100,604	64,725
Net interest rate exposure	**63,729**	**5,694**	**(50,442)**	**55,730**

Refer to Note 22 for further details on the interest rate swaps.

23. Capital and financial risk management (continued)

(c) Market risk (continued)

(iv) Interest rate sensitivity

The table below demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in the profit or equity, while a positive amount reflects a potential net increase.

	Profit movement		Total equity movement	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
1% increase in AUD rate	863	283	863	283
1% decrease in AUD rate	(863)	(283)	(863)	(283)
1% increase in USD rate	916	1,156	916	1,156
1% decrease in USD rate	(916)	(1,156)	(916)	(1,156)

At reporting date, the Group has fixed 56.0% (2018: 261.1%) of its floating interest exposure.

(d) Liquidity risk

Liquidity risk arises if the Group has insufficient liquid assets to meet its short-term obligations. Liquidity risk is managed by maintaining sufficient cash balances and adequate committed credit facilities. Prudent liquidity management implies maintaining sufficient cash and marketable shares, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The instruments entered into by the Group were selected to ensure sufficient funds would be available to meet the ongoing cash requirements of the Group.

The following tables provide the contractual maturity of the Group's fixed and floating rate financial liabilities and derivatives as at 25 June 2019. The amounts presented represent the future contractual undiscounted principal and interest cash flows and therefore do not equate to the values shown in the Balance Sheet. Repayments which are subject to notice are treated as if notice were given immediately.

2019	Book value $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	Over 5 years $'000	Total $'000
Payables	106,798	69,195	3,429	3,482	3,717	3,757	23,218	106,798
Term debt	179,649	18,345	17,871	17,708	17,546	17,383	182,659	271,512
Revolving credit facilities								
Current and deferred tax liabilities	15,919	5,919	2,997	2,697	2,622	2,547	-	16,782
Interest rate swaps and caps	328	(284)	(120)	-	-	-	-	(404)
Forward foreign exchange contracts	-	359	-	-	-	-	-	359
Total undiscounted financial liabilities	**302,694**	**93,534**	**24,177**	**23,887**	**23,885**	**23,687**	**205,877**	**395,047**

2018	Book value $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	Over 5 years $'000	Total $'000
Payables	101,717	70,295	3,182	3,217	3,267	3,488	18,268	101,717
Term debt	27,849	1,143	27,995	-	-	-	-	29,138
Interest rate swaps	(720)	(570)	19	18	-	-	-	(533)
Forward foreign exchange contracts	-	270	-	-	-	-	-	270
Total undiscounted financial liabilities	**128,846**	**71,138**	**31,196**	**3,235**	**3,267**	**3,488**	**18,268**	**130,592**

23. Capital and financial risk management (continued)

(e) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and will cause the Group to make a financial loss. The Group has exposure to credit risk on all of its financial assets included in the Group's Balance Sheet.

The Group manages credit risk on receivables by performing credit reviews of prospective debtors, obtaining collateral where appropriate and performing detailed reviews on any debtor arrears. The Group has policies to review the aggregate exposures of receivables across its portfolio. The Group has no significant concentrations of credit risk on its trade receivables. The Group holds collateral in the form of security deposits or bank guarantees, over some receivables.

For derivative financial instruments, there is only a credit risk where the contracting entity is liable to pay the Group in the event of a close out. Similarly, for cash and cash equivalents, there is a credit risk where the contracting entity holds the Group's cash balances and investments. The Group has policies that limit the amount of credit exposure to any financial institution. Derivative counterparties and cash investment transactions are limited to investment grade counterparties in accordance with the Group's FRM policy. As such, the Group's exposure to credit losses on derivative financial instruments and cash and cash equivalents is considered insignificant. The Group monitors the public credit rating of its counterparties.

Credit risk adjustments relating to receivables have been applied in line with the policy set out in Note 10. No fair value adjustment has been made to derivative financial assets or cash investments, with the impact of credit risk being assessed as minimal. The Group's maximum exposure to credit risk is noted in the table below.

Details of the concentration of credit exposure of the Group's assets are as follows:

	2019 $'000	2018 $'000
Cash and cash equivalents	92,332	16,548
Receivables - Australia	7,382	2,939
Receivables - US	5,142	9,093
Derivative financial instruments	190	748
	105,046	**29,328**

All cash, derivative financial instruments and interest bearing receivables are neither past due nor impaired.

The table below shows the ageing analysis of those receivables which are past due or impaired:

	Past due but not impaired				Impaired	Total
	Less than 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	$'000	$'000
2019						
Receivables - Australia	205	199	27	310	23	764
Receivables - US	22	508	9	117	-	656
	227	**707**	**36**	**427**	**23**	**1,420**
2018						
Receivables - Australia	185	9	7	48	48	297
Receivables - US	239	428	28	5	-	700
	424	**437**	**35**	**53**	**48**	**997**

Based on a review of receivables by management, a provision of $23,389 (2018: $48,000) has been made against receivables with a gross balance of $23,389 (2018: $48,000).

The Group holds collateral against the impaired receivables in the form of bank guarantees and security deposits; however, these are not material.

There are no significant financial assets that have had renegotiated terms that would otherwise have been past due or impaired.

24. Fair value measurement

(a) Fair value hierarchy

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Derivative financial instruments;
- Investment held at fair value; and
- Theme Parks land, buildings and major rides and attractions.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets measured at fair value:				
Investment held at fair value	-	-	2,811	2,811
Property, plant and equipment[1]	-	-	130,774	130,774
Derivative financial instruments	-	554	-	554
Liabilities measured at fair value:				
Derivative financial instruments	-	505	-	505
Liabilities for which fair values are disclosed:				
Interest bearing liabilities (refer to Note 24(c))	-	179,649	-	179,649

2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets measured at fair value:				
Investment held at fair value	-	-	2,811	2,811
Property, plant and equipment[1]	-	-	113,644	113,644
Derivative financial instruments	-	748	-	748
Liabilities measured at fair value:				
Derivative financial instruments	-	28	-	28
Liabilities for which fair values are disclosed:				
Interest bearing liabilities (refer to Note 24(c))	-	27,849	-	27,849

(1) Land and buildings and major rides and attractions of the Theme Parks.

There has been no transfer between level 1, level 2 and level 3 during the year. The investment held at fair value was impaired by $0.4 million during the prior year, reducing the fair value from $3.2 million to $2.8 million at 26 June 2018. For changes in level 3 items for the years ended 25 June 2019 and 26 June 2018, refer to Notes 15 and 28.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the year.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 25 June 2019.

24. Fair value measurement (continued)

(b) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (e.g. over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps and caps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance date.

All of the resulting fair value estimates are included in level 2 except for unlisted equity shares/securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

The fair value of Theme Parks land, buildings and major rides and attractions is determined in line with the policy set out in Note 15, with all resulting fair value estimates included in level 3. The current use is considered to be the highest and best use for all investment properties in the Group.

(i) Fair value measurements using significant unobservable inputs

For changes in level 3 items for the periods ended 25 June 2019 and 26 June 2018, refer to Notes 15 and 28.

(ii) Valuation inputs and relationships to fair value

The significant unobservable inputs associated with the valuation of the Group's property, plant and equipment are discussed in Notes 15 and 28.

(c) Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the Balance Sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to the current market rates or the instruments are short term in nature. Differences were identified for the following instruments at 25 June 2019:

	Carrying amount 2019 $'000	Fair value 2019 $'000	Discount rate 2019 %	Carrying amount 2018 $'000	Fair value 2018 $'000	Discount rate 2018 %
Interest bearing liabilities	179,649	180,734	8.94	27,849	27,851	4.13

In determining the fair value of the interest bearing liabilities, the Group's principal payable of $179.6 million (2018: $27.8 million) has been discounted at a rate of 8.94% (2018: 4.13%) to best reflect the price that market participants would use when transferring the non-current borrowings, assuming that market participants act in their economic best interest. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including the Group's own credit risk.

24. Fair value measurement (continued)

(d) Accounting policy

Fair value estimation

The Group measures financial instruments, such as derivatives and investments held at fair value and non-financial assets such as land, buildings and major rides and attractions investment properties at fair value at each balance date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps and caps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

25. Contingent liabilities

On 25 October 2016, an incident occurred on the Thunder River Rapids ride at Dreamworld resulting in four fatalities at the Theme Park. The incident has been investigated by the Queensland Police Service and Workplace Health and Safety Queensland (WHSQ). A Coronial Inquest took place over several hearings throughout 2018 and has now concluded. The coroner's findings and recommendations are expected to be handed down later in 2019.

Ardent Leisure Limited, as operator of Dreamworld, expects to be subjected to prosecution action by WHSQ, however formal proceedings have not been instigated against Ardent Leisure Limited as at the date of release of these financial statements. Until such time as proceedings are commenced, it is too premature to provide any meaningful or reliable estimate of the quantum or timing of potential pecuniary penalties. A number of civil claims by families and other affected persons have been made against Ardent Leisure Limited and are being dealt with by the company's liability insurer. Ardent Leisure Limited maintains appropriate insurances to respond to all such litigation and regulatory action and associated costs.

Unless otherwise disclosed in the financial statements, the Group has no other material contingent liabilities.

26. Capital and lease commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2019 $'000	2018 $'000
Property, plant and equipment		
Payable:		
Within one year	995	6,539
	995	**6,539**

(b) Lease commitments

	2019 $'000	2018 $'000
Non-cancellable operating leases	624,649	508,337
	624,649	**508,337**

26. Capital and lease commitments (continued)

(b) Lease commitments (continued)

(i) Operating leases

The majority of non-cancellable operating leases in the Group relate to property leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2019 $'000	2018 $'000
Within one year	49,660	43,600
Later than one year but not later than five years	200,628	180,391
Later than five years	374,361	284,346
	624,649	**508,337**

(c) Accounting policy

Where the Group has substantially all the risks and rewards of ownership, leases of property, plant and equipment are classified as finance leases. Finance leases are capitalised at inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The PPE acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

(d) Adoption of AASB 16 *Leases*

A new accounting standard, AASB 16 *Leases*, is effective for annual periods beginning on or after 1 January 2019 and has not been applied in preparing these consolidated financial statements. The Group is in its final stages of assessing the impact of AASB 16 on its consolidated financial statements. This new Standard will be adopted from 26 June 2019, being the beginning of the next financial year.

The estimated pre-tax impact on the Balance Sheet as at 26 June 2019 is as follows:

New right-of-use (ROU) assets: Approximately $320 million
New lease liabilities: Approximately $360 million

- Upon adoption, ROU assets and lease liabilities will be established for existing leases. The nature of expenses related to these leases will change because AASB 16 replaces the straight-line operating lease expense with an amortisation charge for ROU assets and an interest expense on lease liabilities. This is expected to significantly increase reported EBITDA in future reporting periods;
- ROU assets must be assessed for impairment at each reporting date. Upon transition to the new Standard, ROU assets associated with previously impaired centres will be assessed for impairment. Any resulting impairment adjustment will be booked to retained earnings on transition to the new Standard;
- The Group will adopt AASB 16 using the modified retrospective approach upon transition. The new Standard will be applied to the next financial period only and the net effect of the new ROU assets and liabilities, adjusted for deferred tax will be recognised in retained earnings on transition. The impact predominantly relates to the Group's property leases for its Main Event centres; and
- The Group will apply the practical expedient that allows for the carry forward of the Group's previous assessment under AASB 17 and IFRIC 4 of which existing contracts are, or contain, leases. The Group will also apply the practical expedients that allow it to reassess the term of its leases using the benefit of hindsight at transition and combine lease and non-lease components.

27. Events occurring after reporting date

Since the end of the financial year, the Directors of the Company are not aware of any other matters or circumstances not otherwise dealt with in financial report or the Directors' report that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the year ended 25 June 2019.

28. Investment held at fair value

	2019 $'000	2018 $'000
Investment in Online Media Holdings Limited	2,811	2,811
	2,811	**2,811**

	2019 $'000	2018 $'000
Opening balance	2,811	3,201
Impairment	-	(390)
Closing balance	**2,811**	**2,811**

28. Investment held at fair value (continued)

(a) Accounting policy

The investment held at fair value comprises an investment in unlisted equity shares. Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income (OCI) when they meet the definition of equity under AASB 132 *Financial Instruments Presentation* and are not held for trading. The classification is determined on an instrument by instrument basis.

After initial measurement, financial assets at fair value through OCI are subsequently measured at fair value with unrealised gains or losses recognised in OCI.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statement when the right of payment has been established except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

(b) Implementation of AASB 9 *Financial Instruments*

As set out in Note 10(b), the Group has applied AASB 9 *Financial Instruments* from 27 June 2018 on a prospective basis. The Group has not restated the comparative information, which continues to be reported under AASB 139. There were no transition adjustments arising from the adoption of AASB 9.

Classification and measurement

The classification and measurement requirements of AASB 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under AASB 139. The following are the changes in the classification of the Group's financial assets:

- Equity investments in non-listed companies classified as *Available-for-sale financial assets* as at 26 June 2018 are classified and measured as *Equity instruments designated at fair value through OCI* from 27 June 2018. The Group has elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future.

29. Provisions

(a) Distributions to shareholders/security holders

	Note	2019 $'000	2018 $'000
Opening balance		-	-
Distributions declared	9	30,637	14,088
Distributions paid		(14,305)	(11,101)
Distributions reinvested	17	(16,332)	(2,987)
Closing balance		**-**	**-**

Provision is made for the amount of any dividend/distribution declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the reporting date.

29. Provisions (continued)

(b) Other provisions

	2019 $'000	2018 $'000
Current		
Employee benefits	1,339	1,527
Sundry[(1)]	173	168
Total current	**1,512**	**1,695**
Non-current		
Employee benefits	710	731
Property onerous lease contracts	3,072	-
Property make good obligations	2,180	1,920
Total non-current	**5,962**	**2,651**
Total provisions	**7,474**	**4,346**
Movements in sundry provisions		
Carrying amount at the beginning of the year	168	342
Additional provisions recognised	219	408
Amounts utilised	(214)	(429)
Amounts disposed	-	(153)
Carrying amount at the end of the year	**173**	**168**

(1) Sundry provisions include insurance excess/deductible amounts for public liability insurance, fringe benefits tax provisions and other royalty provisions.

The current provision for employee benefits includes accrued long service leave which covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. This is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

(c) Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Where amounts are not expected to be settled within 12 months, expected future payments are discounted to their net present value using market yields at the reporting date on high quality corporate bonds.

The obligations are presented as current liabilities in the Balance Sheet if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Profit sharing and bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

30. Net tangible assets

	2019 $'000	2018 $'000
Net tangible assets are calculated as follows:		
Total assets	705,323	598,731
Less: intangible assets	(78,973)	(70,275)
Less: total liabilities	(320,221)	(154,613)
Net tangible assets	**306,129**	**373,843**
Total number of shares/securities on issue	479,706,016	471,344,533
Net tangible asset backing per share/security	$0.64	$0.79

31. Discontinued operations

(a) Overview

In the prior year, the Group disposed of its entire interest in the Bowling & Entertainment business for a sale price of $160.0 million. Completion occurred effective 30 April 2018, resulting in a gain in the period of $20.3 million net of selling costs. The Bowling & Entertainment business, previously a reportable segment, comprised 43 bowling centres and seven amusement arcades located in Australia and one bowling centre located in New Zealand.

In the prior year, the Group also disposed of its entire interest in the Marinas business for a sale price of $126.0 million. Completion occurred effective 14 August 2017, resulting in a gain in the period of $4.7 million net of selling costs. The Marinas business, previously a reportable segment, comprised seven marinas across New South Wales and Victoria.

(b) Financial performance

The financial performance for the year ended 25 June 2019 was as follows:

	Note	2019 $'000	2018 $'000
Revenue		-	125,061
Expenses		-	(121,660)
Profit before income tax		**-**	**3,401**
Income tax expense		-	(131)
Profit after income tax of discontinued operations		**-**	**3,270**
Costs incurred relating to the sale of the Bowling & Entertainment business	2	(528)	-
Costs incurred relating to the sale of the Marinas business	2	(7)	-
Costs incurred relating to the sale of the Health Clubs business	2	(77)	(133)
Gain on sale of the Bowling & Entertainment business after tax	31(d)	-	20,319
Gain on sale of the Marinas business after tax	31(e)	-	4,668
(Loss)/profit from discontinued operations		**(612)**	**28,124**

In the above table, prior year comparatives relate to the Bowling & Entertainment and Marinas businesses.

(c) Cash flow information

The cash flows for the year ended 25 June 2019 were as follows:

	2019 $'000	2018 $'000
Net cash inflow from operating activities	-	16,877
Net cash (outflow)/inflow from investing activities	(612)	260,819
Net cash inflow from financing activities	-	12,406
Net (decrease)/increase in cash and cash equivalents	**(612)**	**290,102**

In the above table, prior year comparatives relate to the Bowling & Entertainment and Marinas businesses.

The net cash inflow from investing activities for the Group for the year ended 26 June 2018 included an inflow net of selling costs of $159.5 million from the disposal of the Bowling & Entertainment business and an inflow net of selling costs of $121.3 million from the disposal of the Marinas business.

Notes to the Financial Statements
for the year ended 25 June 2019

31. Discontinued operations (continued)

(d) Details of the sale of the Bowling & Entertainment business

(Loss)/gain on sale

	2019 $'000	2018 $'000
Consideration received		
Base consideration	-	160,000
Cash adjustment for working capital adjustments	-	4,433
Total disposal consideration	**-**	**164,433**
Selling costs	(528)	(4,949)
Carrying amount of net assets sold	-	(139,165)
(Loss)/gain on sale before income tax	**(528)**	**20,319**
Income tax expense on (loss)/gain	-	-
(Loss)/gain on sale after income tax	**(528)**	**20,319**

Carrying value of assets on sale

The carrying amount of assets and liabilities as at the 30 April 2018 date of sale were:

	30 April 2018 $'000
Cash and cash equivalents	9,267
Receivables	3,328
Inventories	4,098
Property, plant and equipment	127,171
Intangible assets	26,178
Deferred tax assets	1,744
Other assets	617
Total assets	**172,403**
Payables	(25,457)
Provisions	(6,965)
Deferred tax liabilities	(816)
Total liabilities	**(33,238)**
Net assets	**139,165**

(e) Details of the sale of the Marinas business

(Loss)/gain on sale

	2019 $'000	2018 $'000
Consideration received		
Base consideration	-	126,000
Cash adjustment for working capital adjustments	-	(2,917)
Total disposal consideration	**-**	**123,083**
Selling costs	(7)	(1,766)
Carrying amount of net assets sold	-	(116,649)
(Loss)/gain on sale before income tax	**(7)**	**4,668**
Income tax expense on (loss)/gain	-	-
(Loss)/gain on sale after income tax	**(7)**	**4,668**

31. Discontinued operations (continued)

(e) Details of the sale of the Marinas business (continued)

Carrying value of assets on sale

The carrying amount of assets and liabilities as at the 14 August 2017 date of sale were:

	14 August 2017 $'000
Cash and cash equivalents	3
Receivables	1,132
Inventories	143
Property, plant and equipment and investment properties	118,613
Other	693
Total assets	**120,584**
Payables	(3,864)
Provisions	(71)
Total liabilities	**(3,935)**
Net assets	**116,649**

(f) Accounting policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Income Statement.

Notes to the Financial Statements
for the year ended 25 June 2019

32. Remuneration of auditor

The auditor of the Group in the current year, Ernst & Young (EY), earned the following remuneration:

	June 2019 $	June 2018 $
Audit and other assurance services - EY Australia	456,800	448,200
Audit and other assurance services - related practices of EY Australia	231,536	259,939
Taxation services - EY Australia	235,155	169,427
Taxation services - related practices of EY Australia	227,157	135,180
Other services - EY Australia	189,635	64,044
Total	**1,340,283**	**1,076,790**
Work completed by previous auditor PricewaterhouseCoopers (PwC) related to prior year		
Audit and other assurance services - related practices of PwC Australia	-	260
Taxation services - PwC Australia	-	114,477
Taxation services - related practices of PwC Australia	-	238,880
Other services - PwC Australia	-	76,760
Total	**-**	**430,377**
Total auditor remuneration	**1,340,283**	**1,507,167**

33. Equity-based payments

(a) Deferred Short Term Incentive Plan (DSTI)

	DSTI
Who can participate?	All employees are eligible for participation at the discretion of the Board; however, Non-Executive Directors do not participate in the DSTI.
What types of securities are issued?	Performance rights that can be converted into fully paid shares once vested. The performance rights differ from options in that they do not carry an exercise price. Performance rights do not represent physical securities and do not carry any voting or distribution entitlements.
What restrictions are there on the securities?	Performance rights are non-transferable.
When can the securities vest?	The plan contemplates that the performance rights will vest equally one year and two years following the grant date.
What are the vesting conditions?	Plan performance rights will normally vest only if the participant remains employed by the Group (and is not under notice terminating the contract of employment from either party) as at the relevant vesting date.

(i) Equity settled payments

Since the DSTI was approved in July 2010, incentives have been provided to certain executives under the DSTI. Under the terms of the DSTI, participants may be granted performance rights of which one half will vest one year after grant date and one half will vest two years after grant date.

A total of 436,379 performance rights vested during the year and a corresponding number of shares/securities were issued to employees under the terms of the DSTI (2018: 556,006).

The characteristics of the DSTI indicate that, at the Group level, it is an equity settled payment under AASB 2 *Share-based Payment* as the holders are entitled to receive shares as long as they meet the DSTI's service criteria.

Fair value

The fair value of equity settled performance rights granted under the DSTI is recognised in the Group financial statements as an employee benefit expense with a corresponding increase in equity. The fair value of each grant of performance rights is determined at grant date using a binomial tree valuation model and then is recognised over the vesting period during which employees become unconditionally entitled to the underlying shares.

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33. Equity-based payments (continued)

(a) Deferred Short Term Incentive Plan (DSTI) (continued)

(i) Equity settled payments (continued)

At each reporting date, the estimate of the number of performance rights that are expected to vest is revised. The employee benefit expense recognised each financial period takes into account the most recent estimate.

(ii) Valuation inputs

For the performance rights outstanding at 25 June 2019, the table below shows the fair value of the performance rights on each grant date as well as the factors used to value the performance rights at the grant date. Under AASB 2, this valuation is used to value the equity settled performance rights granted to employees at 25 June 2019:

Grant	2017	2018
Grant date	29 September 2017	24 June 2019
Vesting date – year 1	24 August 2018	31 August 2019
Vesting date – year 2	31 August 2019	31 August 2020
Average risk-free rate	2.00% per annum	1.50% per annum
Expected price volatility	42.0% per annum	32.0% per annum
Expected distribution yield	1.6% per annum	2.5% per annum
Share/security price at grant date	$1.82	$1.03
Valuation per performance right on issue	$1.78	$0.98

Grants of performance rights are made annually with the grant date being the date of the issue of the offer letters to employees. Although the grant date may vary from year to year, the testing period (subject to any hurdles) remains constant with the vesting date being 24 hours immediately following the announcement of the Group's full year financial results.

(iii) Tenure hurdle

The vesting of the performance rights is subject to a tenure hurdle and participants must remain employed by the Group (and not be under notice terminating the contract of employment from either party) as at the relevant vesting date.

The number of rights outstanding and the grant dates of the rights are shown in the table below:

Grant date	Expiry date	Exercise price	Grant date Valuation per right - ALG	Balance at the beginning of the year	Granted	Exercised	Failed to vest	Cancelled	Balance at the end of the year
23 Aug 2016	24 Aug 2018	$Nil	231.8 cents	109,679	-	(109,679)	-	-	-
29 Sep 2017	31 Aug 2019	$Nil	177.5 cents	426,144	-	(283,977)	-	-	142,167
24 Jun 2019	31 Aug 2020	$Nil	98.3 cents	-	54,331	-	-	-	54,331
				535,823	**54,331**	**(393,656)**	**-**	**-**	**196,498**

The rights have an average maturity of six months.

(b) Long Term Incentive Plan (LTIP)

Who can participate?	All executives are eligible for participation at the discretion of the Board.
What types of securities are issued?	The LTIP is typically granted in the form of performance rights that can be converted into fully paid shares when and if vested. Performance rights do not carry any voting or distribution entitlements.
What restrictions are there on the securities?	Performance rights are non-transferable. Executives may not hedge any portion of their unvested awards.

Notes to the Financial Statements
for the year ended 25 June 2019

33. Equity-based payments (continued)

(b) Long Term Incentive Plan (LTIP) (continued)

Is there a performance gateway?

For any rights to vest under the LTIP, an initial gateway performance hurdle must be met or exceeded. The gateway hurdle is a minimum return on equity target equal to or greater than 2.5x the 10 year bond yield rate for Australian Government bonds.

When can the performance rights vest?

The plan contemplates that the performance rights will vest equally two, three and four years following the grant date, subject to making vesting conditions.

What are the vesting conditions for Australian employees?

Assuming the performance gateway is achieved, whether the performance rights that can vest do in fact vest is determined as follows:

- 50% is subject to a relative total shareholder return (TSR) performance hurdle; and
- 50% is subject to a compound earnings per share (EPS) performance hurdle.

What are the vesting conditions for US employees?

Assuming the performance gateway is achieved, whether the performance rights that can vest do in fact vest is determined as follows:

- 1/3rd is subject to a relative TSR performance hurdle;
- 1/3rd is subject to a compound EPS performance hurdle; and
- 1/3rd vests automatically provided the executive has remained in continuous employment since the date of grant.

What is relative TSR and how is it measured?

Relative TSR is the total return an investor would receive over a set period of time, assuming that all distributions were reinvested in the Group's securities, measured against the return of an external benchmark. The relative TSR definition takes account of both capital growth and distributions.

Relative TSR is measured against the S&P/ASX 200 Industrials Index over the performance period. Relative TSR performance is measured by an independent third party. The vesting schedule for the portion of the grant subject to the relative TSR performance condition is as follows:

The vesting scale is as follows:

Relative TSR performance	Proportion of performance rights vesting
Below 50th percentile	0%
50th percentile	50%
Between 50th percentile and 75th percentile	Straight-line vesting between 50% and 100%
75th percentile or higher	100%

What is EPS and how is EPS measured?

The EPS hurdle refers to the compound annual growth of earnings (CAGR) per security over the vesting period.

The vesting schedule for the portion of the grant subject to EPS performance is as follows:

FY16 and FY17 grants	Proportion of performance rights vesting
Below 5%	0%
5%	50%
Between 5% and 10%	Straight-line vesting between 50% and 100%
10% or higher	100%
FY18 grant	
Below 8%	0%
8%	50%
Between 8% and 13%	Straight-line vesting between 50% and 100%
13% or higher	100%

33. Equity-based payments (continued)

(b) Long Term Incentive Plan (LTIP) (continued)

(i) Equity settled payments

Since 1 July 2009, long term incentives have been provided to certain executives under the LTIP. Under the terms of the LTIP and the initial grant, employees may be granted performance rights which vest in accordance with the terms set out in the table above. The percentage of performance rights which may vest is subject to the TSR performance of the Group relative to its peer group, which is the S&P/ASX Small Industrials Index.

During the year, the relative TSR and EPS performance of the Group was tested in accordance with the LTIP for tranches issued in 2013, 2014 and 2015 with the following results:

Tranche	TSR	Percentile	Vesting percentage	Group CAGR EPS	Vesting percentage
T3-2013	(13.86%)	30.25	-	n/a[1]	-
T2-2014	2.14%	40.91	-	(133.84%)	-
T1-2015	2.08%	32.00	-	n/a[1]	-

(1) Mathematically, CAGR cannot be computed when there is a positive EPS in the first year, a negative EPS in the last year and an even number of years over which it is being measured. However, as EPS has declined over the measurement period, it has by definition failed to meet the minimum vesting hurdle.

A total of 78,422 performance rights vested on 24 August 2018 and a corresponding number of shares/securities were issued to employees under the terms of the LTIP (2018: 125,142).

The characteristics of the LTIP indicate that, at the Group level, it is an equity settled payment under AASB 2 *Share-based Payment* as the holders are entitled to the shares/securities as long as they meet the LTIP's service and performance criteria.

Fair value

The fair value of the equity settled performance rights granted under the LTIP is recognised in the Group financial statements as an employee benefit expense with a corresponding increase in equity. The fair value of the performance rights is determined at grant date using a Monte Carlo simulation valuation model and then is recognised over the vesting period during which employees become unconditionally entitled to the underlying shares/securities.

At each reporting date, the estimate of the number of performance rights that are expected to vest is revised. The employee benefit expense recognised each financial period takes into account the most recent estimate.

(ii) Valuation inputs

For performance rights outstanding at 25 June 2019, the table below shows the fair value of the performance rights on each grant date as well as the factors used to value the performance rights at the grant date. Under AASB 2, this valuation is used to value the equity settled performance rights granted to employees at 25 June 2019:

Grant	2015	2016	2017
Grant date	15 December 2015	23 August 2016	29 September 2017
Vesting date – year 2	5 September 2017	24 August 2018	31 August 2019
Vesting date – year 3	24 August 2018	31 August 2019	31 August 2020
Vesting date – year 4	31 August 2019	31 August 2020	31 August 2021
Average risk-free rate	2.10% per annum	1.40% per annum	2.00% per annum
Expected price volatility	38.3% per annum	40.0% per annum	42.0% per annum
Expected distribution yield	5.8% per annum	5.0% per annum	1.6% per annum
Stapled security price at grant date	$2.17	$2.50	$2.50
Valuation per performance right on issue			
US employees	$1.06	$1.51	$0.65
Australian employees	$1.06	$1.51	$0.19

Grants of performance rights are made annually with the grant date being the date of the issue of the offer letters to employees. Although the grant date may vary from year to year, the testing period (subject to any hurdles) remains constant with the vesting date being 24 hours immediately following the announcement of the Group's full year financial results.

33. Equity-based payments (continued)

(b) Long Term Incentive Plan (LTIP) (continued)

(iii) Performance hurdles

In order for any or all of the performance rights to vest under the LTIP, the Group's Gateway, TSR and/or the EPS performance hurdles as set out above must be met. The number of rights outstanding and the grant dates of the rights are shown in the table below:

Grant date	Expiry date	Exercise price	Grant date valuation per right	Balance at the beginning of the year	Granted	Exercised	Failed to vest	Cancelled	Balance at the end of the year
19 Aug 2014	31 Aug 2018	$Nil	131.7 cents	114,463	-	-	(114,463)	-	-
15 Dec 2015	31 Aug 2019	$Nil	106.1 cents	364,875	-	-	(182,437)	-	182,438
23 Aug 2016	31 Aug 2020	$Nil	151.9 cents	332,344	-	-	(86,763)	(72,051)	173,530
29 Sep 2017	31 Aug 2021	$Nil	47.5 cents	1,524,181	-	(74,822)	-	(177,178)	1,272,181
				2,335,863	**-**	**(74,822)**	**(383,663)**	**(249,229)**	**1,628,149**

The rights have an average maturity of 10 months.

The expense recorded in the Group financial statements in the year in relation to the DSTI and LTIP performance rights was $7,255 (2018: $227,775).

34. Related party disclosures

(a) Directors

The following persons have held office as Directors of the Company and, prior to the corporate restructure, were Directors of Ardent Leisure Management Limited (Manager) (as responsible entity for the Trust) and Ardent Leisure Limited during the period and up to the date of this report unless otherwise stated:

Gary Weiss AM;
David Haslingden;
Randy Garfield;
Brad Richmond;
Antonia Korsanos (appointed 1 July 2018);
Don Morris AO (resigned 31 May 2019); and
Roger Davis (resigned 17 August 2018).

(b) Parent entity

The immediate and ultimate parent entity of the Group is Ardent Leisure Group Limited.

(c) Key controlled entities

These financial statements incorporate the assets, liabilities and results of the following wholly-owned key subsidiaries in accordance with the accounting policy disclosure as described in Note 1:

Entity	Activity	Country of establishment	Class of equity securities
Controlled entities of Ardent Leisure Group Limited:			
Ardent Leisure Trust	Theme parks	Australia	Ordinary
Ardent Leisure Limited	Theme parks, Corporate	Australia	Ordinary
Main Event Holdings, Inc	Family entertainment centres	USA	Ordinary

(d) Transactions with related parties

(i) Key management personnel

	2019 $	2018 $
Short term employee benefits	3,175,826	3,362,937
Post-employment benefits	80,063	96,716
Termination benefits	88,067	1,676,008
Share-based payments	59,612	(391,492)
	3,403,568	**4,744,169**

Remuneration of key management personnel (KMP) is shown in the Directors' report from pages 12 to 23.

(e) Loans to KMP

There were no loans to KMP during the financial year or prior corresponding period.

(f) Other transactions with KMP

Any agreements entered have been on normal commercial bases and fees and transactions have been based on normal commercial terms and conditions.

No Director has entered into a material contract with the Group and there were no material contracts involving Directors' interests existing at year end not previously disclosed.

Notes to the Financial Statements
for the year ended 25 June 2019

34. Related party disclosures (continued)

(g) Transactions with related parties

All transactions with related parties were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Outstanding balances are unsecured and are repayable in cash. The terms and conditions of the tax funding agreement are set out in Note 6(f). The transactions incurred in the year with controlled entities were as follows:

	2019 $	2018 $
Purchases of goods		
Purchase of services from related parties	-	(39,941)
Reimbursable expenses to related parties	(145,277)	(77,088)

35. Parent entity financial information

Subsequent to the destapling and corporatisation of the Group, effective 24 December 2018, the parent entity of the Group is Ardent Leisure Group Limited.

(a) Summary financial information

	2019 $'000
Balance sheet	
Current assets	1,729
Total assets	778,853
Current liabilities	-
Total liabilities	-
Equity	
Contributed equity	777,124
Retained earnings	1,729
Total equity	**778,853**
Profit for the period	**1,729**
Total comprehensive profit for the period	**1,729**

(b) Guarantees

There are no material guarantees entered into by Ardent Leisure Group Limited in relation to the debts of its subsidiaries.

(c) Contingent liabilities

On 25 October 2016, an incident occurred on the Thunder River Rapids ride at Dreamworld resulting in four fatalities at the Theme Park. The incident was investigated throughout 2017 by the Queensland Police Service and Workplace Health and Safety Queensland (WHSQ). A Coronial Inquest took place over several hearings throughout 2018 and has now concluded. The coroner's findings and recommendations are expected to be handed down later in 2019.

Ardent Leisure Group Limited expects to be subjected to prosecution action by WHSQ, however formal proceedings have not been instigated against the Company as at the date of release of these financial statements. A number of civil claims by families and other affected persons have been made against the Company and are being dealt with by the Company's liability insurer.

Until such time as proceedings are commenced, it is too premature to provide any meaningful or reliable estimate of the quantum of potential pecuniary penalties. Ardent Leisure Limited maintains appropriate insurances to respond to litigation and regulatory action and a proportion of associated costs.

Unless otherwise disclosed in the financial statements, Ardent Leisure Group Limited has no other material contingent liabilities.

35. Parent entity financial information (continued)

(d) Contractual commitments for the acquisition of property, plant and equipment

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2019 $'000	2018 $'000
Property, plant and equipment		
Payable:		
Within one year	-	-
	-	-

(e) Accounting policy

The financial information for the parent entity of the Group (Ardent Leisure Group Limited and, in the prior year, Ardent Leisure Trust) has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity. Dividends received from subsidiaries are recognised as income in the parent entity's income statement.

Tax consolidation legislation

Ardent Leisure Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Ardent Leisure Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Ardent Leisure Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities are also in the process of entering into a tax funding agreement, effective for the year ended 25 June 2019, under which the wholly-owned entities fully compensate Ardent Leisure Group Limited for any current tax payable assumed and are compensated by Ardent Leisure Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ardent Leisure Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Directors' declaration to shareholders

In the opinion of the Directors of Ardent Leisure Group Limited:

(a) The financial statements and notes of Ardent Leisure Group Limited set out on pages 27 to 79 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of Ardent Leisure Group Limited's financial position as at 25 June 2019 and of its performance, as represented by the results of its operations, its changes in equity and its cash flows, for the financial year ended on that date;

(b) There are reasonable grounds to believe that Ardent Leisure Group Limited will be able to pay its debts as and when they become due and payable; and

(c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by International Accounting Standards Board.

The Directors have been given the certifications required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Boards of Directors.

Gary Weiss AM
Chairman

Antonia Korsanos
Director

Sydney
22 August 2019

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Independent Auditor's Report to the members of Ardent Leisure Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ardent Leisure Group Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated balance sheet as at 25 June 2019, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 25 June 2019 and of their financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Valuation of Theme Parks

Why significant	How our audit addressed the key audit matter
Theme Park assets are carried in the Group's balance sheet at 25 June 2019 at $130,774,000. The Directors engaged an external valuation expert at 25 December 2018 to assist in the valuation of Theme Park assets and for the 25 June 2019 financial statements, the Group performed the valuation internally. The valuations are based upon a number of assumptions which are judgmental in nature, including cash flow forecasts, discount rates and growth rates. We considered this to be a key audit matter given the asset value and the significant unobservable inputs associated with the valuation as described in Note 15.	Our audit procedures included the following: - We considered the competence, capability and objectivity of the external and internal valuation experts and evaluated the scope and methodology they used in their valuations. - We involved our real estate valuation specialists to assist us in evaluating the appropriateness of the methodology and the reasonableness of certain key assumptions used in the Group's external and internal valuations. - We tested the mathematical accuracy of cash flow models and agreed relevant data used by the external and internal valuation expert to Board approved budgets for the 2020 financial year. - We also considered the historical accuracy of both the Group and the external valuation expert in forecasting future cash flows and growth rates. - We assessed the adequacy of the Group's disclosures in respect of asset carrying values, key assumptions and sensitivity analysis in Note 15 to the financial statements.

2.Dreamworld Contingencies

Why significant	How our audit addressed the key audit matter
On 25 October 2016, an accident occurred on the Thunder River Rapids ride at the Dreamworld theme park which resulted in four fatalities. Following this incident, Ardent Leisure Limited (now a controlled entity of Ardent Leisure Group Limited) and certain other controlled entities are party to legal proceedings, including civil, regulatory investigation by Workplace Health and Safety Queensland (WHSQ) and an ongoing coronial inquest investigation. The coronial inquest proceedings are ongoing and timing of completion of this investigation and subsequent issuance of any report is not yet certain. Until such time that the Group has a present or clear constructive obligation that can be estimated reliably, no provisions have been recognised. We considered this to be a key audit matter due to the significance of these ongoing matters and the inherent risk that legal exposures are not identified, recorded and/or disclosed in the financial report. The recognition of provisions and the basis of measurement and the disclosure of contingent liabilities required significant judgement. Note 14 Payables and Note 25 Contingent Liabilities contains disclosures and accounting policies related to provisions and (contingent) liabilities related to this incident.	Our audit procedures included the following: - We considered the status of each key legal and regulatory matter. - We considered the responses we received to our requests of the Group's external lawyers related to these matters and inspected relevant regulatory, litigation, and insurance documents. - We considered whether any financial obligations exist, and assessed the extent to which provisions and related note disclosures may be required based on the facts and circumstances available. - We considered events and information that arose subsequent to balance date relating to these matters. - We considered whether the disclosures of the application of judgement in estimating provisions and disclosing contingent liabilities adequately reflected the uncertainties associated with the legal and regulatory matters.

3. Valuation of Property Plant and Equipment at Main Event

Why significant	How our audit addressed the key audit matter

The Group has $346,752,000 of property, plant and equipment held at cost as at 25 June 2019 related to Main Event.
 	
The Group performed an impairment test at 25 June 2019 related to the recoverability of property, plant and equipment at each Main Event location. This resulted in an impairment loss of $12,224,000 being recognised.
 	
This was considered a key audit matter due to the significance of property, plant and equipment and the judgmental nature of the assumptions underlying the discounted cash flows used in determining the recoverable amount.
 	
Note 15 of the financial report discusses the accounting policy related to these assets.
	Our audit procedures included the following:
	- We considered the reasonableness of the cash flows used in the model as follows:
	  - We assessed the historical accuracy of cash flow forecasting.
	  - We compared the cash flows used in the model to Board approved budgets and forecasts, including projections of future growth and capital expenditure.
	  - We tested the mathematical accuracy of the discounted cash flow model.
	
	- We considered the assumptions in respect of the discount rate used in the model, as follows:
	  - We agreed key inputs to externally-derived data where appropriate.
	  - We conducted our own assessments with respect to other key inputs, such as projected growth and certain market and site-specific factors that contribute to cash flow forecasting risk.
	  - Our valuation specialists assisted in assessing the overall discount rate used in the model with reference to internally developed benchmarks which are based on market data and industry research.

4. Valuation of Goodwill at Main Event

Why significant	How our audit addressed the key audit matter

The Group has $59,950,000 million of goodwill related to the Main Event cash generating unit (CGU).
 	
The Group performed an impairment test as at 25 June 2019 which concluded that no impairment was required.
 	
This was considered a key audit matter due to the relative size of the goodwill balance and the judgmental nature of the assumptions underlying the discounted cash flows used in determining the recoverable amount.
 	
Note 16 of the financial report discusses the accounting policy related to these assets and discloses the sensitivity of these valuations to changes in key assumptions.
	Our audit procedures included the following:
	- We assessed the identification of CGUs with reference to the requirements of Australian accounting standards.
	
	- We considered the reasonableness of the cash flows used in the model as follows:
	  - We assessed the historical accuracy of cash flow forecasting,
	  - We compared the cash flows used in the model to approved budgets and forecasts, including projections of future growth and capital expenditure.
	  - We tested the mathematical accuracy of the discounted cash flow model.
	
	- We considered the assumptions in respect of the discount rate used in the model, as follows:
	  - We agreed key inputs to externally-derived data where appropriate.
	  - We conducted our own assessments with respect to other key inputs, such as projected growth and certain market and CGU-specific factors that contribute to cash flow forecasting risk.
	  - Our valuation specialists assisted in assessing the overall discount rate used in the model with reference to internally developed benchmarks which are based on market data and industry research.
	
	- We performed scenario-specific sensitivity tests including changes to the discount rate, forecast cash flows and projected capital expenditure.
	
	- We evaluated whether the disclosures concerning sensitivities to changes in key assumptions reflected the risks inherent in the valuation of goodwill as well as our knowledge of the business.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, 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 and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

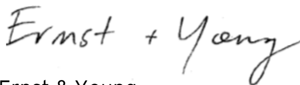
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 23 of the directors' report for the year ended 25 June 2019.

In our opinion, the Remuneration Report of Ardent Leisure Group Limited for the year ended 25 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Ernst & Young

John Robinson
Partner
Sydney
22 August 2019

Investor Analysis

Top investors as at 22 August 2019		No. of shares	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	98,905,198	20.62
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	81,385,387	16.97
3	CITICORP NOMINEES PTY LIMITED	41,778,825	8.71
4	KAYAAL PTY LTD	22,672,159	4.73
5	PORTFOLIO SERVICES PTY LTD	21,277,233	4.44
6	NATIONAL NOMINEES LIMITED	19,666,758	4.1
7	BNP PARIBAS NOMS PTY LTD	19,526,233	4.07
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	12,882,398	2.69
9	UBS NOMINEES PTY LTD	11,696,788	2.44
10	CS THIRD NOMINEES PTY LIMITED	10,529,312	2.19
11	BNP PARIBAS NOMINEES PTY LTD	10,207,055	2.13
12	RAGUSA PTY LTD	5,089,794	1.06
13	INVESTEC AUSTRALIA LIMITED	3,116,458	0.65
14	RAGUSA PTY LTD	3,060,409	0.64
15	AUST EXECUTOR TRUSTEES LTD	2,160,252	0.45
16	CITICORP NOMINEES PTY LIMITED	1,905,046	0.4
17	NEWECONOMY COM AU NOMINEES PTY LIMITED	1,808,366	0.38
18	BALNAVES FOUNDATION PTY LTD	1,795,243	0.37
19	PORTFOLIO SERVICES PTY LTD	1,291,598	0.27
20	RAGUSA PTY LTD	1,259,780	0.26
Total		**372,014,292**	**77.55**
Balance of register		107,691,724	22.45
Grand total		**479,706,016**	**100.00**

Range report as at 22 August 2019	No. of shares	%	No. of holders	%
100,001 and Over	400,563,680	83.50	135	1.47
10,001 to 100,000	57,963,432	12.08	2,152	23.36
5,001 to 10,000	11,617,711	2.42	1,527	16.58
1,001 to 5,000	8,637,335	1.80	3,093	33.57
1 to 1,000	923,858	0.2	2,305	25.02
Total	**479,706,016**	**100.00**	**9,212**	**100.00**

The total number of investors with an unmarketable parcel of 160,782 shares as at 22 August 2019 was 1,289.

Voting rights

In accordance with the Company's Constitution, each member present at a meeting, whether in person, by proxy, by power of attorney or by a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands and one vote for each fully paid ordinary share on a poll.

On-market buy-back

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

Substantial shareholder notices received as at 22 August 2019	No. of shares	%
The Ariadne Substantial Holder Group*	70,549,826	14.71%
Viburnum Funds Pty Ltd	69,458,451	14.48%
FIL Ltd	30,389,058	6.33%
Sun Hung Kia Global Opportunities	29,751,780	6.20%
Sumitomo Mitsui Trust Holdings Inc	65,207,895	13.59%

* The Ariadne Substantial Holder Group includes the following companies and partnerships – Portfolio Services Pty Limited, Ariadne Holdings Pty Limited, Ariadne Australia Limited, Bivaru Pty Limited and Kayaal Pty Ltd.

Investor Relations and Corporate Directory

Corporate Governance Statement

In accordance with the ASX Listing Rules, the Group's Corporate Governance Statement is published and located in the Corporate Governance page of the Group's website (http://www.ardentleisure.com.au/Company/Corporate-Governance.aspx). A copy has also been provided to the ASX.

Contact details

Security registry
To access information on your holding or to update/change your details, contact:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Telephone
1300 720 560 (within Australia)
+61 1300 720 560 (outside Australia)

Facsimile
+61 2 9287 0303

Website
www.linkmarketservices.com.au

Email
registrars@linkmarketservices.com.au

All other enquiries relating to your Ardent Leisure Group Limited investment can be directed to:

Ardent Leisure Group Limited
PO Box 1927
North Sydney NSW 2059

Telephone
+61 2 9168 4600

Facsimile
+61 2 9168 4601

Email
investor.relations@ardentleisure.com

Website
www.ardentleisure.com

Company

Ardent Leisure Group Limited
ABN 51 628 881 603

Registered office
Level 8, 60 Miller Street
North Sydney NSW 2060

Directors

Gary Weiss AM
David Haslingden
Randy Garfield
Brad Richmond
Antonia Korsanos (appointed 1 July 2018)
Don Morris AO (resigned 31 May 2019)
Roger Davis (resigned 17 August 2018)

Group Chief Financial Officer
Darin Harper

Company Secretary
Bronwyn Weir

ASX code

ALG

Auditor of the Group

Ernst & Young
200 George Street
Sydney NSW 2000