AHL

ABN 51 000 005 103

AMALGAMATED HOLDINGS LIMITED

Annual Report 2013

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2013 ANNUAL REPORT

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CORPORATE GOVERNANCE STATEMENT

1. INTRODUCTION

This 2013 Corporate Governance Statement ("Statement") sets out the key corporate governance principles adopted by the directors in governing Amalgamated Holdings Limited ("Company") and its subsidiaries (collectively referred to as "AHL" or "Group") and reflects the corporate governance policies and procedures which applied during the financial year ended 30 June 2013.

The Company continues to monitor and review its corporate governance policies and procedures.

2. APPROACH TO CORPORATE GOVERNANCE

2.1 Framework and approach to corporate governance and responsibility

The Board has the responsibility for ensuring AHL is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with AHL's responsibility to meet its obligations to all stakeholders. For this reason, the Board is committed to maintaining the highest standards of corporate governance across the Group. The Board believes that corporate governance is about having a set of values and behaviours that underpin AHL's everyday activities and which ensure transparency, risk management, accountability, value creation, fair dealing and protection of the interests of stakeholders. Consistent with this belief, the Board's approach is to consider corporate governance within the broader framework of corporate responsibility and regulatory oversight.

2.2 Compliance with the Corporate Governance Principles and Recommendations

The Australian Securities Exchange ("ASX") has issued the ASX Listing Rules which require listed companies to include in their annual report a statement disclosing the extent to which they have followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Recommendations") in the reporting period. Listed companies must identify the Recommendations that have not been followed and provide reasons for the company's decision. A table outlining the compliance, or otherwise, to the Recommendations has been included in section 11 of this Statement.

The corporate governance page of the Company's website (www.ahl.com.au) contains most of the documents which are referred to in this Statement. The Statement, charters, code and various policies are regularly reviewed to take account of any recent changes in the law and governance practices.

If a shareholder does not have access to the internet, they may contact the Company Secretary for copies of the relevant documents.

3. BOARD

3.1 Role and responsibilities of the Board

The Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders as well as its employees, customers and the community. Its primary responsibilities are:

- providing input into, reviewing and approving the corporate and divisional strategic plans;
- making decisions in relation to matters of a sensitive, extraordinary or strategic nature;
- providing advice and counsel to management on a periodic and ad hoc basis;
- ensuring best practice corporate governance;
- appointing and where appropriate removing the Managing Director and approving succession plans;
- ratifying the appointment and, where appropriate the termination, of the direct reports to the Managing Director;
- monitoring the performance of the Managing Director and senior management and approving remuneration policies and practices for such Managing Director and senior management;
- enhancing and protecting the reputation of the Group;
- reporting to shareholders;
- ensuring appropriate compliance frameworks and controls are in place and are operating effectively;
- approving and monitoring the effectiveness of and compliance with policies governing the operations of the Group;
- monitoring compliance with regulatory requirements and ethical standards;
- monitoring the integrity of internal control and reporting systems;
- monitoring strategic risk management systems and risk management policies and procedures and oversight of internal controls and review of major assumptions used in the calculation of significant risk exposure;
- reviewing and approving business plans, the annual budget and financial plans, including available resources and major capital expenditure initiatives;
- monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board;
- approving decisions concerning the capital of the Company, including capital restructures;
- reviewing and approving half yearly and annual statutory accounts and other reporting and monitoring financial results on an ongoing basis; and
- determining dividend policy and declaring dividends.

The Board operates in accordance with the principles set out in the Board Charter. The Board Charter details the Board's purpose, role, responsibilities and functions. A copy of the Board's Charter is available from the Company's website or upon request from the Company Secretary.

The Board has delegated responsibility for operation and administration of the Company and Group to the Managing Director and executive management. Responsibilities are delineated by formal authority delegations. Senior executives reporting to the Managing Director have their roles and responsibilities defined in position descriptions.

3.2 Board processes
To assist in the execution of its responsibilities, the Board has in place an Audit Committee and a Nomination and Remuneration Committee. These Committees have charters which are reviewed on a regular basis. Other Board Committees may be appointed from time to time to deal with issues associated with the conduct of the Group's various activities.

Recommendation 2.4 of the Recommendations states that the Board should establish a nomination committee. The Board has determined that any recommendations required by a nomination committee are undertaken, as required, by the Nomination and Remuneration Committee.

The full Board holds at least eight scheduled meetings each year, including strategy meetings. Unscheduled meetings are arranged as necessary to address any specific significant matters that may arise. Site visits are arranged on a regular basis to improve directors' understanding of the Group's locations and operations.

The agenda for meetings is prepared in conjunction with the Chairman, Managing Director and Company Secretary. Standing items include the Managing Director's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in Board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

3.3 Composition of the Board
The composition of the Board is determined using the following principles:

- the Board should comprise of a majority of non-executive independent directors;
- the Board should comprise of directors with a broad range of relevant expertise; and
- the same individual should not exercise the role of Chairman and Managing Director.

The Chairman of the Board is a non-executive director. There is a Managing Director, who is also the Chief Executive Officer. The Board currently has seven non-executive directors, the majority of whom are deemed to be independent under the principles set out below.

The composition of the Board is reviewed periodically by the Chairman and the other directors to ensure that the Board has an appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Nomination and Remuneration Committee identifies suitable candidates with the appropriate expertise and experience, as well as taking into consideration other attributes including diversity, and makes a recommendation to the Board. The Board then appoints the most suitable candidate who must then stand for election at the next general meeting of shareholders. Non-executive directors must stand for re-election at least every three years. The terms and conditions of the appointment and the retirement of directors, including the Managing Director, are first considered by the Nomination and Remuneration Committee and then recommended for determination by the Board. A formal letter of appointment is provided to all incoming non-executive directors.

The Board considers that individually and collectively the directors bring a level of skill, knowledge, experience and diversity that enables the Board to discharge its responsibilities effectively. Further information on the skills, experience and expertise of the directors has been included in section 10.1 of this Statement.

Details of the number of Board meetings and the attendance of the directors have been included in section 10.2 of this Statement.

3.4 Directors' independence
The Board has considered specific principles in relation to a director's independence. The Board has determined that an independent director is a director who is not a member of management (a non-executive director) and who:

- is not a substantial shareholder of the Company or does not have a material beneficial interest in a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or Group, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material professional advisor or a material consultant to the Company or Group;
- is not a material supplier or customer of the Company or Group, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- must have no material contractual relationship with the Company or Group other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In forming this view, the Board has considered and determined that "material", in this context, to be where any director related business relationship has represented, or is likely in the future to represent, the lesser of at least 10% of the relevant segment's or the director related business's revenue. The Board considered the nature of the relevant industries' competition, and size and nature of each director related business relationship, in arriving at this threshold.

Two directors of the Company are also directors of Carlton Investments Limited ("Carlton"), which is a substantial shareholder of the Company. Carlton is a publicly listed company. Carlton's main activity is the holding of a wide portfolio of ASX listed investments. The Board has considered the question of independence of the director of Carlton who does not have a substantial beneficial shareholding in his own right. The Board has concluded that, as the nature of Carlton's business is in no way similar to that of the businesses of the Group, the sole holding of a directorship in Carlton should not impact on the ability and willingness of a director to effectively review and challenge the performance of management and exercise independent and objective judgement for the benefit of all shareholders of the Company.

3.5 Chairman and Managing Director
The Chairman is responsible for leading the Board, ensuring that Board activities are organised and effectively conducted and for ensuring directors are properly briefed for meetings. The Managing Director is responsible for implementing Group strategies and policies.

Recommendation 2.2 of the Recommendations states that the Chairman should be an independent director. The Chairman, Mr AG Rydge, is not considered an independent director due to the substantial shareholding clause. Mr Rydge was previously Chairman and Managing Director of the Company until retiring from the position of Managing Director on 31 December 2001. The Board has determined that the chairmanship of Mr Rydge is of significant benefit to the Company and Group due to his long standing contribution to, and association with, the Company and extensive knowledge of the film, hospitality, leisure and tourism industries. Mr Rydge has been non-executive Chairman since 1 January 2002.

As Mr AG Rydge is not considered an independent director due to the substantial shareholding clause, the Board has appointed a lead independent director.

3.6 Conflict of interest
In accordance with the Corporations Act 2001 and the Company's Constitution, directors give standing notice on appointment of any interest that could potentially conflict with that of the Company or Group and must keep the Board advised of any changes. Where the Board believes a significant conflict of interest exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

3.7 Director education
The Company has a process to educate new directors about the nature of the business, current issues, corporate strategy and the Company's expectations of directors. All directors are made aware of their rights to access employees, information and resources. Directors are encouraged to visit facilities of the Group and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge base.

3.8 Independent professional advice
Each director has the right of access to all relevant Company information and to the Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the Board.

3.9 Directors' Retirement Plan
The Directors' Retirement Plan was suspended in May 2003 and directors appointed to the Board after that date are not entitled to participate in the plan.

There is one director who was in office prior to the suspension of the plan in May 2003 and is able to participate in the plan. Subject to the Corporations Act 2001, eligible directors with more than three years service were entitled to a retirement lump sum based on the length of service and the average of the fees paid. The benefit was capped at a maximum lump sum per eligible director of $165,000. The plan has been fully accrued since the year ended 30 June 2007 and the Company has not incurred any additional expense since that date.

The Chairman and Managing Director are not eligible to participate in the plan. The total accrued retirement benefits for non-executive directors other than superannuation, and further details on directors' remuneration, are disclosed within the Remuneration Report.

4. AUDIT COMMITTEE
4.1 Role and responsibilities of the Audit Committee
The Audit Committee Charter sets out the Committee's roles and responsibilities. Its primary responsibilities are to:
- review and monitor the financial integrity of the Group's financial reports and statements;
- review the adequacy and integrity of the Group's financial risk management framework and system of internal control and the monitoring of the various control processes;
- ensure compliance with relevant laws, regulations and statutory obligations;
- review and approve the internal and external audit work plans; and
- review significant accounting changes or reporting issues.

The Committee reviews the performance of the external auditor on an annual basis and meets with them during the year to discuss a number of matters including the external audit plan, proposed fees for audit work to be performed, half year and annual reporting and other matters as necessary. The Audit Committee, in scheduled sessions at the end of each meeting, without the presence of management, addresses questions to the external auditor and Group Internal Audit Manager on matters relating to the Committee's responsibilities.

The Committee is responsible for making recommendations to the Board concerning the appointment of the external auditor including remuneration and other terms of the auditor's engagement. The Committee reviews and ensures that the level of any non-audit work carried out by the external auditor is compatible with maintaining audit independence, taking into account the guidelines which it has set. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years, with the most recent rotation having taken place in August 2011.

The Board receives the minutes and regular updates from the Chairman of the Committee, and reviews and approves the charter of the Committee. A copy of the Audit Committee Charter is available from the Company's website or upon request from the Company Secretary.

4.2 Composition of the Audit Committee
The Audit Committee consists of a minimum of three non-executive directors, the majority of whom are independent, and is chaired by an independent director who is not the Chairman of the Board. All Committee members are familiar with finance and accounting procedures.

The members of the Audit Committee during the year were:
- AJ Clark (Chairman) – independent non-executive director;
- PR Coates – independent non-executive director; and
- AG Rydge – non-executive director.

Other directors who are not members of the Committee are invited to attend meetings. The Managing Director, Director Finance & Accounting, Company Secretary, Group Internal Audit Manager and external auditors are invited to attend Committee meetings. Other executives may be invited to Committee meetings at the discretion of the Committee.

The Audit Committee meets at least four times per year. Details of the number of Committee meetings and the attendance of the Committee members have been included in section 10.2 of this Statement.

5. NOMINATION AND REMUNERATION COMMITTEE
5.1 Role and responsibilities of the Nomination and Remuneration Committee
The Nomination and Remuneration Committee Charter sets out the Committee's roles and responsibilities. Its primary responsibilities are to advise the Board on matters including:
- the composition, remuneration and performance evaluation of the Board;
- the appointment of the Managing Director;
- succession plans for the position of Managing Director; and
- the remuneration strategy for the Managing Director and other senior executives.

The Committee also acts as a nomination committee and reviews the need for appointment of new directors for recommendation to the Board and shareholders for approval.

The Board receives the minutes and regular updates from the Chairman of the Committee, and reviews and approves the charter of the Committee. A copy of the Nomination and Remuneration Committee Charter is available from the Company's website or upon request from the Company Secretary.

5.2 Composition of the Nomination and Remuneration Committee
The Nomination and Remuneration Committee consists of a minimum of three non-executive directors, the majority of whom are independent, and is chaired by an independent director who is not the Chairman of the Board.

The members of the Nomination and Remuneration Committee during the year were:
- AJ Clark (Chairman) – independent non-executive director;
- PR Coates – independent non-executive director; and
- AG Rydge – non-executive director.

Other directors who are not members of the Committee are invited to attend meetings. The Managing Director and Company Secretary are invited to attend Committee meetings. Other executives may be invited to Committee meetings at the discretion of the Committee.

The Nomination and Remuneration Committee meets at least two times per year and further as required. Details of the number of Committee meetings and the attendance of the Committee members have been included in section 10.2 of this Statement.

6. PERFORMANCE AND REMUNERATION
6.1 Board performance and remuneration
The Board reviews its performance annually to ensure that individual directors and the Board as a whole work efficiently and effectively in achieving their functions set out within the Board Charter. The Chairman annually assesses the performance of individual directors and meets privately with each director to discuss this assessment and any ideas for improvement. At this same time, directors are able to provide feedback on the performance of the Chairman. The Board as a whole discusses and analyses its own performance during the year.

The Board also has in place an annual process to review its performance as well as the performance of the Board Committees. Each director completes a performance evaluation questionnaire. The questionnaire covers topics including:
- the Board's role;
- composition and effectiveness;
- procedures and practices;
- behaviours;
- Board administration; and
- the conduct of the Chairman.

6.1 Board performance and remuneration (continued)
Directors are requested to provide comment and feedback and to evaluate each area by providing a rated response to various questions. The results of the performance evaluation are collated by the Company Secretary and submitted to the Nomination and Remuneration Committee for review. A summary of the results is then submitted to the full Board. The Board evaluation process was last completed in May 2013. The results of the performance evaluation form the basis of an action plan designed to address performance improvement opportunities.

The Group's remuneration philosophy and details of the current remuneration arrangements are outlined within the Remuneration Report. The Remuneration Report confirms that the structure of non-executive director remuneration is separate and distinct from that of senior executive remuneration.

The Nomination and Remuneration Committee is responsible for recommending to the Board, fees applicable to non-executive directors. Non-executive directors may also be reimbursed for their expenses properly incurred as a director, or in the course of their duties. Non-executive directors are also encouraged to own shares in the Company. The non-executive directors do not participate in any other short or long term incentive schemes.

The maximum aggregate amount of fees that may be paid to all non-executive directors each year is capped at $1.5 million, which was approved by shareholders at the 2010 Annual General Meeting. The Board maintains a fee buffer to give it sufficient flexibility to plan its structure in advance of specific needs that may arise. The total fees paid to non-executive directors during the reporting period were $939,000.

Information regarding the Directors' Retirement Plan has been included at section 3.9 of this Statement, and disclosed within the Remuneration Report.

6.2 Executive performance and remuneration
Each year, the Board, with the assistance of the Managing Director, and the Nomination and Remuneration Committee, undertake a formal process of reviewing the performance of senior executives. The measures generally relate to the performance of the Group, the performance of the senior executive's division or department and the performance of the senior executive individually.

The Nomination and Remuneration Committee and the Board review the performance of the Managing Director. The Managing Director is not present at the Nomination and Remuneration Committee or Board meetings when his own performance and remuneration are being considered.

For senior executives, the Managing Director conducts interviews with each executive and provides comments and feedback in relation to the senior executive's performance. A formal review process occurs for each employee with nominated supervisors conducting the performance review. The formal review process occurs annually and was completed in June 2013. Further details on the assessment criteria for the Managing Director and senior executive remuneration (including equity-based share plans) are disclosed within the Remuneration Report.

6.3 Remuneration Report
The Remuneration Report is set out with, and forms part of, the Directors' Report for the year ended 30 June 2013.

7. RISK MANAGEMENT
7.1 Risk profile and oversight of the risk management system
The Board oversees the establishment, implementation and annual review of the Group's risk management and internal control systems. Management has established and implemented the systems for identifying, assessing, monitoring and managing material operational, financial reporting, internal controls and compliance risks for the Group.

The systems and processes implemented to manage material risks include:
- risk management framework;
- clearly defined management responsibilities and organisational structure;
- delegated limits of authority;
- treasury and accounting controls and reconciliations;
- comprehensive management reporting systems;
- budgeting and strategic planning processes;
- segregation of duties;
- physical security over the Group's assets;
- appropriate policies and procedures that are widely disseminated to, and understood by, employees; and
- risk management and internal audit functions.

Divisional Managing Directors and other senior executives complete and sign off on an annual Directors' Risk Management Questionnaire. The operational and other compliance risk management procedures have also been assessed and found to be operating efficiently and effectively. All risk assessments cover the whole financial year and the period up to the signing of the annual financial report for all material operations in the Group. The annual Directors' Risk Management Questionnaire for the year ended 30 June 2013 was completed in July 2013.

As well as the Directors' Risk Management Questionnaire, matters relating to the business risk and risk management system are analysed and discussed as part of the annual strategic planning process. The Board provides assistance to management in the development and maintenance of processes to minimise and mitigate business risks.

A summary of the Risk Management Policy is available from the Company's website or upon request from the Company Secretary.

7.2 Financial reporting
The Managing Director and the Director Finance & Accounting have declared in writing to the Board that the financial report of the Group is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The declarations for the year ended 30 June 2013 were received in August 2013.

7.3 Internal Audit
The Group Internal Audit Manager assists the Board in ensuring compliance with internal controls and risk management programs, by regularly reviewing the effectiveness of compliance and control systems. The Audit Committee is responsible for approving the program of internal audit visits to be conducted each year and the scope of the work to be performed at each location.

7.4 Code of Ethics and Business Conduct
The Company has a Code of Ethics and Business Conduct ("Code"), which has been endorsed by the Board and applies to all directors and Group employees. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code encapsulates that all directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they refer any issues arising from their employment.

The Board reviews the Code regularly and processes are in place to promote and communicate the Code's contents. The Code is available from the Company's website or upon request from the Company Secretary.

7.5 Whistleblowing Policy
The Company has a Whistleblowing Policy. The policy is designed to support and protect any employees who report non-compliant, suspicious or unethical conduct by other employees of the Group, regardless of seniority of those involved in the alleged conduct. The Whistleblowing Policy formalises the Company's commitment to protect the confidentiality and position of employees wishing to raise serious matters that affect the integrity of the Company and Group.

The Board reviews the Whistleblowing Policy regularly and processes are in place to promote and communicate the Whistleblowing Policy's contents. The Whistleblowing Policy is available from the Company's website or upon request from the Company Secretary.

7.6 Legal compliance training
All senior management personnel are required to complete legal compliance training at least once every two years. The training covers such topics as:

- contract fundamentals;
- issues relating to the Competition and Consumer Act 2010 (previously the Trade Practices Act 1974);
- employment contracts, termination and redundancy;
- harassment and discrimination;
- workplace relations;
- occupational health and safety obligations; and
- corporate policies (including limits of authority and share trading).

7.7 Dealing in Company shares by directors and employees
The Company has a Share Trading Policy Guide. It is the policy of the Company that directors and senior executives can only buy or sell shares in the Company in the six week period from (and including) the second business day following any price sensitive announcement including the half year and full year results, and the Annual General Meeting. Trading outside of this period can only be conducted with prior written approval, which will only be provided in certain exceptional circumstances. This policy is subject to the overall restriction that persons may at no time deal in any securities when they are in possession of price sensitive information. The policy is also applicable to all other employees of the Group.

All directors have entered into written agreements to notify the Company Secretary when they buy or sell shares in the Company. In accordance with the provisions of the Corporations Act 2001 and the ASX Listing Rules, the Company Secretary advises the ASX of any transactions conducted by directors in shares in the Company. This information is also reported to the Board.

Each senior executive is requested, on an annual basis, to provide information regarding the financial arrangements (including margin loans) attached to their personal holdings of shares in the Company. In addition, each senior executive has provided an undertaking to advise the Company Secretary of any subsequent change regarding the financial arrangements (including margin loans) attached to their personal holdings of shares. This information is reported to the Board.

The policy prohibits employees from using derivatives or entering into transactions that operate, or are intended to operate, to limit the economic risk of unvested entitlements to shares, including unvested performance shares issued under the Group's long term incentive plan.

The Share Trading Policy Guide is available from the Company's website or upon request from the Company Secretary.

8. COMMUNICATION AND ENVIRONMENT

8.1 Continuous Disclosure Policy

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's shares, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy provides the Chairman, Managing Director, Director Finance & Accounting and Company Secretary with the responsibility for interpreting the Continuous Disclosure Policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are identified and all senior executives must follow a set process, which involves monitoring all areas of the Group's internal and external environment.

In addition:

- the half year report contains summarised financial information and a review of the operations of the Group during the period. The report is sent to all shareholders (unless a shareholder has specifically requested not to receive the document);
- the annual report is distributed to all shareholders who have requested to receive a copy. The Board ensures that the annual report contains disclosures required by the Corporations Act 2001 and the ASX Listing Rules;
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website;
- details of all meetings with investors and analysts are retained by the Group, including details of what was discussed, the persons present and the time and location of the meeting;
- the Chairman's address is presented at the Annual General Meeting and subsequently distributed by mail to all shareholders; and
- notification is made to the ASX of any other significant matters regarding the Group in accordance with the ASX Listing Rules.

The Company considers it has complied with all of its continuous disclosure obligations. The above information, including that of the previous three years, is made available on the Group's website within one day of public release.

8.2 Shareholders and the Annual General Meeting

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to shareholders as single resolutions and in plain English. Shareholders are requested to vote on the appointment and maximum aggregate amount of fees that may be paid to all non-executive directors, the granting of performance shares to the Managing Director and changes to the Constitution.

The external auditor attends the Annual General Meeting to answer shareholder questions about the conduct of the audit and the preparation and content of the Independent Auditor's Report. The meeting is held in Sydney and shareholders can attend in person or send a proxy as their representative. Unless indisposed, all current directors and senior executives attend the meeting, along with the external auditor.

A copy of the Constitution is available to any shareholder who requests it.

8.3 Environmental reporting system

The Group's operations are subject to various environmental regulations under Commonwealth, state or territory and other applicable legislation.

The Group has an established environmental reporting system for its environmentally sensitive businesses, which monitors compliance with existing environmental regulations and new regulations as they are enacted. The recreational and other ancillary activities conducted by those businesses are subject to various licences and legislation issued under environmental laws that apply in each respective location. The Board has a responsibility to ensure that robust systems are in place to manage the assets in a sustainable and responsible manner and to ensure that the activities of each business are conducted in compliance with legislation.

The reporting system is documented in a legal compliance manual and includes procedures to be followed should an incident occur which may adversely impact the environment. The directors are not aware of breaches of any applicable legislation during the year, which are material in nature, and have no reason to believe that any possible legal or remedial action would result in a material cost or loss to the Group.

9. DIVERSITY

9.1 Diversity in the workplace

The Board is committed to an inclusive workplace that embraces and promotes diversity, including indigenous and disability employment, equal opportunity and women in management. The Board has delegated management of diversity to the Nomination and Remuneration Committee.

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

The Group has adopted the following initiatives to progress the objectives of its Diversity Policy:

- reporting on the gender diversity within the Group to the Board (set out in section 9.2 below); and
- aiming to increase (or at least maintain) the percentage of women in Board and senior management positions as vacancies arise, subject to identification of candidates with appropriate skills.

9.1 Diversity in the workplace (continued)
In July 2013, the Company announced that Mrs PM Mann will stand for election as an independent non-executive director at the 2013 Annual General Meeting. Mr AJ Clark has also announced his intention to retire at the Annual General Meeting. Following the Annual General Meeting, it is expected that there will be eight directors on the Board, with two directors being women, representing 25%. In addition, the Group appointed Ms TJ Alley to the position of Director of Marketing in November 2012. Ms Alley is a member of the key management personnel of the Group.

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

	Gender representation			
	30 June 2013		30 June 2012	
	Female	Male	Female	Male
Board	14%	86%	14%	86%
Other key management personnel	20%	80%	17%	83%
Other senior executives	25%	75%	25%	75%
All Group employees	47%	53%	48%	52%

10. DIRECTORS' QUALIFICATIONS AND ATTENDANCE AT MEETINGS
10.1 Directors' qualifications, experience and independent status

Alan Rydge
Age 61. Non-executive Chairman, Board member since 1978, Chairman of the Board since 1980, Audit Committee member and Nomination and Remuneration Committee member.
Experience
A company director with 40-plus years experience in the film, hospitality, leisure and tourism industries. Joined the Greater Union group in 1971 and was formerly the Group Managing Director.
Directorships
Mr Rydge is also a director of the listed company, Carlton Investments Limited (appointed 1980, chairman since 1980). In addition, Mr Rydge is chairman of Alphoeb Pty Limited and Enbeear Pty Limited.

Anthony Clark *AM, FCA, FAICD*
Age 74. Independent non-executive director, Board member since 1998, Audit Committee member and Nomination and Remuneration Committee member. Mr Clark is chairman of the Audit Committee and Nomination and Remuneration Committee and is the lead independent director.
Experience
A company director with 50-plus years accounting, audit, consulting and finance related experience. Mr Clark previously practised as a Chartered Accountant.
Directorships
Directorships of other listed companies, held during the last three years, comprise:
- Carlton Investments Limited (appointed 2000);
- Ramsay Health Care Limited (appointed 1998); and
- Sphere Minerals Limited (appointed 2010).

Kenneth Chapman *MB BS, FAICD, FAIM, AFRACMA*
Age 51. Independent non-executive director and Board member since 2010.
Experience
A company director with 20-plus years senior executive experience in the tourism and real estate sectors. Currently, chief executive officer of Skyrail-ITM and executive director of the Chapman group of companies.
Directorships
Mr Chapman held the following positions during the last three years:
- chairman of Far North Queensland Hospital Foundation;
- chairman of Far North Queensland Ports Corporation Limited (resigned 2012);
- chairman of Skyrail Rainforest Foundation Limited;
- director of GFB Fisheries Pty Limited (formerly GFB Fisheries Limited); and
- director of various entities associated with the privately held Chapman group of companies.

10.1 Directors' qualifications, experience and independent status (continued)

Peter Coates *AO*
Age 67. Independent non-executive director, Board member since 2009, Audit Committee member and Nomination and Remuneration Committee member.
Experience
A company director with 40-plus years senior executive experience in the mining and commodities industries. Mr Coates' experience includes exposure to domestic and international business practices, mergers and acquisitions and the development of industry-leading workplace reporting and governance standards for numerous joint venture partnerships and companies listed in Australia and the United Kingdom. Former non-executive chairman of Xstrata Australia Pty Limited and chief executive of Xstrata Coal.
Directorships
Directorships of other listed companies, held during the last three years, comprise:

- Minara Resources Limited (appointed director and chairman 2008 and resigned 2011);
- Santos Limited (appointed director 2008 and chairman 2009, retired as chairman 9 May 2013);
- Glencore International plc (appointed 2011 and resigned 2 May 2013);
- Glencore Xstrata plc (appointed executive director 12 June 2013); and
- Sphere Minerals Limited (appointed 24 May 2013).

Mr Coates was past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Valerie Davies *FAICD*
Age 62. Independent non-executive director and Board member since 2011.
Experience
A company director with 20-plus years senior executive experience within the corporate communications area. Currently, managing director and principal of One.2.One Communications Pty Limited, a consultancy firm that specialises in strategic communication and issues management.
Directorships
Ms Davies is a director of HBF Health Limited and The Youth Focus Foundation Pty Limited, a Commissioner of Tourism Western Australia, and has previously served on the boards of Iluka Resources Limited and Tourism Australia.

David Grant *BComm, CA, GAICD*
Age 49. Independent non-executive director and Board member appointed 25 July 2013.
Experience
A company director with 20-plus years accounting and finance related experience. Mr Grant is a Chartered Accountant and previously held roles with Goodman Fielder Limited, Consolidated Rutile Limited and Iluka Resources Limited. Mr Grant was also a founding director of New Zealand-based Trans-Tasman Resources Ltd.
Directorships
Mr Grant is a director and Chairman of the Audit and Risk Committee of iiNet Limited.

Richard Newton *BBus (Marketing), FAICD*
Age 53. Independent non-executive director and Board member since 2008.
Experience
A company director with 20-plus years senior executive experience in property investment and development, specifically in hotel operations.
Directorships
Mr Newton held the following positions during the last three years:

- chairman of Capricorn Village Joint Venture, WA;
- director of Carlton Football Club; and
- director of Selpam (Australia) Pty Limited (chairman since 2007) and a director of various companies wholly owned by Selpam (Australia) Pty Limited.

David Seargeant
Age 63. Managing Director, Board member since 2001 and appointed Managing Director in January 2002.
Experience
Managing Director with 30-plus years experience in the hospitality and leisure industries. Former managing director of the Rydges Hotels group (1988 – 2002) and the Greater Union group (2000 – 2002).
Directorships
Mr Seargeant is also a director of Tourism Training Australia.

Explanation of abbreviations and degrees: ***AFRACMA*** Associate Fellow of The Royal Australasian College of Medical Administrators; ***AM*** Member in the Order of Australia; ***AO*** Officer in the Order of Australia; ***BBus (Marketing)*** Bachelor of Business (Marketing); ***BComm*** Bachelor of Commerce; ***CA*** Member of The Institute of Chartered Accountants in Australia; ***FAICD*** Fellow of the Australian Institute of Company Directors; ***FAIM*** Fellow of the Australian Institute of Management; ***FCA*** Fellow of The Institute of Chartered Accountants in Australia; ***GAICD*** Graduate Member of the Australian Institute of Company Directors; and ***MB BS*** Bachelor of Medicine and Bachelor of Surgery.

10.2 Directors' attendance at meetings

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

	Directors' meetings		Audit Committee meetings		Nomination and Remuneration Committee meetings	
	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended
AG Rydge	9	9	4	4	6	6
AJ Clark	9	8	4	4	6	6
KG Chapman	9	9	–	–	–	–
PR Coates	9	9	4	3	6	6
VA Davies	9	9	–	–	–	–
DC Grant [a]	–	–	–	–	–	–
RG Newton	9	9	–	–	–	–
DC Seargeant [b]	9	9	4	4	6	4

(a) DC Grant was appointed to the Board on 25 July 2013 and was not entitled to attend directors' meetings held during the financial year.
(b) Attended Audit Committee and Nomination and Remuneration Committee meetings by invitation.

During the financial year, directors also visited various sites to improve their understanding of the Group's locations and operations.

11. RECOMMENDATIONS

The following table outlines the compliance, or otherwise, with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations:

		Paragraph reference	Comply
Recommendation 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	3.1	Yes
Recommendation 1.2	Companies should disclose the process for evaluating the performance of senior executives.	6.2	Yes
Recommendation 1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.		
	Guide to reporting on Principle 1 The following material should be included in the corporate governance statement in the annual report:		
	• an explanation of any departure from Recommendations 1.1, 1.2 or 1.3; and	–	Not applicable
	• whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.	6.2	Yes
	A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.	3.1	Yes
Recommendation 2.1	A majority of the board should be independent directors.	3.3, 10.1	Yes
Recommendation 2.2	The chair should be an independent director.	3.5, 10.1	No
Recommendation 2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	3.3	Yes
Recommendation 2.4	The board should establish a nomination committee.	3.2	Yes
Recommendation 2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	6.1	Yes

11. RECOMMENDATIONS (continued)		Paragraph reference	Comply
Recommendation 2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.		
	Guide to reporting on Principle 2 The following material should be included in the corporate governance statement in the annual report:		
	• the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;	3.3, 10.1	Yes
	• the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds;	3.4, 10.1	Yes
	• the existence of any of the relationships affecting the independent status of a director and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships;	3.4	Yes
	• a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company;	3.8	Yes
	• a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the board;	3.3	Yes
	• the period of office held by each director in office at the date of the annual report;	10.1	Yes
	• the names of members of the nomination committee and their attendance at meetings of the committee, or where a company does not have a nomination committee, how the functions of a nomination committee are carried out;	5.2, 10.2	Yes
	• whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed; and	6.1	Yes
	• an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.	3.3, 3.4, 3.5	Yes
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	• a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors;	3.3	Yes
	• the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee; and	5.1, 5.2	Yes
	• the board's policy for the nomination and appointment of directors.	3.3	Yes
Recommendation 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	7.4, 7.5	Yes
Recommendation 3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	9.1, 9.2	Yes
Recommendation 3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	9.1, 9.2	Yes
Recommendation 3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	9.1, 9.2	Yes

11. RECOMMENDATIONS (continued)		Paragraph reference	Comply
Recommendation 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.		
	Guide to reporting on Principle 3 An explanation of any departure from Recommendations 3.1, 3.2, 3.3, 3.4 or 3.5 should be included in the corporate governance statement in the annual report.	–	Not applicable
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	• any applicable code of conduct or a summary; and	7.4	Yes
	• the diversity policy or a summary of its main provisions.	9.1, 9.2	Yes
Recommendation 4.1	The board should establish an audit committee.	3.2, 4.1, 4.2	Yes
Recommendation 4.2	The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; and • has at least three members.	4.2	Yes
Recommendation 4.3	The audit committee should have a formal charter.	4.1	Yes
Recommendation 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.		
	Guide to reporting on Principle 4 The following material should be included in the corporate governance statement in the annual report:		
	• the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee, or, where a company does not have an audit committee, how the functions of an audit committee are carried out;	4.2, 10.1, 10.2	Yes
	• the number of meetings of the audit committee; and	4.2, 10.2	Yes
	• explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4.	–	Not applicable
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	• the audit committee charter; and	4.1	Yes
	• information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.	4.1	Yes
Recommendation 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	8.1	Yes
Recommendation 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.		
	Guide to reporting on Principle 5 An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report.	–	Not applicable
	The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section.	8.1	Yes

11. RECOMMENDATIONS (continued)

		Paragraph reference	Comply
Recommendation 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	8.1, 8.2	Yes
Recommendation 6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.		
	Guide to reporting on Principle 6 An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report.	–	Not applicable
	The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.	8.1, 8.2	Yes
Recommendation 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	7.1	Yes
Recommendation 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	3.1, 4.1, 7.1, 7.2, 7.3	Yes
Recommendation 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	7.2	Yes
Recommendation 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.		
	Guide to reporting on Principle 7 The following material should be included in the corporate governance statement in the annual report: • explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4;	–	Not applicable
	• whether the board has received the report from management under Recommendation 7.2; and	7.1	Yes
	• whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3.	7.2	Yes
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: • a summary of the company's policies on risk oversight and management of material business risks.	7.1	Yes
Recommendation 8.1	The board should establish a remuneration committee.	3.2, 5.1, 5.2	Yes
Recommendation 8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	5.2	Yes
Recommendation 8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	6.1, 6.2	Yes

11. RECOMMENDATIONS (continued)

		Paragraph reference	**Comply**
Recommendation 8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.		
	Guide to reporting on Principle 8 The following material or a clear cross-reference to the location of the material should be included in the corporate governance statement in the annual report:		
	• the names of the members of the remuneration committee and their attendance at meetings of the committee, or where a company does not have a remuneration committee, how the functions of a remuneration committee are carried out;	5.2, 10.1, 10.2	Yes
	• the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; and	3.9, 6.1	Yes
	• an explanation of any departures from Recommendations 8.1, 8.2, 8.3 or 8.4.	–	Not applicable
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	• the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that committee; and	5.1, 5.2	Yes
	• a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.	7.7	Yes

DIRECTORS' REPORT

The directors present their report together with the financial report of Amalgamated Holdings Limited, being the Company and its controlled entities ("Group"), for the year ended 30 June 2013 and the auditor's report thereon.

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

AG Rydge (Chairman)
Director since 1978

AJ Clark (lead independent director)
Director since 1998

KG Chapman
Director since 2010

PR Coates
Director since 2009

VA Davies
Director since 2011

DC Grant
Director appointed 25 July 2013

RG Newton
Director since 2008

DC Seargeant (Managing Director)
Director since 2001 and Managing Director since 2002.

Particulars of the qualifications, experience and independence status of each director, as at the date of this report, are set out within the Corporate Governance Statement included within the Annual Report.

DIRECTORS' MEETINGS
The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year have been disclosed within the Corporate Governance Statement included within the Annual Report.

COMPANY SECRETARIES
GC Dean CA, ACIS was appointed to the position of Company Secretary for Amalgamated Holdings Limited in December 2002. GC Dean was Accounting Manager for the Company (2001 – 2002) and was previously employed by an international mining corporation and a regional accounting practice. GC Dean is a Chartered Accountant and a member of Chartered Secretaries Australia.

DI Stone ACA was appointed to the position of Company Secretary for Amalgamated Holdings Limited in February 2012. Prior to this appointment, DI Stone was an audit senior manager at KPMG. DI Stone is a member of The Institute of Chartered Accountants in England and Wales and is undertaking Chartered Secretaries Australia's Graduate Diploma in Applied Corporate Governance.

PRINCIPAL ACTIVITIES
The principal activities of the Group during the course of the year were:
- motion picture exhibition;
- operation of hotels, resorts, bars and restaurants;
- ownership of cinema, drive-in and hotel properties;
- ownership and operation of Thredbo Alpine Resort;
- ownership and operation of Featherdale Wildlife Park;
- ownership and operation of the State Theatre, Sydney;
- ownership of investment properties, including office and retail properties;
- property development activities;
- supply of cinema equipment; and
- investment in shares in listed and unlisted companies.

During the year, the Group disposed of its interest in the Featherdale Wildlife Park. Further details regarding the sale have been outlined within the financial statements.

There were no significant changes in the nature of the activities of the Group during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
There were no significant changes in the state of affairs of the Group during the year.

OPERATING AND FINANCIAL REVIEW
Overview of the Group
Net profit after tax was $85,792,000 (2012: $79,742,000), an increase of $6,050,000 or 7.6% above the prior year result. The normalised result* before interest and income tax expense was $118,275,000 (2012: $105,416,000), an increase of $12,859,000 or 12.2% above the prior year result. The normalised result after tax was $82,859,000 (2012: $75,433,000), an increase of $7,426,000 or 9.8% above the prior year result.

The individually significant items for the year included profits on the sale of both the Featherdale Wildlife Park and a Melbourne Investment Property. These profits were partially offset by redundancy costs and the pre-opening expenses relating to QT Sydney. The individually significant items were a net income item after tax of $1,575,000.

A summary of the normalised result is outlined below:

	2013			2012		
	Normalised result * $'000	Discontinued operations $'000	Reconciliation to reported net profit $'000	Normalised result * $'000	Discontinued operations $'000	Reconciliation to reported net profit $'000
Entertainment						
Australia	60,141	–	60,141	53,930	–	53,930
New Zealand	3,763	–	3,763	3,281	–	3,281
Germany	26,134	–	26,134	18,574	–	18,574
Hospitality and Leisure						
Hotels and Resorts	20,496	–	20,496	26,565	–	26,565
Thredbo Alpine Resort	11,833	–	11,833	10,701	–	10,701
Leisure and Attractions	2,180	2,305	4,485	2,225	1,569	3,794
Entertainment Technology						
Technology	1,292	–	1,292	915	–	915
Property and Other Investments						
Available-for-sale investments	547	–	547	509	–	509
Property	5,871	–	5,871	3,186	–	3,186
Unallocated revenues and expenses	(13,982)	–	(13,982)	(14,470)	–	(14,470)
	118,275	2,305	120,580	105,416	1,569	106,985
Finance revenue	1,507	–	1,507	2,450	–	2,450
Finance costs	(7,342)	–	(7,342)	(2,871)	–	(2,871)
	112,440	2,305	114,745	104,995	1,569	106,564
Income tax expense	(29,581)	(947)	(30,528)	(29,562)	(481)	(30,043)
	82,859	1,358	84,217	75,433	1,088	76,521
Individually significant items – net of tax			1,575			3,221
Profit for the year			85,792			79,742

* Normalised result is profit for the year before individually significant items (as outlined in Note 4(b) to the financial statements and in the table below) and discontinued operations. As outlined in Note 2 to the financial statements, this measure is used by the Board of Directors to allocate resources and in assessing the relative performance of the Group's continuing operations. The normalised result is an unaudited non-IFRS measure.

An analysis of the last five years is outlined below:

	2013	2012	2011	2010	2009
Total revenue and other income ($'000)	807,228	790,285	784,949	812,840	712,311
Basic earnings per share (cents)	54.3	50.6	88.7	66.4	48.2
Dividends declared * ($'000)	67,435	62,618	65,518	58,522	41,727
Dividends per share (cents)	42	39	37	37	32
Special dividend per share (cents)	–	–	4	–	–

* Includes the interim dividend paid and the final dividend declared in relation to the financial year ended 30 June.

Overview of the Group (continued)

Individually significant items comprised the following:

	2013 $'000	2012 $'000
Pre-opening expenses relating to the launch and opening of QT Sydney	(3,251)	–
Profit on sale of an Investment Property	1,439	–
Redundancy costs incurred in relation to cinema digitalisation	(1,012)	–
Profit on sale of the Featherdale Wildlife Park	5,024	–
VAT and interest receivable relating to overpaid tax	–	18,799
Profit on the sale of developed residential land lots from the Bass Hill Drive-in development land bank	–	1,966
Impairment write-downs of land, buildings and associated plant and equipment relating to certain hotel properties	–	(17,500)
Total individually significant items before income tax expense	2,200	3,265
Income tax expense relating to individually significant items	(625)	(44)
Total individually significant items after income tax expense	1,575	3,221

Investments

The Group acquired property, plant and equipment totalling $73,276,000 during the year. The acquisitions were primarily attributable to the refurbishment requirements for the cinemas, hotels and resorts and the infrastructure and operational requirements for the Thredbo Alpine Resort. Acquisitions exclude capital expenditure incurred through partnership activities.

Property

The Group's interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, is independently valued by registered qualified valuers on a progressive three year cycle. The most recent valuations have been completed as at June 2013, February 2013 and June 2012. The total value of the Group's interest in land and buildings, excluding investment properties, based on these independent valuations is $884,339,000 (refer Note 17) whilst the total written-down book value of these land and buildings including integral plant and equipment at 30 June 2013 is $650,396,000.

Capital structure

Cash and cash equivalents at 30 June 2013 totalled $92,768,000 and total debt outstanding was $78,543,000.

Treasury policy

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

The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. At 30 June 2013, the Group had no interest rate hedges (2012: no interest rate hedges) due to the low level of Group debt.

Liquidity and funding

The Group's secured bank debt facilities comprise the following:

- A$350,000,000 revolving multi-currency loan facility;
- A$30,000,000 credit support facility (for the issue of letters of credit and bank guarantees); and
- A$50,000 overdraft facility supports transactional banking facilities.

The above facilities mature on 15 July 2015 and are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages (refer Note 17).

Cash flows from operations

Operating net cash inflows decreased to $128,288,000 from $138,285,000 in the prior year to 30 June 2012. The lower trading cash flows were primarily due to a decrease in cash flows from other income and an increase in finance costs paid.

Impact of legislation and other external requirements

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

REVIEW OF OPERATIONS BY DIVISION
ENTERTAINMENT
Cinema Exhibition – Australia

As at 30 June	2013	2012	Movement
Cinema locations *	56	55	1
Cinema screens *	486	479	7

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

The normalised profit before interest and income tax expense was $60,141,000, an increase of 11.5% on the prior year normalised result.

Domestic Exhibition produced a strong result due to an increase in merchandising sales and other revenues, which offset a relatively flat Box Office. The Box Office was underpinned by three titles: *Skyfall*, *The Dark Knight Rises*, and *The Hobbit: An Unexpected Journey* which all achieved in excess of $40 million at the Australian Box Office. Other major contributors included *Iron Man 3* and *Ted,* both achieving in excess of $30 million.

Merchandising revenue continued to grow with an 8.6% improvement in revenue per admission over the prior year. This growth was driven by the rollout of a new Gold Class menu and the continued success of the self-serve Scoop Alley candy bar concept.

During the year, the Group completed its digital rollout across the circuit, taking the total amount of digital projectors installed to 480. In addition, the Group continued to expand its successful big screen, big seat Vmax concept, with an additional three traditional auditoriums converted to the Vmax concept at Innaloo in Perth, Indooroopilly in Brisbane and Cairns Central in Far North Queensland. There are now a total of 33 Vmax screens across the Australian circuit.

The Group opened a new eight screen cinema at the Toombul shopping complex in north Brisbane and also refurbished the eight screen cinema at Carindale in Brisbane's east, which included converting two auditoriums to Gold Class and two auditoriums to Vmax and refurbishing the food and beverage offerings.

The contribution from the Group's 50% interest in the Village managed circuit in Victoria increased by 16.9% over the prior year. This improvement was driven primarily by an increase in merchandising sales, other revenue and a decrease in operating costs.

Cinema Exhibition – New Zealand

As at 30 June	2013	2012	Movement
Cinema locations *	16	17	(1)
Cinema screens *	116	124	(8)

* Managed and joint venture cinema sites.

The normalised profit before interest and income tax expense was $3,763,000, an increase of 14.7% on the prior year normalised result.

The New Zealand business, which also includes the Fiji Cinema Joint Venture (66.7% share in two cinemas), experienced a marginal decrease in Box Office. Box Office was impacted by the Group's decision to close the eight screen cinema complex at Highland Park in Auckland in January 2013. On a same screen basis, Box Office decreased by 0.3% over the prior year.

Overall, the business produced a comparatively good result for the year, predominately due to the positive impact of the renegotiation of an existing lease and the closure of the Highland Park cinema.

The Box Office result for the year was predominately driven by the strong performance of *The Hobbit: An Unexpected Journey* which grossed over NZ$11.5 million at the New Zealand Box Office, as well as *Skyfall*, *The Dark Knight Rises*, *Iron Man 3* and *The Twilight Saga: Breaking Dawn – Part 2*, all of which grossed in excess of NZ$5 million.

Merchandising revenue continued to grow with a 5.2% improvement in revenue per admission over the prior year. The growth was driven by a continued focused approach on merchandising, along with a number of successful Candy Bar Combo promotions.

During the year, the Group completed its digital rollout of the Event Cinemas circuit in New Zealand, leaving only five screens in the Rialto Joint Venture to be converted to digital.

Cinema Exhibition – Germany

As at 30 June	2013	2012	Movement
Cinema locations *	54	59	(5)
Cinema screens *	420	441	(21)

* Managed and joint venture cinema sites.

The normalised profit before interest and income tax expense was $26,134,000, an increase of $7,560,000 or 40.7% on the prior year normalised result.

After a strong end to the first half of the year, the second half of 2013 included a record Box Office for the month of June, in sharp contrast to the negative impact on Box Office of the European Championships in the prior year. Germany-wide admissions were 127 million.

Box Office for the German circuit increased 8.7% over the prior year with admissions increasing by 2.0% and average admission price showing an increase of 6.6%. The uplift in average admission price was partly due to the surcharge on increased 3D admissions.

The top performing films at the German Box Office were the blockbuster films *Skyfall*, *The Hobbit: An Unexpected Journey* and *Django Unchained*. The performance was further underpinned by *The Dark Knight Rises*, *Ted*, *The Twilight Saga: Breaking Dawn – Part 2*, *Madagascar 3*, *Ice Age 4*, *The Croods*, *Life of Pi*, *Iron Man 3*, *Fast & Furious 6*, *The Hangover Part 3* and the German film productions *Kokowääh 2* and *Schlussmacher*.

German film product was however disappointing with only 12.9% of the Box Office coming from German product as against an already low base of 16.4% in the prior year. The German films to break one million admissions were *Schlussmacher*, *Kokowääh 2*, *Fünf Freunde 2* and *Cloud Atlas*. Live broadcasts of The Metropolitan Opera and other alternative content continued to grow in popularity contributing a share of 1.0% to total Box Office as against 0.7% in the prior year. Merchandising spend per admission increased by 7.7% over the prior year resulting from increased transaction rates and average values.

During the year, there was an increased level of capital expenditure, arising from the rollout of digital projection systems in line with a virtual print fee agreement with Arts Alliance Media. The German circuit currently has installed 316 digital screens at 53 sites.

There was no material profit impact from the translation to Australian dollars and the average month end A$/euro exchange rate for the financial year to 30 June 2013 was 77.5 cents against 76.9 cents for the prior financial year.

Other achievements during the year were the conclusion of a labour agreement with Verdi, the hand back to landlords of five traditional marginal cinema sites, continuing renovation of auditoriums and foyers in well performing multiplexes and the reopening of a digital IMAX screen in Berlin.

HOSPITALITY AND LEISURE
Hotels and Resorts

As at 30 June	2013	2012	Movement
Locations *	45	44	1
Rooms *	8,349	8,139	210

* Owned and managed hotels.

The normalised profit before interest and income tax expense was $20,496,000, a decrease of $6,069,000 or 22.8% on the prior year normalised result.

This was due to a significant decline in the performance at the Gladstone and Townsville hotels, and the operating loss over the first nine months trading at QT Sydney. Partially offsetting these impacts was the significant increase in performance of QT Gold Coast over the previous year.

Occupancy in the Group's owned hotels declined over the prior comparable period by 1.5 percentage points to 73.8%. Average room rate of $141.46 also fell marginally short of the prior year, resulting in revenue per available room of $104.

Softening demand from resource related business negatively impacted the result. Tighter restrictions on both Federal and state government travel also impacted accommodation and conference revenues in several hotels, particularly those in regional locations. The aforementioned factors were partly offset by reasonable performances from hotels located in the major mainland capital cities. Demand from the wider corporate travel market was solid, albeit with some softening in the last quarter. The Group maintained a heavy promotional focus targeting leisure business. This produced good results and contributed to an increase in weekend occupancy levels across the group.

Wages and other operating costs were generally well controlled. Energy costs were the major exception with significant increases across both the owned and managed portfolios.

A 32% increase in room nights was generated from the promotional and sales activity related to *Priority Guest Rewards* which was relaunched in the last quarter of 2012. Rydges.com and other recently launched company branded websites continue to perform well with room nights sold increasing by 13.5%.

Capital upgrade work in both owned and managed hotels was directed towards the refurbishment of guest rooms in the more competitive markets of Gladstone and Townsville. Bar and restaurant offerings were also upgraded in hotels including Brisbane, Gladstone, Townsville and Wellington. Conference space in World Square and Brisbane was significantly expanded.

In February, the Group secured the management contract for the 300 room Esplanade Fremantle – by Rydges, one of Western Australia's largest convention hotels. In addition, the 318 room Rydges Sydney Airport opened in May and is already attracting strong demand.

The Group has continued to roll out the Rydges *Rise* breakfast product and has invested in high quality WiFi systems in the majority of hotels.

During the year, the Rydges, QT and Art Series Hotels became members of the Global Hotel Alliance ("GHA"). This adds the marketing and distribution power of some 400 affiliate hotels located in over 54 countries. GHA will add value to the Group via greater global marketing power as well as adding additional benefits to *Priority Guest Reward* members travelling overseas.

The much anticipated QT Sydney, located within the historic Gowings and State Theatre buildings, opened in mid-September 2012.

Thredbo Alpine Resort
The normalised profit before interest and income tax expense was $11,833,000, representing an increase of $1,132,000 or 10.6% on the prior year normalised result.

Natural snowfalls during the 2012 season provided the best skiing conditions since 2004, with skier days increasing by 17% for the period from July to October. June 2013 saw a very patchy start to the 2013 snow season with few natural snowfalls and relatively few nights with temperatures conducive to snow making. Despite poor conditions, skier days in June grew by 2.4% on the prior June, enabling full year skier day volume to grow by 15.1% to 425,045 days. Lift pass yield for the year decreased by 8.3% due to increased discounted season pass sales and extended online discounting due to competitive pressures.

The full year result was underpinned by a significant improvement in the second half result. In January, the busiest month for summer operations, strong profit was achieved with increased leisure visitation due to mountain biking activity.

Leisure and Attractions
The normalised profit before interest and income tax expense was $2,180,000, a slight decrease of $45,000 or 2.0% on the prior year normalised result.

The State Theatre, despite being flat on the previous record year, produced another strong result. The Featherdale Wildlife Park was sold on 26 June 2013, with a pre-tax profit on sale of $5,024,000. As a result of the sale, Featherdale has been reclassified to discontinued operations.

ENTERTAINMENT TECHNOLOGY
The normalised profit before interest and income tax expense was $1,292,000, an increase of $377,000 or 41.2% on the prior year normalised result.

STRATEGIC INVESTMENTS
Property
The normalised profit before interest and income tax expense was $5,871,000, representing an increase of $2,685,000 or 84.3% on the prior year normalised result. The increase was primarily due to the lease of the retail space in the Gowings Building to Topshop which commenced on 3 October 2012. The result also included a fair value increment of the investment properties of $16,000, compared to a fair value decrement in the prior year of $71,000.

A property at Elsternwick, Melbourne, was sold during the year with a profit of $1,439,000 included as an individually significant item.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Group's strategic plan, which includes future expansion, will depend on industry, economic and political conditions, the potential impact of global events, the future financial performance and available capital, the competitive environment, evolving customer needs and trends, and the availability of attractive opportunities. It is likely that the Group's strategies will continue to evolve and change in response to these and other factors, and there can be no absolute assurance that these current strategies, as detailed below, will be achieved.

ENTERTAINMENT

The strategic plans for Entertainment are applicable to the Australian, New Zealand and German cinema businesses.

Cinema Exhibition

Enhancing the customer experience

Whilst the Group has no control over the general audience appeal of available films, providing consumers with a demonstrably superior experience in the cinema to that which can be achieved in the home, is a central strategic platform. To provide this enhanced cinema experience, the Group will pursue the following strategies:

- continued refurbishment of existing cinemas and expansion of the number of cinemas with the Event Cinemas brand;
- expansion of the Gold Class cinema concept to certain cinema locations within the Australian domestic circuit;
- expansion of the Vmax cinema concept which provides the ultimate big screen cinema experience through larger screens and seats than a traditional auditorium;
- continued improvement of food and beverage outlets within the cinemas to maximise food and beverage revenue opportunities;
- continued expansion of the 3D digital footprint within the Australian, New Zealand and German circuit to ensure all regions have access to the release of 3D titles; and
- enhanced customer communication and ticketing through online applications.

Maximising returns from existing locations

The cinema exhibition markets in the locations in which the Group currently operates, are considered to be mature markets with limited growth and expansion opportunity. The Group anticipates achieving growth primarily through further expansion of the premium cinema concepts of Gold Class and Vmax and building higher frequency through loyalty programs.

Rationalising under-performing cinema sites

The Group will continue to pursue the policy of rationalising under-performing cinema sites. All sites, in all territories, are reviewed periodically and, where it is assessed that there is limited profit or potential for performance turnaround, an exit strategy is formulated. Where the site (or group of sites) is subject to long term leases, the exit strategy may be over a protracted period of time.

Industry developments

The Group believes that there are certain current issues pertaining to the industry that have the capacity to impact the strategic plans and future direction of the cinema operations. The Group will continue to monitor developments in relation to the following issues:

- increase in capital expenditure resulting from the deployment of a digital platform for film exhibition;
- alternative film delivery methods and the rise in popularity of other forms of entertainment (including video on demand ("VOD"), DVD ownership and the increase of home entertainment systems);
- shortening of the release window of film to VOD and DVD; and
- increase in unauthorised recording (piracy) of audio and visual recordings for commercial sale and distribution via the internet.

HOSPITALITY AND LEISURE

Hotels and Resorts

The Group will continue to provide hotel guests with quality 4 star accommodation that consistently delivers a product and service that meets or exceeds guest expectations. To provide this, the Group will continue to pursue the following strategies:

- constant focus on innovative and dynamic recruitment and training practices to ensure talented and dynamic people are attracted to work in the Group's hotels and resorts;
- maintenance of all hotels at an appropriate standard and when required, rejuvenation of key areas of hotels to ensure the Group's reputation continues to be enhanced;
- specific focus on creating standout food and beverage experiences that build incremental spend and enhance each hotel's reputation; and
- maintenance of a leadership position in the online distribution and booking capabilities for guests. The *Priority Guest Rewards* program and the sales and revenue structure are important support functions for the online strategy.

QT Hotels and Resorts

In addition, the Group has recognised a market opportunity in the 4.5 star design hotel segment. This segment presents opportunities for an increased level of average room rate, with the level of operating costs not significantly greater than those for the 4 star segment of the Rydges brand. The segment requires an innovative approach to the operation of the hotel restaurant and bar, and again these operate at a higher margin level.

Increasing the number of hotel rooms
The Group will continue to seek opportunities for future growth through gaining of new hotel management agreements and freehold acquisitions.

Maximising returns from existing locations
The Group anticipates achieving continuing improvements in results through growth in market share and initiatives that drive increased spend and capture rates in all hotels.

Thredbo Alpine Resort – Kosciuszko Thredbo
Premier holiday destination
The key strategy for the Thredbo Alpine Resort is to maintain the facility as one of the premier Australian holiday destinations. This strategy includes:
- continuing to ensure the popularity, high-quality and ambience of the winter-time resort facility;
- continuing to improve snow making capability to mitigate risk in poor snow seasons;
- expanding the mountain bike trail network to appeal to a broader range of riders;
- increasing the number and quality of sporting and cultural events to increase visitation outside of the snow season; and
- ensuring that the environmental integrity of the Resort is maintained and, where possible, improved.

Maximising returns from existing facility
The Group anticipates that the Resort will achieve growth through shoulder periods, summer revenue and cost improvements, increased visitation and increased occupancy rates.

ENTERTAINMENT TECHNOLOGY
The strategic plans for Entertainment Technology are applicable to each of the technology businesses.

Maintaining pace with technological advances
The Group will continue to build knowledge in relation to evolving cinema systems, and in particular digital projection systems.

Maximising returns from existing businesses
The Group is focusing on restructuring business processes to reduce the level of operating costs of the existing business and ensuring the appropriate structures are in place for the digital platform.

Industry developments
The Group is assessing potential income streams from digital content delivery platforms, including alternate content distribution.

STRATEGIC INVESTMENTS
Property
Maximising returns from existing properties
The Group has a number of property assets that it intends to redevelop over time. The timing of these redevelopments is dependent on the type of use and stage of the property cycle.

DIVIDENDS
Dividends paid or declared by the Company since the end of the previous year were:

	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit
Declared and paid during the year				
Final 2012 dividend	25	40,140	20 September 2012	30%
Interim 2013 dividend	15	24,084	21 March 2013	30%
		64,224		
Declared after the end of the year				
Final 2013 dividend	27	43,351	19 September 2013	30%

All the dividends paid or declared by the Company since the end of the previous year were 100% franked.

REMUNERATION REPORT
The Remuneration Report, which forms part of the Directors' Report, is set out on pages 27 to 37 and has been audited as required by section 308(3C) of the Corporations Act 2001.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

LIKELY DEVELOPMENTS

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

DIRECTORS' INTERESTS

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

Director	Ordinary shares held directly	Ordinary shares held by companies in which a director has a beneficial interest (a)	Performance shares held directly
AG Rydge	3,269,915	68,948,033	–
AJ Clark	30,000	35,000	–
KG Chapman	3,000	54,000	–
PR Coates	–	36,500	–
VA Davies	–	10,000	–
DC Grant	–	–	–
RG Newton	–	66,000	–
DC Seargeant	453,490	16,000	1,035,000

(a) Relevant interest under the Corporations Act 2001 differs from the disclosure required under Australian Accounting Standards as presented in Note 38 to the financial statements.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's Constitution provides an indemnity to each person, including AG Rydge, AJ Clark, KG Chapman, PR Coates, VA Davies, DC Grant, RG Newton and DC Seargeant, who is or who has been a director or alternate director of the Company or of any related body corporate of the Company. The indemnity also extends to such other officers or former officers, including executive officers or former executive officers, of the Company and of any related body corporate of the Company as the directors of the Company determine.

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

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

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

Mr AJ Clark was previously a partner of the current audit firm, KPMG, at a time when KPMG undertook an audit of the Group.

AUDITOR INDEPENDENCE

The lead auditor's independence declaration is set out on page 38 and forms part of the Directors' Report for the year ended 30 June 2013.

NON-AUDIT SERVICES PROVIDED BY KPMG

During the year, KPMG, the Group's auditor, performed certain other services in addition to their statutory duties.

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

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

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

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below:

	2013 $	2012 $
Audit services:		
Auditors of the Group – KPMG Australia		
Audit and review of financial statements	1,001,000	916,130
Other assurance services	40,882	46,485
Overseas KPMG firms		
Audit and review of financial statements	357,590	371,370
Other assurance services	23,568	51,113
	1,423,040	1,385,098
Other services:		
Auditors of the Group – KPMG Australia		
Tax compliance and advice	339,282	225,305
Other services	190,527	70,032
	529,809	295,337
Overseas KPMG firms		
Tax compliance and advice	298,140	207,241
	827,949	502,578

ROUNDING OFF

The Company is of a kind referred to in Class Order 98/100 as issued by Australian Securities and Investments Commission ("ASIC"). In accordance with that Class Order, amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

DC Seargeant
Director

Dated at Sydney this 22nd day of August 2013.

DIRECTORS' REPORT

MESSAGE FROM THE CHAIRMAN REGARDING THE REMUNERATION REPORT

Dear Shareholder

On behalf of the Board, I am pleased to introduce the Amalgamated Holdings Limited 2013 Remuneration Report.

Response to the "first strike" received in 2012
At our 2012 Annual General Meeting, approximately 28% of the votes received[1] did not support the 2012 Remuneration Report, and consequently the Company received a "first strike" under the Corporations Act 2001. Whilst no comments or questions were received from shareholders present at the meeting in respect of the Remuneration Report, the Nomination and Remuneration Committee, on behalf of the Board, has engaged with and sought feedback from key shareholders and stakeholder advisory groups to understand any current and existing concerns regarding the Group's remuneration structure and Remuneration Report disclosures.

Following this engagement process, the Board has agreed certain changes to the Managing Director's remuneration, details of which are as follows:

- the Managing Director's fixed annual remuneration will remain at $1,890,000 (inclusive of the superannuation guarantee charge) for the years ending 30 June 2014 and 30 June 2015; and
- the Managing Director's total potential short term incentive ("STI") will be reduced from 150% to 100% with effect from 1 July 2013.

The Board remains confident that the Group's remuneration policies, and the level and structure of its executive remuneration, are consistent with the Group's strategies and performance, and are appropriately aligned with shareholder interests.

Overview of the Group's executive remuneration framework
The Group's executive remuneration framework is designed to attract, motivate and retain key executive talent. Executive remuneration consists of both fixed and variable remuneration components. The Group introduced a flat management structure following the Global Financial Crisis which allows the Managing Director to maintain a strong personal focus on all the Group's operations. This flat structure is reflected in the level of fixed remuneration for the Managing Director and senior executives. Variable remuneration component consists of a STI plan and a long term incentive plan ("LTI").

Short term incentive
Certain key shareholders raised concerns regarding the total potential STI for the Managing Director which, since 2010, has been set at 150% of the Managing Director's fixed annual remuneration. In light of these concerns, the Managing Director's total potential STI will be reduced from 150% to 100% with effect from 1 July 2013.

To ensure that STI payments are closely aligned with overall Group strategy and improved financial performance, challenging specific and measurable hurdles are set at the beginning of each financial year by the Nomination and Remuneration Committee, and approved by the Board. An STI payment at the maximum level requires truly exceptional performance and, since 2010, the Managing Director's STI achieved has averaged 64% of the maximum potential STI.

The Board is evaluating the possibility of introducing a STI deferral plan for executives whereby a portion of any STI earned by an executive is deferred and delivered to executives after a two year period. The deferred component would be subject to any subsequent adjustments that the Board may consider necessary at its discretion, including in the event of a material misstatement in financial statements.

Long term incentive
The Group's LTI consists of an Executive Performance Share Plan ("Plan") which was approved by shareholders at the 2006 Annual General Meeting. A review of this Plan was conducted during the year and the key terms of the Plan, including the use of earnings per share and relative total shareholder return hurdles, were found to be consistent with current market practice. The Board has, however, determined that it would be appropriate to adopt new arrangements utilising performance rights, rather than performance shares, and the Company will seek shareholder approval at the 2013 Annual General Meeting for the proposed new LTI arrangements.

Relationship between executive remuneration and Group performance
The remuneration of the Managing Director and other key executives should be examined in context with the Group's desire to maintain its current and historic financial performance, including strong growth in the share price and normalised earnings per share achieved over the past five years. Further details regarding the Group's performance are set out on page 30.

Given these significant achievements and the continuing strong performance of the Group, we remain confident that our approach to remuneration continues to be consistent with the Group's policies and business strategies and is aligned with shareholder interests.

The Remuneration Report provides further details regarding the above matters as well as important material on remuneration strategy, structure and outcomes. The Board commends the Remuneration Report to you.

AG Rydge
Chairman

[1] Due to the exclusion of votes for shares held by key management personnel (including directors and associated parties) of the Group, votes against the resolution only represented approximately 9.7% of the issued share capital of the Company.

REMUNERATION REPORT – AUDITED

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration philosophy

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

Remuneration levels are competitively set to attract appropriately qualified and experienced directors and executives. The Nomination and Remuneration Committee obtains independent advice on the level of remuneration packages. The remuneration packages of the Managing Director and senior executives include an at-risk component that is linked to the overall financial and operational performance of the Group and based on the achievement of specific goals of the Group. Executives participate in the Group's Executive Performance Share Plan. The long term benefits of the Executive Performance Share Plan are conditional upon the Group achieving certain performance criteria, details of which are outlined below.

The Group also has the following share plans:

- Tax Exempt Share Plan; and
- Employee Share Plan (closed to new members and no offers have been made under the plan since 1998).

Further details in relation to the various share plans are provided in Note 30 to the financial statements.

Remuneration structure

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

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting ("AGM") held on 22 October 2010 when shareholders approved an aggregate remuneration of $1,500,000 per year. Non-executive directors do not receive any performance related remuneration nor are they issued shares or performance shares.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned among directors are reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Further information regarding the use of remuneration consultants has been detailed on page 31 in this report.

Each director receives a fee for being a director of the Company. An additional fee is also paid for being a member of the Audit Committee and the Nomination and Remuneration Committee. The payment of an additional fee recognises the additional time commitment required by directors who serve on those Committees. Directors' base fees for the financial year ending 30 June 2014 are $120,000 per annum (Chairman: $295,000 per annum, inclusive of Committee fees). Directors' fees cover all main Board activities. Non-executive director members who sit on both the Audit Committee and the Nomination and Remuneration Committee receive an additional payment of $18,000 per annum (Chairman of both the Audit Committee and the Nomination and Remuneration Committee: $36,000 per annum).

The remuneration of non-executive directors for the year ended 30 June 2013 is detailed on page 33 in this report.

The Company previously operated a Directors' Retirement Plan. The plan was suspended in respect of any new director appointments, on 15 May 2003 and directors appointed to the Board after that date are not entitled to participate in the plan. Under the plan, directors with more than three years service receive a retirement lump sum based on the length of service. The plan benefits accrued on a monthly basis and reach the maximum amount after 12 years service. The benefit is capped to a maximum lump sum per director of $165,000. The plan has been fully accrued since the year ended 30 June 2007 and the Company has not incurred any additional expense since that date. The amount accrued in respect of the Directors' Retirement Plan at 30 June 2013 is $165,000 (2012: $165,000) in respect of AJ Clark. The maximum benefit amount has been accrued for the participating director and no further plan expense accruals will occur in future years.

There were no benefits paid under the plan during the year ended 30 June 2013 (2012: nil).

Managing Director and executive remuneration
Objective
The Group aims to reward the Managing Director and executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group, and to:

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

Structure
In determining the level and composition of executive remuneration, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages for executives, given remuneration trends in the market, from which recommendations are made to the Board.

It is the Nomination and Remuneration Committee's policy that employment contracts are entered into with the Managing Director and other executives. Details of these employment contracts are provided on page 31 in this report.

Remuneration consists of both fixed and variable remuneration components. The variable remuneration component consists of a short term incentive plan and a long term incentive plan.

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each senior executive by the Nomination and Remuneration Committee.

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

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

Structure
Executives have the option to receive their fixed annual remuneration in cash and a limited range of prescribed fringe benefits such as motor vehicles and car parking. The total employment cost of any remuneration package, including fringe benefits tax, is taken into account in determining an employee's fixed annual remuneration.

Certain employees are entitled to the payment or reimbursement of relocation costs, where applicable, at the commencement and termination of the contract.

Variable remuneration – short term incentive ("STI")
Objective
The objective of the STI program is to link the achievement of the operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure
Actual STI payments granted to each executive depend on the extent to which specific operating targets, set at the beginning of the year, are met. The operational targets consist of a number of KPIs, covering both financial and non-financial measures of performance. Typically, KPIs and assessment criteria include:

- meeting of pre-determined growth in Group earnings over the prior year;
- meeting of strategic and operational objectives; and
- assessed personal effort and contribution.

The Group has pre-determined benchmarks which must be met in order to trigger payments under the STI. The measures were chosen as they directly align the individual's STI reward to the KPIs of the Group and to its strategies and performance.

Structure (continued)
On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Group and each individual business unit is assessed and approved by the Nomination and Remuneration Committee. The individual performance of each executive is also rated and all three ratings are taken into account when determining the amount, if any, of the STI pool to be allocated to each executive.

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

For the Managing Director and named executives, the general target bonus opportunity range is from 40% to 150% of the executives' fixed annual remuneration. The target bonus range for the Managing Director and named executives is detailed below:

		Allocated between:				
Executives	**Maximum STI calculated on fixed annual remuneration** (a)	**Group earnings**	**divisional earnings**	**special projects**	**quantitative KPIs**	**qualitative KPIs**
DC Seargeant	150.0%	60.0%	–	25.0%	–	65.0%
TJ Alley	50.0%	16.7%	–	–	33.3%	–
NC Arundel	50.0%	16.7%	16.7%	–	16.6%	–
PC Bourke	40.0%	20.0%	–	4.0%	4.0%	12.0%
GC Dean	50.0%	25.0%	–	10.0%	–	15.0%
MR Duff	50.0%	16.7%	–	10.0%	20.0%	3.3%
HR Eberstaller	50.0%	16.7%	16.7%	–	–	16.6%
JM Hastings (b)	50.0%	16.7%	16.7%	–	16.6%	–

(a) Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements.
(b) JM Hastings ceased employment with the Group on 24 August 2012. There are no future STI payments available to Mrs Hastings.

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

Variable remuneration – long term incentive ("LTI")
Objective
The Executive Performance Share Plan was approved by shareholders at the 2006 AGM. The Executive Performance Share Plan was designed to link employee reward with KPIs that drive sustainable growth in shareholder value over the long term. The objectives of the LTI plan are to:

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

Only senior employees who are able to directly influence the long term success of the Group participate in the Executive Performance Share Plan.

Structure
Executives are awarded performance shares which will only vest on the achievement of certain performance hurdles and service conditions. An offer is made under the Executive Performance Share Plan to senior employees each financial year and is based on individual performance as assessed by the annual appraisal process. If a senior employee does not sustain a consistent level of high performance, they will not be nominated for Executive Performance Share Plan participation. The Nomination and Remuneration Committee reviews all nominated senior employees with participation subject to final Board approval. In accordance with the ASX Listing Rules, approval from shareholders is obtained before participation in the Executive Performance Share Plan commences for the Managing Director.

Each award of performance shares is divided into equal portions, with each portion being subject to a different performance hurdle. The performance hurdles are based on earnings per share ("EPS") and total shareholder return ("TSR") growth of Amalgamated Holdings Limited as determined by the Board over a three year period ("Performance Period"). The extent to which the performance hurdles have been met will be assessed by the Board at the expiry of the Performance Period.

The performance hurdles for the awards of performance shares to executives in the financial year ended 30 June 2013 are based on Amalgamated Holdings Limited's EPS and TSR growth over the Performance Period of the three years from 30 June 2012 (being the "Base Year") to 30 June 2015.

Structure (continued)
The performance hurdles for the awards of performance shares to executives in the financial year ended 30 June 2013 are as follows:

EPS hurdle
The EPS hurdle requires that the Group's EPS growth for the Performance Period must be greater than the target set by the Board. The EPS hurdle was chosen as it provides evidence of the Group's growth in earnings. The hurdle is as follows:
- if annual compound EPS growth over the Performance Period is less than 4%, no shares will vest with the executive;
- if annual compound EPS growth over the Performance Period is equal to 4% but less than 6%, the proportion of performance shares vesting will be increased on a pro-rata basis between 50% and 100%; or
- if annual compound EPS growth over the Performance Period is equal to or greater than 6%, all of the performance shares awarded (and attaching to this hurdle) will vest with the executive.

If the EPS measure is not achieved within the initial performance measurement period to a threshold level or higher, there will be no entitlement to shares for a participant. If the EPS performance measure is achieved to a threshold level or higher in the initial period, it will not be retested.

TSR hurdle
The TSR hurdle requires that the growth in the Group's TSR must be at or above the median of the Group's comparator group ("comparator group"). The comparator group is the S&P/ASX 200 (excluding mining stocks). Growth in TSR is defined as share price growth and dividends paid and reinvested on the ex-dividend date (adjusted for rights and bonus issues and any capital reconstructions) measured from the time of issue to the time of vesting.

The TSR performance hurdle was chosen as it is widely recognised as one of the best indicators of shareholder value creation. The comparator group for TSR purposes has been chosen as it represents the group with which the Group competes for shareholders' capital. The hurdle is as follows:
- if annual compound TSR growth over the Performance Period is less than the 51st percentile, no shares will vest with the executive;
- if annual compound TSR growth over the Performance Period is equal to or exceeds the 51st percentile but is less than 75th percentile, the proportion of performance shares vesting will be increased on a pro-rata basis between 50% and 100%; or
- if annual compound TSR growth over the Performance Period is equal to or greater than 75th percentile, all of the performance shares awarded (and attaching to this hurdle) will vest with the executive.

The TSR calculation, once completed, is independently reviewed. If the TSR measure is not achieved within the initial performance measurement period to a threshold level or higher, there will be no entitlement to shares for a participant. If the TSR performance measure is achieved to a threshold level or higher in the initial period, it will not be retested.

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

Review of LTI
During the year, the Board received advice from external consultants (refer page 31 in this report) regarding the implementation of a revised LTI. Shareholder approval for the revised LTI arrangements will be sought at the forthcoming AGM. Full details of the revised LTI will be set out in the Notice of AGM.

Group performance
In considering the Group's performance and benefits for shareholders' wealth, the Nomination and Remuneration Committee has regard to the following indices in respect of the current year and the previous four years:

	2013 $	2012 $	2011 $	2010 $	2009 $
Net profit before individually significant items, income tax and non-controlling interest (a)	114,745,000	106,564,000	104,269,000	127,255,000 (b)	94,144,000
Dividends per share (cents)	42	39	37	37	32
Special dividend per share (cents)	–	–	4	–	–
Share price (year end)	8.27	6.45	5.80	5.70	4.30

(a) Refer page 17 in the Directors' Report for a reconciliation to reported profit for the year.
(b) The profit for the year ended 30 June 2010 included the record breaking performance of *Avatar*.

Employment contracts
It is the Group's policy that employment contracts for the Managing Director and each senior executive are unlimited in term.

The employment contracts typically outline the components of remuneration paid to the Managing Director and executives but do not prescribe how remuneration levels are to be modified from year to year. Generally, remuneration levels are reviewed each year to take into account Consumer Price Index changes, and any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy.

Termination provisions in the employment contracts with the named executives are summarised in the table below:

<table>
<tr><th>Executives</th><th>Termination by executive</th><th>Termination by Group</th><th>Expiry date of contract</th></tr>
<tr><td>DC Seargeant</td><td>The notice period is three months.</td><td rowspan="3">The notice period for the Group is one month. On termination, the Group may make a payment in lieu of notice, equal to the notice period.

The Group retains the right to terminate the contract immediately under certain conditions. On termination, the executive is entitled to accrued annual and long service benefits. There are no other termination payments.

Payment of any LTI incentive (or pro-rata thereof) is at the discretion of the Board.</td><td rowspan="3">Not applicable, rolling contracts.</td></tr>
<tr><td>NC Arundel
PC Bourke
GC Dean
MR Duff
HR Eberstaller</td><td>The notice period is four weeks.</td></tr>
<tr><td>TJ Alley [(a)]
JM Hastings [(b)]</td><td>The notice period is one month.</td></tr>
</table>

(a) TJ Alley commenced employment with the Group on 14 November 2012.
(b) JM Hastings ceased employment with the Group on 24 August 2012.

Use of remuneration consultants
During the year, the Nomination and Remuneration Committee employed the services of Godfrey Remuneration Group Pty Limited ("GRG") to review its existing remuneration policies and to provide recommendations in respect of the remuneration of the executive and non-executive directors. Under the terms of the engagement, GRG provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 and was paid $8,000 for these services.

GRG has confirmed all recommendations have been made free from undue influence by members of the Group's key management personnel. The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- GRG was engaged by, and reported directly to, the Chair of the Nomination and Remuneration Committee. The agreement for the provision of remuneration consulting services was executed by the Chair of the Nomination and Remuneration Committee under delegated authority on behalf of the Board;
- the report containing the remuneration recommendations was provided by GRG directly to the Chair of the Nomination and Remuneration Committee; and
- GRG was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues. However, GRG was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

As a consequence, the Board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

Voting and comments made at the 2012 AGM
At the Company's 2012 AGM, approximately 28% of the votes received (representing approximately 9.7% of the issued share capital of the Company) did not support the 2012 Remuneration Report, and consequently the Company received a "first strike" under the Corporations Act 2001. No comments or questions were received from shareholders present at the meeting in respect of the Remuneration Report. The Company's response to the "first strike" received in 2012 is set out on page 26.

Key management personnel

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and executives.

Name	Position	Period of responsibility	Employing company
Non-executive directors [(a)]			
Alan Rydge	Chairman and non-executive director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Anthony Clark	Independent non-executive and lead director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Kenneth Chapman	Independent non-executive director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Peter Coates	Independent non-executive director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Valerie Davies	Independent non-executive director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Richard Newton	Independent non-executive director	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Executive director			
David Seargeant	Managing Director and Chief Executive Officer	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Executives			
Tamsyn Alley	Director of Marketing	14 November 2012 to 30 June 2013	Amalgamated Holdings Limited
Norman Arundel	Managing Director Rydges Hotels & Resorts	1 July 2012 to 30 June 2013	Rydges Hotels Limited
Peter Bourke [(b)]	Director of Information Technology	1 July 2012 to 22 November 2012	Amalgamated Holdings Limited
Gregory Dean	Director Finance & Accounting, Company Secretary	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Mathew Duff	Director Commercial	1 July 2012 to 30 June 2013	Amalgamated Holdings Limited
Hans Eberstaller	Managing Director AHL Strategic Investments	1 July 2012 to 30 June 2013	The Greater Union Organisation Pty Limited
Jane Hastings	General Manager Entertainment – Australia and New Zealand	1 July 2012 to 24 August 2012	The Greater Union Organisation Pty Limited

(a) David Grant was appointed to the Board on 25 July 2013 and was not a key management person at any time during the period from 1 July 2012 to 30 June 2013.

(b) Peter Bourke ceased to be a key management person of the Group effective 22 November 2012.

Directors' and executives' remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are set out below. In accordance with the requirements of AASB 124 *Related Party Disclosures*, the remuneration tables only include remuneration relating to the portion of the relevant periods that each individual was a key management person.

		Short term					Post-employment	Share-based	Other long term	Other		
		Fixed annual remuneration and fees $	STI bonuses $	Non-cash benefits $	Accrued annual leave $	Insurance premiums [a] $	Superannuation contributions $	LTI equity [b] $	Accrued long service leave $	Retirement benefits $	Total $	Proportion of remuneration performance related
DIRECTORS												
Non-executive												
AG Rydge	2013	278,530	–	–	–	–	16,470	–	–	–	295,000	–
	2012	254,225	–	–	–	–	15,775	–	–	–	270,000	–
AJ Clark	2013	154,000	–	–	–	–	–	–	–	–	154,000	–
	2012	140,000	–	–	–	–	–	–	–	–	140,000	–
KG Chapman	2013	108,257	–	–	–	–	9,743	–	–	–	118,000	–
	2012	99,083	–	–	–	–	8,917	–	–	–	108,000	–
PR Coates	2013	124,771	–	–	–	–	11,229	–	–	–	136,000	–
	2012	114,679	–	–	–	–	10,321	–	–	–	125,000	–
VA Davies	2013	108,257	–	–	–	–	9,743	–	–	–	118,000	–
	2012	99,083	–	–	–	–	8,917	–	–	–	108,000	–
RG Newton	2013	108,257	–	–	–	–	9,743	–	–	–	118,000	–
	2012	99,083	–	–	–	–	8,917	–	–	–	108,000	–
Executive												
DC Seargeant	2013	1,873,530	1,275,750	–	(84,504)	14,304	16,470	518,912	36,119	–	3,650,581	49.2%
	2012	1,874,225	1,277,500	–	(151,802)	16,674	15,775	1,187,201	36,571	–	4,256,144	57.9%

Directors' and executives' remuneration (continued)

		Short term					Post-employment	Share-based	Other long term	Other		
		Fixed annual remuneration and fees $	STI bonuses $	Non-cash benefits $	Accrued annual leave $	Insurance premiums [(a)] $	Superannuation contributions $	LTI equity [(b)] $	Accrued long service leave $	Termination payments $	Total $	Proportion of remuneration performance related
EXECUTIVES												
TJ Alley [(c)]	2013	242,885	–	–	19,309	228	9,608	17,508	–	–	289,538	6.0%
	2012	–	–	–	–	–	–	–	–	–	–	–
NC Arundel	2013	447,530	22,750	–	16,100	7,093	16,470	76,300	8,592	–	594,835	16.7%
	2012	439,225	88,000	–	(1,167)	1,275	15,775	117,737	9,498	–	670,343	30.7%
PC Bourke [(d)]	2013	95,950	30,000	–	1,910	460	6,543	19,032	–	–	153,895	31.9%
	2012	234,225	27,083	–	8,070	944	15,775	28,201	–	–	314,298	17.6%
GC Dean	2013	395,530	61,056	–	8,114	3,142	16,470	66,916	12,613	–	563,841	22.7%
	2012	350,767	41,883	–	17,531	2,078	15,775	78,615	33,941	–	540,590	22.3%
MR Duff	2013	427,530	89,361	–	13,251	2,050	16,470	72,127	13,789	–	634,578	25.4%
	2012	413,225	121,014	–	16,747	1,686	15,775	111,475	11,564	–	691,486	33.6%
HR Eberstaller	2013	214,965	62,660	–	12,724	1,541	16,285	31,637	6,446	–	346,258	27.2%
	2012	172,477	109,703	–	2,818	1,275	15,523	44,906	4,684	–	351,386	44.0%
JM Hastings [(e)]	2013	70,194	102,933	–	1,196	169	2,745	(148,971)	–	–	28,266	–
	2012	459,225	47,500	–	818	660	15,775	115,817	–	–	639,795	25.5%
PW Horton [(f)]	2013	–	–	–	–	–	–	–	–	–	–	–
	2012	117,658	57,920	6,760	–	2,920	5,258	(41,224)	5,415	373,000	527,707	3.2%

Directors' and executives' remuneration (continued)

(a) Amounts disclosed above for remuneration of directors and named executives exclude insurance premiums paid by the Group in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out within this Remuneration Report. The amounts disclosed in the table above relate to premiums paid by the Group for group salary continuance insurance.

(b) Amounts disclosed above for remuneration relating to performance shares have been determined in accordance with the requirements of AASB 2 *Share-based Payment*. AASB 2 requires the measurement of the fair value of performance shares at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date. A value has been placed on the performance shares using a Monte Carlo simulation model. Details of performance shares on issue are set out within the Remuneration Report and further details on the terms and conditions of these performance shares is set out in Note 30 to the financial statements.

(c) TJ Alley commenced employment with the Group on 14 November 2012.

(d) PC Bourke ceased to be a key management person of the Group effective 22 November 2012. Amounts disclosed in the table above are in respect of the period for which PC Bourke was a key management person.

(e) JM Hastings ceased employment with the Group on 24 August 2012.

(f) PW Horton ceased employment with the Group on 28 October 2011.

Analysis of STI bonuses included in remuneration

The bonus table below is calculated on the basis of including awarded bonuses only. It only includes remuneration relating to the portion of the relevant periods that each individual was a key management person. Details of the vesting profile of the STI bonuses awarded as remuneration to the Managing Director and each of the named executive officers of the Group are shown below:

	Included in remuneration [a] $	Awarded in year	Not awarded in year [b]
Managing Director			
DC Seargeant	1,275,750	45.0%	55.0%
Executives			
TJ Alley [c]	–	–	–
NC Arundel	22,750	10.0%	90.0%
PC Bourke	30,000	30.0%	70.0%
GC Dean	61,056	41.3%	58.7%
MR Duff	89,361	41.7%	58.3%
HR Eberstaller	62,660	66.7%	33.3%
JM Hastings [d]	102,933	43.3%	56.7%

(a) Amounts included in remuneration for the year represent the amounts that were awarded in the year based on achievement of personal goals and satisfaction of specified performance criteria for the 30 June 2012 year. No amounts vest in future years in respect of the STI bonus schemes for the 2012 year.

(b) The amounts not awarded are due to the performance criteria not being met in relation to the assessment period.

(c) TJ Alley commenced employment with the Group on 14 November 2012.

(d) JM Hastings ceased employment with the Group on 24 August 2012.

Analysis of LTI performance shares granted as remuneration

Details of vesting profile of the performance shares granted as remuneration to the Managing Director and named executives are shown below:

	Number	Grant date	Vested during the year	Forfeited during the year [(a)]	Year in which the grant vests	Fair value Performance share – EPS $	Fair value Performance share – TSR $
Managing Director							
DC Seargeant	210,000	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
	255,000	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	210,000	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
	240,000	28 Jun 2010	50%	50%	30 Jun 2013	5.78	4.72
Executives							
TJ Alley [(b)]	20,767	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
NC Arundel	23,502	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
	28,539	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	23,547	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
	18,987	28 Jun 2010	50%	50%	30 Jun 2013	5.78	4.72
PC Bourke [(c)]	15,681	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	9,174	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
GC Dean	20,868	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
	25,089	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	14,717	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
	11,889	28 Jun 2010	50%	50%	30 Jun 2013	5.78	4.72
MR Duff	22,489	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
	26,908	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	22,209	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
	17,947	28 Jun 2010	50%	50%	30 Jun 2013	5.78	4.72
HR Eberstaller	9,876	21 Feb 2013	–	–	30 Jun 2016	7.43	5.00
	11,792	23 Feb 2012	–	–	30 Jun 2015	5.89	4.21
	9,740	23 Feb 2011	–	–	30 Jun 2014	5.98	3.94
	7,866	28 Jun 2010	50%	50%	30 Jun 2013	5.78	4.72
JM Hastings [(d)]	29,793	23 Feb 2012	–	100%	–	5.89	4.21
	50,000	16 May 2011	–	100%	–	5.98	3.94

(a) The % forfeited in the year represents the reduction from the maximum number of performance shares available to vest due to the performance criteria not being achieved.

(b) TJ Alley commenced employment with the Group on 14 November 2012. No performance shares were granted to Ms Alley in previous financial years.

(c) PC Bourke commenced employment with the Group on 19 April 2010. No performance shares were granted to Mr Bourke in previous financial years. Mr Bourke ceased to be a key management person of the Group on 22 November 2012 and was not granted performance shares during the period from 1 July 2012 to 22 November 2012.

(d) JM Hastings ceased employment with the Group on 24 August 2012 and all performance shares were forfeited at that date.

Analysis of movements in performance shares

The movement during the year by value, of performance shares in the Company held by the Managing Director and each of the named executives is detailed below:

	Granted during the year (a) $	Exercised during the year (b) $	Forfeited during the year (c) $	Performance shares exercised Number	Amount paid per share $
Managing Director					
DC Seargeant	1,305,150	–	805,200	–	–
Executives					
TJ Alley	129,068	–	–	–	–
NC Arundel	146,067	190,956	63,698	24,233	Nil
PC Bourke (d)	–	–	–	–	–
GC Dean	129,696	–	39,884	–	–
MR Duff	139,770	132,800	60,209	20,000	Nil
HR Eberstaller	61,379	–	26,390	–	–
JM Hastings (e)	–	–	543,390	–	–

(a) The value of performance shares granted in the year is the fair value of the performance shares calculated at grant date using a Monte Carlo simulation model. The total value of the performance shares granted is included in the table above. This amount is allocated to remuneration over the vesting period.

(b) The value of performance shares exercised during the year is calculated as the market price of shares of the Company on the ASX as at close of trading on the date that the performance shares were exercised.

(c) The value of performance shares forfeited during the year is calculated as the market price of shares of the Company on the ASX as at close of trading on the date that the Board assessed the vesting, or otherwise, of performance shares due to performance criteria not being achieved.

(d) PC Bourke was not granted performance shares during the period for which Mr Bourke was a key management person of the Group.

(e) JM Hastings ceased employment with the Group on 24 August 2012 and the performance shares were forfeited at that date.

There were no performance shares granted since the end of the year.

End of Directors' Report: Remuneration Report

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of Amalgamated Holdings Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

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

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

KPMG

Kenneth Reid
Partner

Sydney
22 August 2013

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $'000	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	92,768	63,309
Trade and other receivables	11	45,879	39,294
Inventories	12	14,577	22,029
Prepayments and other current assets	13	6,151	4,904
Total current assets		159,375	129,536
Non-current assets			
Trade and other receivables	11	1,185	1,220
Other financial assets	14	1,387	315
Available-for-sale financial assets	15	13,374	10,032
Investments accounted for using the equity method	16	119,428	115,390
Property, plant and equipment	17	759,565	705,638
Investment properties	18	69,500	79,350
Goodwill and other intangible assets	19	39,284	36,293
Deferred tax assets	7(c)	8,227	6,433
Other non-current assets	20	9,077	4,018
Total non-current assets		1,021,027	958,689
Total assets		1,180,402	1,088,225
LIABILITIES			
Current liabilities			
Trade and other payables	21	87,768	86,443
Loans and borrowings	22	452	184
Current tax liabilities	7(b)	9,633	7,882
Provisions	24	17,518	15,930
Deferred revenue	1(t)	58,749	48,948
Other current liabilities	25	3,681	1,807
Total current liabilities		177,801	161,194
Non-current liabilities			
Loans and borrowings	22	78,469	46,617
Deferred tax liabilities	7(c)	6,585	5,442
Provisions	24	8,046	7,363
Deferred revenue	1(t)	5,347	4,173
Other non-current liabilities	25	4,511	4,563
Total non-current liabilities		102,958	68,158
Total liabilities		280,759	229,352
Net assets		899,643	858,873
EQUITY			
Share capital	26	219,126	219,126
Reserves	27	23,031	3,829
Retained earnings	27	657,486	635,918
Total equity		899,643	858,873

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 44 to 108.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $'000	2012 $'000
Continuing operations			
Revenue and other income			
Revenue from sale of goods and rendering of services	3	759,028	722,263
Other revenue and income	3	48,200	68,022
		807,228	790,285
Expenses			
Employee expenses	4(a)	(202,730)	(185,585)
Occupancy expenses		(182,574)	(179,292)
Film hire and other film expenses		(156,537)	(148,827)
Purchases and other direct expenses		(85,396)	(82,331)
Other operating expenses		(46,437)	(46,864)
Depreciation and amortisation	4(a)	(40,552)	(37,260)
Advertising, commissions and marketing expenses		(21,178)	(21,075)
Impairment of assets	4(a)	–	(18,228)
Finance costs	4(a)	(7,341)	(2,871)
		(742,745)	(722,333)
Equity profit			
Share of net profit of equity accounted investees:			
Associates	36	(17)	5
Jointly controlled entities	37	45,150	40,303
		45,133	40,308
Profit before tax from continuing operations		109,616	108,260
Income tax expense	7	(28,734)	(29,606)
Profit after tax from continuing operations		80,882	78,654
Discontinued operations			
Profit after tax from discontinued operations	5	4,910	1,088
Profit for the year		85,792	79,742

	Note	2013 Cents	2012 Cents
Earnings per share			
Basic earnings per share			
Continuing operations	9	51.2	49.9
Discontinued operations	9	3.1	0.7
Total	9	54.3	50.6
Diluted earnings per share			
Continuing operations	9	50.8	49.4
Discontinued operations	9	3.1	0.7
Total	9	53.9	50.1

The Income Statement is to be read in conjunction with the notes to the financial statements on pages 44 to 108.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	2013 $'000	2012 $'000
Profit for the year	85,792	79,742
Other comprehensive income/(expense) from continuing operations		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations – net of tax	14,330	(5,493)
Net increase/(decrease) in fair value of available-for-sale financial assets – net of tax	2,339	(511)
Revaluation increment on reclassification of property to investment properties	1,300	–
Ineffective portion of change in fair value of cash flow hedges taken to the Income Statement – net of tax	25	451
Other comprehensive income/(expense) for the year – net of tax	17,994	(5,553)
Total comprehensive income for the year	103,786	74,189

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements on pages 44 to 108.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2012	219,126	3,829	635,918	858,873
Profit for the year	–	–	85,792	85,792
Other comprehensive income				
Foreign currency translation differences for foreign operations – net of tax	–	14,330	–	14,330
Net change in fair value of available-for-sale financial assets – net of tax	–	2,339	–	2,339
Net change in fair value of cash flow hedges – net of tax	–	25	–	25
Revaluation increment on reclassification of property to investment properties	–	1,300	–	1,300
Total other comprehensive income recognised directly in equity	–	17,994	–	17,994
Total comprehensive income for the year	–	17,994	85,792	103,786
Employee share-based payments expense – net of tax	–	1,160	–	1,160
Net present value adjustment to employee share loans	–	48	–	48
Dividends paid	–	–	(64,224)	(64,224)
Total transactions with owners	–	1,208	(64,224)	(63,016)
Balance at 30 June 2013	219,126	23,031	657,486	899,643
Balance at 1 July 2011	219,126	6,086	621,801	847,013
Profit for the year	–	–	79,742	79,742
Other comprehensive (expense)/income				
Foreign currency translation differences for foreign operations – net of tax	–	(5,493)	–	(5,493)
Net change in fair value of available-for-sale financial assets – net of tax	–	(511)	–	(511)
Net change in fair value of cash flow hedges – net of tax	–	451	–	451
Total other comprehensive income recognised directly in equity	–	(5,553)	–	(5,553)
Total comprehensive (expense)/income for the year	–	(5,553)	79,742	74,189
Employee share-based payments expense – net of tax	–	3,265	–	3,265
Net present value adjustment to employee share loans	–	31	–	31
Dividends paid	–	–	(65,625)	(65,625)
Total transactions with owners	–	3,296	(65,625)	(62,329)
Balance at 30 June 2012	219,126	3,829	635,918	858,873

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 44 to 108.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		838,065	814,610
Cash payments in the course of operations		(761,424)	(735,150)
Cash provided by operations		76,641	79,460
Distributions from associates and jointly controlled entities		41,858	39,325
Other revenue		43,757	50,324
Dividends received		569	535
Interest received		1,507	2,968
Finance costs paid		(7,305)	(3,653)
Income tax refunds		735	3,068
Income tax paid		(29,474)	(33,742)
Net cash provided by operating activities	40	128,288	138,285
Cash flows from investing activities			
Payments for property, plant and equipment and redevelopment of properties		(71,199)	(118,831)
Purchase of management and leasehold rights, software and other intangible assets		(3,277)	(2,317)
Payments for businesses acquired including goodwill and associated plant and equipment		(5,407)	–
Net proceeds from disposal of discontinued operation		9,800	–
Decrease in loans to associates and jointly controlled entities		565	–
Proceeds from disposal of other non-current assets		459	390
Increase in loans from other entities		201	618
Proceeds from short term deposits		–	65,000
Net cash used by investing activities		(68,858)	(55,140)
Cash flows from financing activities			
Proceeds from borrowings		45,000	–
Repayments of borrowings		(17,000)	–
Payments for transaction costs related to loans and borrowings		–	(2,088)
Dividends paid	8	(64,224)	(65,625)
Net cash used by financing activities		(36,224)	(67,713)
Net increase in cash and cash equivalents		23,206	15,432
Cash and cash equivalents at the beginning of the year		63,309	50,581
Effect of exchange rate fluctuations on cash held		6,253	(2,704)
Cash and cash equivalents at the end of the year	10	92,768	63,309

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 44 to 108.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Amalgamated Holdings Limited ("Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for the year ended 30 June 2013 comprises the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

Amalgamated Holdings Limited is a for-profit company incorporated in Australia and limited by shares. The shares are publicly traded on the ASX. The nature of the operations and principal activities of the Group are described in Note 2.

The financial report was authorised for issue by the Board of Directors of Amalgamated Holdings Limited on 22 August 2013.

(b) Basis of preparation

(i) *Statement of compliance*

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

(ii) *Basis of measurement*

The financial report is prepared on the historical cost basis except for the following material items in the Statement of Financial Position which are measured at fair value: derivative financial instruments, financial assets classified as available-for-sale, liabilities for cash-settled share-based payments and investment properties. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(iii) *Use of estimates and judgements*

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods if affected. Judgements made by management in the application of AASBs that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in Note 1(aa).

(iv) *Functional and presentation currency*

The financial report is presented in Australian dollars and the functional currency of the Group is Australian dollars.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(v) *Change in significant accounting policies*

The accounting policies described in this note have been applied consistently to all periods presented in this financial report and have been applied consistently by all entities in the Group, except as explained in this note which addresses changes in accounting policies.

From 1 July 2012, the Group has applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the statement of profit or loss and other comprehensive income.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) *New standards and interpretations not yet adopted*

AASB 11 Joint Arrangements will be effective for the Group's 2014 consolidated financial statements. The Group has completed a preliminary assessment of the impact of AASB 11 on the Group's interest in various jointly controlled entities, details of which are disclosed in Note 37. The results of that preliminary assessment indicate that the Group's Australian, New Zealand and Fijian jointly controlled entities are likely to be classified as joint operations under AASB 11 and accounted for on a line-by-line basis. These operations are currently equity accounted under AASB 131 Interests in Joint Ventures. The Group's assessment of the impact on the Group's jointly controlled entities domiciled in Germany has yet to be completed; these are currently equity accounted under AASB 131, and may continue to be equity accounted under AASB 11.

The likely impact of AASB 11 can be illustrated with reference to the Group's financial statements for the year ended 30 June 2013. If AASB 11 were applied in 2013 (excluding the potential impact on the Group's jointly controlled entities domiciled in Germany), it would result in an increase in revenue and other income of $236,187,000 to $1,043,415,000, an increase in expenses of $193,853,000, and a reduction in the share of net profit of equity accounted investees of $42,334,000. There would be no change to the reported profit. With regard to the Statement of Financial Position, the application of AASB 11 would result in the recognition of the Group's share of assets and liabilities associated with the joint operations together with a goodwill balance associated with the Australian Theatres Joint Venture of approximately $30 million. There would be a reduction in the balance of investments accounted for using the equity method of $116,838,000. There would be no change to the reported net assets.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 Financial Instruments (2010) which becomes mandatory for the Group's 2016 financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this new standard early and the extent of the impact has not been determined.

(c) Basis of consolidation

(i) *Business combinations*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Under the acquisition method, consideration transferred in a business combination is measured at fair value, which is measured as the sum of the fair values at acquisition date of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

For acquisitions on or after 1 July 2009, the Group measures goodwill arising from the business combination at the acquisition date as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

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

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

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) *Associates and jointly controlled entities ("equity accounted investees")*

Associates are those entities for which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustment to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The Group's share of movements in reserves is recognised directly in consolidated equity. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has legal or constructive obligations to make payments on behalf of the investee.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) *Transactions eliminated on consolidation*

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

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

(d) Foreign currency

(i) *Foreign currency transactions*

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

(ii) *Financial statements of foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the reserve is transferred to profit or loss.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in an associate or jointly controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to profit or loss.

(iii) *Net investment in foreign operations*

Exchange differences arising from the translation of the net investment in foreign operations, and the effective portion of related hedges, are taken to the foreign currency translation reserve. They are released to profit or loss as an adjustment to profit or loss on disposal.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned or likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income and presented in the foreign currency translation reserve in equity.

(e) Derivative financial instruments

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

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (refer Note 1(f)).

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

(f) Hedge accounting

On entering into a hedging relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The Group makes an assessment, both at inception of the hedge relationship as well as on an ongoing basis, whether such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge have been highly effective throughout the financial reporting periods for which they are designated.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Cash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in equity in the hedging reserve. When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects profit or loss. Any ineffective portion of change in the fair value of the derivative is recognised immediately in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is reclassified in profit or loss.

(ii) *Hedge of net investment in foreign operations*

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

(g) Property, plant and equipment

(i) *Owned assets*

Items of property, plant and equipment (except for investment properties – refer Note 1(g)(ii)) are stated at cost or deemed cost, less accumulated depreciation and impairment losses.

The cost of assets represents the fair value of the consideration provided, plus incidental costs, directly attributable to the acquisition and may also include:

- the initial estimate of the cost at the time of installation and during the period of use, when relevant and probable, of removing items and restoring the site on which they are located (decommissioning);
- changes in the measurement of existing liabilities recognised for decommissioning costs resulting from changes in the discount rate applied to these future liabilities or changes to estimates of cost;
- transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment; and
- the borrowing cost related to the acquisition or construction of qualifying assets (refer Note 1(v)).

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Group if a similar borrowing were obtained from an independent financier under comparable terms and conditions. The unwinding of the discount is treated as interest expense.

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

(ii) *Investment properties*

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

When the use of a property changes from owner occupied to investment property, the property is reclassified as an investment property. Any difference at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised directly to the investment property revaluation reserve if it is an increase and to profit or loss if it is a decrease. A gain may be recognised to profit on remeasurement only to the extent it reverses a previous impairment loss on the property.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *Investment properties (continued)*
Transfers are made from investment properties to inventories when there is a change in use as evidenced by the commencement of development with a view to sell. Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in profit or loss in the period of derecognition.

(iii) *Leased assets*
Leases for property, plant and equipment under which the Group assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. Upon initial recognition, a lease asset is measured at the lower of its fair value and the present value of minimum lease payments. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy of the applicable asset. The interest component of finance lease payments is charged to profit or loss.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(iv) *Subsequent costs*
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

(v) *Depreciation*
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Buildings	40 – 80 years
Plant and equipment	3 – 20 years
Fixtures and fittings	3 – 10 years
Leasehold buildings and improvements	Shorter of estimated useful life and term of lease.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

(h) Intangible assets

(i) *Goodwill*
Goodwill that arises from a business combination is initially measured as described in Note 1(c)(i).

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

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the business combination's synergies.

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

The carrying amount of goodwill in respect of associates and jointly controlled entities is included in the carrying amount of the investment in the associate or jointly controlled entity.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) *Other intangible assets*

Other intangible assets, which largely comprise management and leasehold rights and software, are stated at cost less accumulated amortisation and impairment losses.

Management rights are amortised over the life of the management agreements on a straight-line basis. Software for major operating systems is amortised over a four to five year period on a straight-line basis.

(i) Impairment

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

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

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

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

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

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

(j) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as available-for-sale, are measured at fair value. Available-for-sale financial assets comprise marketable equity securities.

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

Gains or losses on available-for-sale investments are recognised as a separate component of equity in the available-for-sale investments revaluation reserve until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss. An impairment loss recognised in profit or loss in respect of an available-for-sale investment is reversed through profit or loss to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Work in progress is valued at cost. Cost is based on the first-in-first-out principle and includes expenditure incurred in bringing inventories to their existing condition and location. The cost of inventories may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories (see Note 1(f)).

Transfers are made from investment properties to inventories when there is a change in use as evidenced by the commencement of development with a view to sale (see Note 1(g)).

(l) Contract work in progress

For equipment build and cinema installation contracts, profit is brought to account on a percentage of completion basis.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Cash and cash equivalents

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

(n) Receivables

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses. Where the payment terms for the sale of an asset are deferred, the receivable is discounted using the prevailing rate for a similar instrument of an issuer with similar credit terms. The unwinding of the discount is treated as finance revenue.

(o) Payables

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost. Trade accounts payable are normally non-interest bearing and settled within 30 days.

(p) Borrowings

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

(q) Provisions

(i) *Employee benefits*

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

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

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

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

(ii) *Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the obligations under that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

The provision recognised is based on the excess of the estimated cash flows to meet the unavoidable costs under the contract over the estimated cash flows to be received in relation to the contract, having regard to the risks of the activities relating to the contract. The net estimated cash flows are discounted using market yields on national government guaranteed bonds with terms to maturity that match, as closely as possible, the expected future cash flows.

(iii) *Decommissioning of leasehold improvements*

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

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

(iv) *Other*

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Superannuation plans

The Group contributes to several defined contribution superannuation plans. Contributions are charged against income as they are made. These contributions are in accordance with the relevant trust deeds and the Superannuation Guarantee Levy.

(s) Share-based payment transactions – employee share plans

(i) *Executive Performance Share Plan*

Equity-based compensation benefits are provided to employees via the Executive Performance Share Plan.

The fair value of performance shares granted under the Executive Performance Share Plan is recognised as an employee expense over the period during which the employees become unconditionally entitled to the shares. There is a corresponding increase in equity, being recognition of a share-based payments reserve. The fair value of performance shares granted is measured at grant date. The fair value of the shares was determined using the Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were granted.

To facilitate the operation of the Executive Performance Share Plan, a third party trustee is used to administer the trust which holds shares allocated under the Executive Performance Share Plan. The trust is controlled by the Group and therefore its financial statements are included in the consolidated financial statements. The shares in the Group held by the trust are therefore shown as treasury shares (see Note 26).

Performance shares are subject to performance hurdles. The performance shares are recognised in the Statement of Financial Position as restricted ordinary shares. Performance shares are included within the weighted average number of shares used as the denominator for determining basic earnings per share and net tangible asset backing per share.

The Group incurs expenses on behalf of the trust. These expenses are in relation to administration costs of the trust and are recorded in the Income Statement as incurred.

(ii) *Employee Share Plan*

The Group has in prior years issued shares to certain employees under an Employee Share Plan. No shares have been issued under this plan since February 1998. Other than costs incurred in administering the scheme which are expensed as incurred, the scheme does not result in any expense to the Group.

(t) Revenue recognition

Revenues are recognised at fair value of the consideration received, net of the amount of goods and services tax (“GST”), or equivalent tax in overseas jurisdictions.

(i) *Sale of goods*

Revenue from the sale of goods comprises revenue earned (net of returns, discounts, allowances and GST or equivalent tax in overseas jurisdictions) from the provision of products to entities outside the Group. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer.

(ii) *Rendering of services and deferred revenue*

Revenue from rendering services is recognised in the period in which the service is provided. Revenue relating to future periods which is not yet recognised because the service is yet to be provided or the admission made, is shown on the Statement of Financial Position as deferred revenue. Revenues from advance movie ticket and gift card sales are recorded as deferred revenue and are recognised when tickets or gift cards are redeemed.

(iii) *Interest and dividend revenue*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividend income is recognised on the date that the Group’s right to receive payment is established.

(iv) *Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(v) *Sale of non-current assets*

The gain or loss on disposal of an item of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds from the disposal.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(vi) *Customer loyalty programs*

The Group operates loyalty programs where customers accumulate points for purchases made which entitles them to discounts on future purchases. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the components of the sale such that the award points are recognised at their fair value. The fair value of the points is estimated based on the fair value of the goods and services received and adjusted to take into account the expected forfeiture rate. Revenue from the award points is recognised when the points are redeemed or the options expire. The amount of the revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(u) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, or equivalent tax in overseas jurisdictions, except where the amount of GST or equivalent tax incurred is not recoverable from the local taxation authorities. In these circumstances, the tax is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST or equivalent tax included.

The net amount of the tax recoverable from, or payable to, taxation authorities is included as a current asset or liability in the Statement of Financial Position.

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

(v) Finance costs

Finance costs include interest, unwinding of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is that incurred in relation to that borrowing, net of any interest earned on those borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit and loss using the effective interest method.

(w) Taxation

(i) *Income tax*

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

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

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: taxable temporary difference arising from the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ii) *Tax consolidation regime*

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segment reporting

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

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

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

(y) Share capital

(i) *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(ii) *Treasury shares*

Executive Performance Share Plan shares held by the Group's employee share plan trust are recognised as treasury shares and deducted from equity.

(z) Earnings per share

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

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

(aa) Critical judgements, accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Critical judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Recoverable amount of assets*

The Group has undertaken assessments of whether long-lived assets including property assets, goodwill and plant and equipment could be deemed to be impaired. In assessing the recoverability of these assets, assumptions are made regarding the estimated future cash flows and other factors, including the pre-tax discount rate to be applied, to determine the recoverable amount of the respective assets. The estimate of cash flow is based upon, among other things, certain assumptions about expected future operating performance. Estimates of discounted cash flow may differ from actual cash flow due to factors such as economic conditions, changes to business models or changes in operating performance. If the sum of the discounted estimated cash flows is less than the current carrying value, an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset, is recognised.

The Group has also previously recognised impairment write-downs for property, plant and equipment. Where trading circumstances improve at the previously impaired site, an assessment of recoverable value is made to determine if an impairment loss can be reversed, net of depreciation that would have been incurred had no impairment loss been recognised. These determinations also require estimates and assumptions with regard to the future trading performance of those assets.

Refer Notes 17 and 19 for details of key estimates and assumptions in respect of impairments.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *Fair value of investment properties*

Investment properties are independently revalued to fair value each reporting period, with any gain or loss arising on remeasurement being recognised in profit or loss. In assessing the fair value of properties, a number of assumptions are made at the end of each reporting period regarding future cash flows, future property market economic conditions and other factors including cash flow discount rates and rental capitalisation rates.

The carrying value of investment properties is disclosed in Note 18 along with a summary of the movements in the carrying value.

(iii) *Share-based payment transactions*

The Group measures the cost of the Executive Performance Share Plan by reference to the fair value of the equity instruments at the date at which the shares are granted. The fair value of performance shares granted is determined by an external valuer using a Monte Carlo simulation model using the assumptions detailed in Note 30.

(iv) *Taxation*

The Group has unrecognised deferred tax assets in respect of certain foreign tax revenue losses – refer Note 7. The utilisation of the tax revenue losses is dependent upon the generation of sufficient future taxable profits within the applicable foreign tax entities and a deferred tax asset is only recognised to the extent that it is supported by sufficient forecast taxable profits. Assumptions regarding the generation of future taxable profits relevant to those foreign tax entities has been based upon management's budget estimates and forecasts. Management considers that the forecast of taxable profits for the applicable foreign tax entities is subject to risk and uncertainty; hence, the Group has not recognised all of the losses as a deferred tax asset.

(v) *Classification of properties*

The Group holds three properties which were previously operating cinema sites. Pending completion and approval of plans for the long term use of these properties, they have not been classified as investment properties. These properties continue to be accounted for using the cost basis rather than the fair value basis which is applied to investment properties.

(vi) *Contingent liabilities*

Refer Note 32 for estimates and judgements made in relation to contingent liabilities.

(ab) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Income Statement and Statement of Comprehensive Income are re-presented as if the operation had been discontinued from the start of the comparative period.

NOTE 2 – SEGMENT REPORTING

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

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

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

Operating segments
The Group comprises the following main operating segments:

Cinema Exhibition Australia
Includes the cinema exhibition operations in Australia.

Cinema Exhibition New Zealand
Includes cinema exhibition operations in New Zealand as well as a joint venture interest in two cinema sites in Fiji.

Cinema Exhibition Germany
Includes the cinema exhibition operations in Germany.

Entertainment Technology
Includes theatre equipment supply and servicing.

Hotels
Includes the ownership operation and management of hotels in Australia and overseas.

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

Leisure/Attractions
Includes ancillary leisure and other activities including the Featherdale Wildlife Park and the State Theatre.

Property and Other Investments
Includes property rental, investment properties and available-for-sale investments.

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

NOTE 2 – SEGMENT REPORTING (continued)

Operating segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
2013											
Revenue and other income											
External segment revenue	166,793	62,967	280,827	28,723	188,012	53,968	14,198	14,911	810,399	(8,277)	802,122
Inter-segment revenue	–	–	–	9,933	–	–	–	–	9,933	–	9,933
Other income – external	–	2	–	–	1,486	62	5,604	2,002	9,156	(5,604)	3,552
Finance revenue									1,507	–	1,507
Other unallocated revenue									47	–	47
Total revenue and other income									831,042	(13,881)	817,161
Elimination of inter-segment revenue									(9,933)	–	(9,933)
Consolidated revenue and other income									821,109	(13,881)	807,228
Result											
Segment result	18,937	2,633	22,306	1,309	17,245	11,833	9,509	7,857	91,629	(7,329)	84,300
Share of net profit/(loss) of equity accounted investees	41,204	1,130	2,816	(17)	–	–	–	–	45,133	–	45,133
Total segment result	60,141	3,763	25,122	1,292	17,245	11,833	9,509	7,857	136,762	(7,329)	129,433
Unallocated revenue and expenses									(13,982)	–	(13,982)
Net finance expense									(5,835)	–	(5,835)
Profit before related income tax expense									116,945	(7,329)	109,616
Income tax expense									(31,153)	2,419	(28,734)
Profit after income tax expense									85,792	(4,910)	80,882
Amortisation and depreciation	(8,959)	(4,736)	(5,306)	(422)	(15,103)	(3,797)	(477)	(1,844)	(40,644)	92	(40,552)
Impairment write-downs of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–
Reversal of impairment write-downs made in prior years	–	–	–	–	–	–	–	–	–	–	–

NOTE 2 – SEGMENT REPORTING (continued)	Cinema Exhibition										
Operating segments	Australia $'000	New Zealand $'000	Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
2013											
Individually significant items											
Profit on sale of the Featherdale Wildlife Park	–	–	–	–	–	–	5,024	–	5,024	(5,024)	–
Pre-opening expenses relating to the launch and opening of QT Sydney	–	–	–	–	(3,251)	–	–	–	(3,251)	–	(3,251)
Redundancy costs incurred in relation to cinema digitalisation	–	–	(1,012)	–	–	–	–	–	(1,012)	–	(1,012)
Profit on sale of an Investment Property	–	–	–	–	–	–	–	1,439	1,439	–	1,439
	–	–	(1,012)	–	(3,251)	–	5,024	1,439	2,200	(5,024)	(2,824)

NOTE 2 – SEGMENT REPORTING (continued)

Operating segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000
2013									
Assets									
Reportable segment assets	110,960	56,393	144,450	9,138	478,381	44,362	6,981	166,218	1,016,883
Equity accounted investments	109,559	7,279	2,451	139	–	–	–	–	119,428
	220,519	63,672	146,901	9,277	478,381	44,362	6,981	166,218	1,136,311
Deferred tax assets									8,227
Unallocated corporate assets									35,864
Consolidated total assets									1,180,402
Liabilities									
Reportable segment liabilities	65,674	14,337	56,982	6,996	25,761	12,129	883	–	182,762
Deferred tax liabilities									6,585
Unallocated corporate liabilities									91,412
Consolidated total liabilities									280,759
Acquisitions of non-current assets	2,524	6,257	18,139	648	40,197	3,740	694	8,092	80,291

2013 Geographical information	Australia $'000	New Zealand and Fiji $'000	Germany $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
External segment revenue	443,986	85,586	280,827	810,399	(8,277)	802,122
Reportable segment assets	774,115	98,318	144,450	1,016,883	–	1,016,883
Equity accounted investments	109,698	7,279	2,451	119,428	–	119,428
Acquisitions of non-current assets	55,414	6,738	18,139	80,291	(341)	79,950

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2 – SEGMENT REPORTING (continued)

Operating segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
2012											
Revenue and other income											
External segment revenue	163,915	62,373	265,260	30,520	170,273	51,988	13,337	15,036	772,702	(7,569)	765,133
Inter-segment revenue	–	–	–	11,262	–	–	–	–	11,262	–	11,262
Other income – external	–	258	17,232	–	2,897	50	–	621	21,058	–	21,058
Finance revenue									4,017	–	4,017
Other unallocated revenue									77	–	77
Total revenue and other income									809,116	(7,569)	801,547
Elimination of inter-segment revenue									(11,262)	–	(11,262)
Consolidated revenue and other income									797,854	(7,569)	790,285
Result											
Segment result	17,120	2,422	33,172	910	9,065	10,701	3,794	5,661	82,845	(1,569)	81,276
Share of net profit of equity accounted investees	36,810	859	2,634	5	–	–	–	–	40,308	–	40,308
Total segment result	53,930	3,281	35,806	915	9,065	10,701	3,794	5,661	123,153	(1,569)	121,584
Unallocated revenue and expenses									(14,470)	–	(14,470)
Net finance revenue									1,146	–	1,146
Profit before related income tax expense									109,829	(1,569)	108,260
Income tax expense									(30,087)	481	(29,606)
Profit after income tax expense									79,742	(1,088)	78,654
Amortisation and depreciation	(7,971)	(4,674)	(5,553)	(305)	(12,638)	(3,660)	(398)	(2,151)	(37,350)	90	(37,260)
Impairment write-downs of property, plant and equipment	–	–	(728)	–	(17,500)	–	–	–	(18,228)	–	(18,228)
Reversal of impairment write-downs made in prior years	–	258	–	–	–	–	–	–	258	–	258

NOTE 2 – SEGMENT REPORTING (continued)

Operating segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
2012											
Individually significant items											
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005 (included in other revenue and finance revenue in Note 3)	–	–	18,799	–	–	–	–	–	18,799	–	18,799
Impairment write-downs of land, buildings and associated plant and equipment relating to certain hotel properties	–	–	–	–	(17,500)	–	–	–	(17,500)	–	(17,500)
Profit on sale of developed residential land lots	–	–	–	–	–	–	–	1,966	1,966	–	1,966
	–	–	18,799	–	(17,500)	–	–	1,966	3,265	–	3,265

NOTE 2 – SEGMENT REPORTING (continued)

Operating segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
2012											
Assets											
Reportable segment assets	117,039	50,335	104,350	20,392	446,760	43,585	11,729	152,987	947,177	(4,459)	942,718
Equity accounted investments	106,870	6,727	1,637	156	–	–	–	–	115,390	–	115,390
	223,909	57,062	105,987	20,548	446,760	43,585	11,729	152,987	1,062,567	(4,459)	1,058,108
Deferred tax assets									6,433	–	6,433
Unallocated corporate assets									19,225	–	19,225
Consolidated total assets									1,088,225	(4,459)	1,083,766
Liabilities											
Reportable segment liabilities	64,047	12,780	46,232	4,918	24,969	12,724	858	–	166,528	(733)	165,795
Deferred tax liabilities									5,442	–	5,442
Unallocated corporate liabilities									57,382	–	57,382
Consolidated total liabilities									229,352	(733)	228,619
Acquisitions of non-current assets	10,298	3,063	14,682	30	85,499	3,361	1,147	3,139	121,219	(121)	121,098

2012 Geographical information	Australia $'000	New Zealand and Fiji $'000	Germany $'000	Consolidated $'000	Less: Discontinued operations $'000	Consolidated continuing operations $'000
External segment revenue	422,893	84,549	265,260	772,702	(7,569)	765,133
Reportable segment assets	751,227	91,600	104,350	947,177	(4,459)	942,718
Equity accounted investments	107,026	6,727	1,637	115,390	–	115,390
Acquisitions of non-current assets	102,767	3,770	14,682	121,219	(121)	121,098

NOTE 3 – REVENUE AND OTHER INCOME	Note	2013 $'000	2012 $'000
Revenue from continuing operations			
Sale of goods		237,795	222,361
Rendering of services		521,233	499,902
		759,028	722,263
Other revenue			
Finance revenue:			
Interest income – bank deposits		821	2,382
Interest income – relating to VAT refund (refer individually significant items below)		–	1,567
Interest income – other persons		686	68
		1,507	4,017
Rental revenue:			
Associates	39	47	45
Other persons		21,831	19,967
		21,878	20,012
Dividends received and receivable from:			
Available-for-sale financial assets		547	509
Other entities		22	26
		569	535
Management and consulting fees received and receivable from:			
Jointly controlled entities	37	6,177	5,977
Other persons		14,609	16,229
		20,786	22,206
Sundry revenue		477	728
Other income:			
VAT refund (refer individually significant item below)		–	17,232
Insurance proceeds		1,464	2,872
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property		–	112
Increase in fair value of investment properties		16	–
Profit on sale of investment property		1,439	–
Profit on sale of plant and equipment		64	50
Plant and equipment impairment write-downs reversal		–	258
		2,983	20,524
Total other revenue and income		48,200	68,022
Total revenue and other income		807,228	790,285
Revenue and other income including share of sales revenue for jointly controlled entities:			
Revenue and other income as listed above		807,228	790,285
Jointly controlled entities *	37	249,528	240,277
		1,056,756	1,030,562

* Revenue disclosed above comprises the Group's share of the sales revenue earned by jointly controlled entities. The share of sales revenue of each jointly controlled entity is disclosed at Note 37.

NOTE 4 – PROFIT BEFORE INCOME TAX	2013 $'000	2012 $'000
(a) Expenses and losses/(gains)		
Profit before income tax has been arrived at after charging/(crediting) the following items:		
Cost of goods sold	82,536	82,049
Finance costs:		
Bank interest and finance costs	7,270	2,655
Interest and finance costs – other persons	11	49
	7,281	2,704
Unwind of notional interest	60	167
	7,341	2,871
Net bad and doubtful debts expense	(97)	538
Amortisation of:		
Buildings and improvements subject to long term leases	6,133	6,485
Intangible assets	3,468	3,255
Other	819	428
	10,420	10,168
Depreciation	30,132	27,092
	40,552	37,260
Impairment write-downs:		
Freehold land and buildings	–	6,700
Buildings and improvements subject to long term leases	–	917
Resort apartments and share of common property	–	10,000
Plant and equipment	–	611
	–	18,228
Operating lease rental expense	89,738	93,187
Loss on sale of plant and equipment	2,198	1,022
(Decrease)/increase in provision for:		
Onerous contracts	(466)	(896)
Insurance loss contingencies and other	286	(99)
Decommissioning of leasehold improvements	(21)	(278)
	(201)	(1,273)
Employee expenses:		
Salaries and wages	181,552	164,752
Increase in employee benefits provisions	10,367	9,642
Share-based payments expense	1,478	2,836
Superannuation contributions	9,333	8,355
	202,730	185,585
Net foreign exchange (gains)/losses	(221)	218

NOTE 4 – PROFIT BEFORE INCOME TAX (continued)	2013 $'000	2012 $'000
(b) Individually significant items		
Profit before income tax expense includes the following revenues/(expenses) whose disclosure is relevant in explaining the financial performance of the Group:		
Relating to continuing operations		
Pre-opening expenses relating to the launch and opening of QT Sydney	(3,251)	–
Profit on sale of an Investment Property	1,439	–
Redundancy costs incurred in relation to cinema digitalisation	(1,012)	–
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005 (included in other revenue in Note 3)	–	18,799
Impairment write-downs of land and buildings and associated plant and equipment	–	(17,500)
Profit on sale of developed residential land lots	–	1,966
	(2,824)	3,265
Relating to discontinued operations		
Profit on sale of the Featherdale Wildlife Park	5,024	–
	5,024	–

NOTE 5 – DISCONTINUED OPERATIONS

30 June 2013
On 26 June 2013, the sale of the Featherdale Wildlife Park was concluded. This operation was not a discontinued operation at the end of the prior financial year (30 June 2012) and the comparative Income Statement for the year ended 30 June 2012 has been re-presented to show the discontinued operation separately from continuing operations.

	2013 $'000	2012 $'000
Revenue from sale of goods	2,238	2,258
Revenue from rendering of services	6,057	5,311
Total revenue and other income	8,295	7,569
Advertising, commissions and marketing expenses	(393)	(352)
Depreciation and amortisation	(92)	(90)
Employee expenses	(3,105)	(3,162)
Occupancy expenses	(336)	(373)
Purchases and other direct expenses	(933)	(913)
Other expenses	(1,131)	(1,110)
	(5,990)	(6,000)
Profit before income tax	2,305	1,569
Income tax expense	(947)	(481)
Profit after income tax	1,358	1,088
Gain on sale of discontinued operations	5,024	–
Income tax expense on gain on sale	(1,472)	–
Profit	4,910	1,088

During the 12 months to 30 June 2013, the discontinued operations had cash inflows from operating activities of $2,397,000 (2012: $1,659,000), cash inflows from investing activities on disposal of $9,800,000 (2012: nil) and cash flows from financing activities of $nil (2012: nil).

NOTE 6 – AUDITORS' REMUNERATION

	2013 $	2012 $
Audit services:		
Auditors of the Group – KPMG Australia		
Audit and review of financial statements	1,001,000	916,130
Other assurance services	40,882	46,485
Overseas KPMG firms		
Audit and review of financial statements	357,590	371,370
Other assurance services	23,568	51,113
	1,423,040	1,385,098
Other services:		
Auditors of the Group – KPMG Australia		
Tax compliance and advice	339,282	225,305
Other services	190,527	70,032
	529,809	295,337
Overseas KPMG firms		
Tax compliance and advice	298,140	207,241
	827,949	502,578

NOTE 7 – TAXATION	2013 $'000	2012 $'000
(a) Income tax expense		
The major components of income tax expense are:		
Income tax recognised in profit or loss		
Income tax expense attributable to continuing operations	28,734	29,606
Income tax expense attributable to discontinued operations	2,419	481
	31,153	30,087
Current income tax		
Current income tax expense	31,871	31,072
Adjustments in respect of current income tax of prior year	(107)	8
Deferred income tax		
Relating to origination and reversal of temporary differences	(611)	(993)
Income tax expense reported in the Income Statement	31,153	30,087
Income tax charged/(credited) directly in equity		
Deferred income tax related to items charged/(credited) directly in equity:		
Relating to other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	5	23
Unrealised gain/(loss) on available-for-sale financial assets	1,003	(219)
Currency translation movements of deferred tax balances of foreign operations	(386)	418
Net movement on hedge of net investment in overseas subsidiaries	(1,038)	729
	(416)	951
Relating to other equity balances		
Adjustment to shared-based payments reserve	376	(325)
Income tax (benefit)/expense reported in equity	(40)	626
Reconciliation between income tax expense and pre-tax profit		
A reconciliation between income tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax from continuing operations	109,616	108,260
Profit before tax from discontinued operations	7,329	1,569
Accounting profit before income tax expense	116,945	109,829
Prima facie income tax expense calculated at the Group's statutory income tax rate of 30% (2012: 30%) on accounting profit	35,084	32,949
Increase in income tax expense due to:		
Non-deductible items and losses in non-resident controlled entities	4,063	1,339
Impairment write-downs	–	2,011
Depreciation and amortisation of buildings	668	300
Non-deductible acquisition and legal costs	152	139
Non-refundable franking credits grossed up	70	66
Share of associates' net loss/(profit)	5	(1)
Sundry items	270	371
	5,228	4,225
Decrease in income tax expense due to:		
Tax losses from prior years now recognised or utilised	7,972	6,086
Share of incorporated jointly controlled entities' net profit	845	791
Franking credits on dividends received	235	218
	9,052	7,095
Income tax (over)/under provided in prior year	(107)	8
	31,153	30,087

NOTE 7 – TAXATION (continued)	2013 $'000	2012 $'000
(b) Current tax liabilities		
Movements during the year:		
Balance at the beginning of the year	7,882	7,658
Income tax paid	(29,474)	(33,742)
Current year income tax provided	31,315	31,475
Tax refunds received	735	3,068
Under/(over) provision in prior year	81	(276)
Foreign currency differences in translation of foreign operations	(906)	(301)
	9,633	7,882

	Statement of Financial Position		Income Statement	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
(c) Deferred income tax				
Deferred tax liabilities				
Deferred tax liabilities comprise:				
Difference in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	19,835	17,260	1,750	992
Investment properties	7,318	7,177	141	112
Available-for-sale investments	2,495	1,492	–	–
Interest and deferred financing costs	1,076	837	239	(293)
Expenditure currently deductible for tax but deferred and amortised for accounting purposes	1,776	1,791	(45)	118
Accrued revenue	939	–	859	–
Prepayments	293	84	192	(23)
Share-based payments deductible for tax but deferred and amortised for accounting purposes	1,835	1,919	(461)	544
Share of jointly controlled entity timing differences	441	425	16	(134)
Unrealised foreign exchange gains not currently assessable	1,675	2,180	620	(201)
Sundry items	374	499	(99)	33
	38,057	33,664		
Less: Deferred tax assets of the tax consolidated group offset against deferred tax liabilities	(31,472)	(28,222)		
	6,585	5,442		
Deferred tax assets				
Deferred tax assets comprise:				
Provisions and accrued employee benefits not currently deductible	9,378	8,803	(383)	1,246
Unrealised foreign exchange losses not currently deductible	1,140	204	(1,022)	63
Unrealised foreign exchange differences on cash flow hedges	–	5	–	41
Deferred revenue	3,718	3,437	(281)	(564)
Accrued expenses	431	567	142	(121)
Difference in depreciation and amortisation of property, plant and equipment and intangible assets for accounting and income tax purposes	7,709	8,199	826	(2,022)
Share of jointly controlled entity timing differences	8,061	7,439	(622)	(823)
Tax losses carried forward	7,997	3,160	(4,107)	(159)
Capital losses offsetting unrealised capital gains	352	2,475	2,123	–
Discounted long term lease liabilities	418	–	(382)	–
Difference between book and tax values of developed residential land lots	–	–	–	189
Renounceable pro-rata entitlement offer costs amortised for tax	81	161	80	81
Sundry items	414	205	(197)	(72)
	39,699	34,655		
Less: Deferred tax liabilities of the tax consolidated group offset against deferred tax assets	(31,472)	(28,222)		
	8,227	6,433		
Deferred tax benefit			(611)	(993)

NOTE 7 – TAXATION (continued)	2013 $'000	2012 $'000
Unrecognised deferred tax assets		
Revenue losses – foreign	8,953	14,655
	8,953	14,655

Deferred tax assets have not been recognised in respect of these items because it is not currently considered probable that future taxable profit will be available against which the Group can utilise the benefits.

Included in the deferred tax assets not recognised is the gross value of tax revenue losses arising in Germany of $29,844,000 (2012: $48,852,000). The availability of these tax losses is subject to certain utilisation limits and ongoing availability tests under German tax law.

At 30 June 2013, there was no recognised deferred income tax liability (2012: nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or incorporated jointly controlled entities.

NOTE 8 – DIVIDENDS	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid during the year are:					
2013					
Final 2012 dividend	25	40,140	20 September 2012	30%	100%
Interim 2013 dividend	15	24,084	21 March 2013	30%	100%
		64,224			
2012					
Final 2011 dividend	23	36,755	22 September 2011	30%	100%
Special 2011 dividend	4	6,392	22 September 2011	30%	100%
Interim 2012 dividend	14	22,478	22 March 2012	30%	100%
		65,625			
Subsequent events					
Since the end of the financial year, the directors declared the following dividend:					
Final 2013 dividend	27	43,351	19 September 2013	30%	100%

The financial effect of the final dividend in respect of the year has not been brought to account in the financial statements for the year ended 30 June 2013 and will be recognised in subsequent financial statements.

	2013 $'000	2012 $'000
Franking credit balance		
The amount of franking credits available for future reporting periods	132,827	136,017

The impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period is to reduce the balance by $18,579,000 (2012: $17,203,000). The ability to utilise franking credits is dependent upon the Company being in a sufficient positive net asset position and also having adequate available cash flow liquidity.

NOTE 9 – EARNINGS PER SHARE	**2013**	**2012**
	$'000	**$'000**
Profit attributable to ordinary shareholders (basic and diluted)		
Profit after tax from continuing operations	80,882	78,654
Profit after tax from discontinued operations	4,910	1,088
Profit attributable to ordinary shareholders	85,792	79,742
	Number	**Number**
Weighted average number of ordinary shares (basic)	157,858,509	157,702,738
Effect of performance shares	1,249,386	1,553,275
Weighted average number of ordinary shares (diluted)	159,107,895	159,256,013

Further details in relation to the Executive Performance Share Plan are provided in Note 30.

NOTE 10 – CASH AND CASH EQUIVALENTS	**2013 $'000**	**2012 $'000**
Cash at bank and on hand	92,768	63,309

NOTE 11 – TRADE AND OTHER RECEIVABLES	**2013 $'000**	**2012 $'000**
Current		
Trade receivables	24,064	21,840
Less: Allowance for trade receivables	(1,121)	(1,192)
	22,943	20,648
Other receivables	20,695	15,840
Receivable from jointly controlled entities	2,241	2,806
	45,879	39,294
Non-current		
Other receivables	1,029	1,000
Receivable from associates	43	43
Present value of loans provided under the Employee Share Plan	113	177
	1,185	1,220

Trade receivables are non-interest bearing and are generally on 30 – 90 day terms. The Group's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 29.

Allowances are made for impairment losses until such time that the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount considered irrecoverable is written off against the asset directly.

As at 30 June 2013, trade receivables with a value of $1,121,000 (2012: $1,192,000) were impaired and fully provided for. Movements in the allowance for trade receivables are as follows:

	2013 $'000	**2012 $'000**
Balance at the beginning of the year	1,192	732
Charge	245	588
Provision no longer required	(333)	(121)
Net foreign currency differences on translation of foreign operations	17	(7)
	1,121	1,192

NOTE 11 – TRADE AND OTHER RECEIVABLES (continued)

As at 30 June 2013, the analysis of trade receivables for the Group that were past due but not impaired is as follows:

	2013 $'000	2012 $'000
Not past due nor impaired	17,830	16,652
Less than 30 days overdue	3,539	2,393
More than 30 days overdue but less than 90 days overdue	714	909
More than 90 days overdue	860	694
	22,943	20,648

Other current receivables of $20,695,000 (2012: $15,840,000) do not contain impaired assets and are not past due. Based on the credit history of these other receivables, it is expected that these amounts will be recovered when due.

NOTE 12 – INVENTORIES

	Note	2013 $'000	2012 $'000
Raw materials and stores		4,938	3,625
Work in progress		2,560	7,951
Finished goods		7,079	10,453
Total inventories at the lower of cost and net realisable value		14,577	22,029

NOTE 13 – PREPAYMENTS AND OTHER CURRENT ASSETS

	Note	2013 $'000	2012 $'000
Prepayments		5,035	3,936
Derivatives at fair value	29	18	–
Other		1,098	968
		6,151	4,904

NOTE 14 – OTHER FINANCIAL ASSETS

	2013 $'000	2012 $'000
Unquoted investments in other entities	1,387	315

NOTE 15 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2013 $'000	2012 $'000
Investment in a listed company	13,374	10,032

The Group's investment is in a company listed on the ASX. A 10% increase in the market price of the shares in this company at the reporting date would have increased equity by $936,000 after tax (2012: an increase of $702,000); an equal change in the opposite direction would have decreased equity by $936,000 after tax (2012: a decrease of $702,000).

NOTE 16 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Note	2013 $'000	2012 $'000
Associates	36	139	156
Jointly controlled entities	37	119,289	115,234
		119,428	115,390

The Group accounts for investments in associates and jointly controlled entities using the equity method – refer Note 1(c)(iii).

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT	2013 $'000	2012 $'000
Freehold land and buildings		
At cost	540,473	471,827
Less: Accumulated depreciation	(88,465)	(83,407)
	452,008	388,420
Land subject to long term leases		
At cost – subject to long term lease	56	56
	56	56
Buildings and improvements subject to long term leases		
At cost – on land subject to long term lease	56,721	53,335
At cost – other leasehold improvements	123,614	115,624
	180,335	168,959
Less: Accumulated amortisation	(117,231)	(107,071)
	63,104	61,888
Resort apartments and share of common property		
At cost	31,898	29,600
Less: Accumulated depreciation	(11,370)	(10,982)
	20,528	18,618
Capital work in progress		
At cost	33,492	80,339
Plant and equipment		
At cost	480,006	416,661
Less: Accumulated depreciation	(289,629)	(260,344)
	190,377	156,317
Total property, plant and equipment at net book value	759,565	705,638

Reconciliations

Summaries of the movements in carrying amounts of each class of property, plant and equipment between the beginning and end of the year are set out below:

	2013 $'000	2012 $'000
Freehold land and buildings		
At cost at the beginning of the year	471,827	462,562
Less: Accumulated depreciation at the beginning of the year	(83,407)	(72,231)
Net balance at the beginning of the year	388,420	390,331
Additions	863	9,763
Net transfer from Investment Properties	9,300	–
Transfer from buildings and improvements subject to long term leases	(500)	–
Transfer from capital work in progress	57,980	1,059
Disposals	(2,479)	(4)
Net foreign currency differences on translation of foreign operations	4,072	(1,669)
Depreciation	(5,648)	(4,360)
Impairment write-downs	–	(6,700)
Net balance at the end of the year	452,008	388,420
Land subject to long term leases		
At cost at the beginning of the year	56	56
Net balance at the end of the year	56	56

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)	2013 $'000	2012 $'000
Buildings and improvements subject to long term leases		
At cost at the beginning of the year	168,959	176,028
Less: Accumulated amortisation at the beginning of the year	(107,071)	(110,687)
Net balance at the beginning of the year	61,888	65,341
Additions	4,647	3,593
Additional make-good asset	160	–
Transfer to freehold land and buildings	500	–
Transfer from capital work in progress	643	231
Transfer from plant and equipment	–	603
Net foreign currency differences on translation of foreign operations	2,312	(356)
Disposals	(913)	(198)
Amortisation	(6,133)	(6,485)
Impairment write-backs	–	76
Impairment write-downs	–	(917)
Net balance at the end of the year	63,104	61,888
Resort apartments and share of common property		
At cost at the beginning of the year	29,600	27,239
Less: Accumulated depreciation at the beginning of the year	(10,982)	(628)
Net balance at the beginning of the year	18,618	26,611
Additions	1,808	2,352
Transfer from capital work in progress	489	8
Depreciation	(387)	(353)
Impairment write-downs	–	(10,000)
Net balance at the end of the year	20,528	18,618
Capital work in progress		
Balance at the beginning of the year	80,339	17,752
Additions	45,307	73,317
Net foreign currency differences on translation of foreign operations	309	–
Transfer out on completion	(92,463)	(10,730)
Net balance at the end of the year	33,492	80,339
Plant and equipment		
At cost at the beginning of the year	416,661	387,056
Less: Accumulated depreciation at the beginning of the year	(260,344)	(244,355)
Net balance at the beginning of the year	156,317	142,701
Additions	20,651	29,806
Transfer from capital work in progress	33,351	9,432
Transfer to buildings and improvements subject to long term leases	–	(603)
Transfers	198	(116)
Net foreign currency differences on translation of foreign operations	6,345	(874)
Disposals	(2,305)	(1,140)
Depreciation	(24,180)	(22,460)
Impairment write-backs	–	182
Impairment write-downs	–	(611)
Net balance at the end of the year	190,377	156,317

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

Independent valuations of interest in land and buildings

In assessing current values for the Group's interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, directors have relied upon independent valuations from registered qualified valuers. Except for investment properties, which are revalued every half year (refer Note 18), valuations are generally carried out on a progressive three year cycle. The last valuations have been completed as at June 2013, February 2013 and June 2012.

Most recent valuations of interest in land and buildings, excluding investment properties		**2013 $'000**	**2012 $'000**
Due to the diversity of the Group's operations, valuations have been prepared on a highest and best alternate use or existing use basis. A summary, by year of the last valuation, is set out as follows:			
Highest and best alternate use			
Independent valuation	– 2012	40,300	44,650
Existing use			
Independent valuation	– 2013	335,770	–
	– 2012	505,664	499,834
	– 2010	–	191,698
	– 2009	–	84,000
		881,734	820,182
Land and buildings not independently valued			
Acquisition cost of properties acquired since June 2012 not yet independently valued		2,605	–
		884,339	820,182

The above valuations do not take into account the potential impact of capital gains tax.

The written-down book value of plant and equipment which is deemed integral to land and buildings, has been determined to total approximately $114,700,000 as at 30 June 2013 (2012: $93,200,000).

Impairments

Land and buildings, resort apartments and share of common property

The trading performance of certain hotel properties caused the Group to assess their recoverable amount. There were no impairment losses, or reversal of prior year impairment losses, recognised in respect of land and buildings in the year to 30 June 2013 (2012: impairment losses totalling $16,700,000).

Hotel properties are treated as separate cash-generating units and their recoverable values were estimated based on their value in use. In determining the estimated value in use, discount rates in the range of 10.54% to 11.88% (2012: 12.71% to 13.18%) per annum were used. Cash flows were projected based on operating forecasts, with longer term cash flows, after the initial forecast periods, extrapolated using average expected growth rates of 3.0% (2012: 3.0%) per annum.

Given the long-life nature of these assets, the estimates of their recoverable value in use are particularly sensitive to changes in certain key assumptions. Although all assumptions used are considered to be appropriate at this time, an increase of 1 percentage point in the discount rate, for the hotel properties assessed would result in an impairment loss of $2,802,000 being recognised. A 10% decrease in the forecast earnings would result in an impairment loss of $1,846,000 being recognised.

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

Leasehold improvements and plant and equipment
The trading performance of leased hotel caused the Group to assess the recoverable amount for that property. There were no impairment losses, or reversal of prior year impairment losses, recognised in respect of leasehold improvements and plant and equipment in the year to 30 June 2013 (2012: impairment losses totalling $1,528,000 and an impairment reversal of $258,000 relating to certain leased hotel and cinema properties).

Hotel properties are treated as separate cash-generating units and their recoverable values were estimated based on their value in use. In determining the estimated value in use, a discount rate of 12.23% (2012: 13.58%) per annum was used. Cash flows were projected based on operating forecasts, with longer term cash flows, after the initial forecast periods, extrapolated using average expected growth rates of 3.0% (2012: 3.0%) per annum.

Given the long-life nature of this asset, the estimates of its recoverable value in use are particularly sensitive to changes in certain key assumptions. Although all assumptions used are considered to be appropriate at this time, an increase of 1 percentage point in the discount rate, for the hotel property assessed would result in an impairment loss of $1,880,000 being recognised. A 10% decrease in the forecast earnings would result in an impairment loss of $1,406,000 being recognised.

Security
The following assets, whose carrying values are listed below, are subject to mortgage security to secure the Group's bank loan facilities (refer Note 23):

	2013 $'000	2012 $'000
Freehold land and buildings	221,580	221,368
Freehold land and buildings classified as investment properties	17,700	22,650
	239,280	244,018

NOTE 18 – INVESTMENT PROPERTIES

	2013 $'000	2012 $'000
Freehold land and buildings		
At fair value	69,500	79,350
Summary of movements:		
Balance at the beginning of the year	79,350	79,350
Additions	234	71
Net transfer to property, plant and equipment	(9,300)	–
Revaluation increment on transfer from property, plant and equipment	1,300	–
Disposals	(2,100)	–
Fair value increments/(decrements)	16	(71)
Balance at the end of the year	69,500	79,350

The carrying amount of investment properties is the fair value of the properties as determined by a registered qualified independent valuer. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties. For four of the five investment properties held by the Group at 30 June 2013, the valuer used capitalisation rates on reversionary rental yields in the range of 7.50% to 9.50% (2012: 6.57% to 9.50%) to determine fair values. For the remaining investment property, the valuer concluded that the appropriate fair value was best determined through categorising the property as a future development site. To derive the fair value for that investment property, the valuer has utilised a direct comparison method based on the current unimproved land value of the property. The valuation for that property has been adjusted by the estimated demolition costs associated with the property.

Investment properties comprise a number of commercial properties that are leased to third parties and which are held to derive rental income or capital appreciation or both. Each of the leases for investment properties contains an initial non-cancellable period of between five to 15 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged for these investment properties.

During the financial year ended 30 June 2013, $5,727,000 (2012: $6,314,000) was recognised as rental income for investment properties in the Income Statement with $1,292,000 (2012: $2,048,000) incurred in respect of direct costs, including $205,000 (2012: $310,000) for repairs and maintenance.

NOTE 19 – GOODWILL AND OTHER INTANGIBLE ASSETS	2013 $'000	2012 $'000
Goodwill	13,211	12,493
Construction rights	1,388	1,388
Liquor licences	189	189
	14,788	14,070
Management and leasehold rights	27,339	23,215
Less: Accumulated amortisation	(7,385)	(5,707)
	19,954	17,508
Software	8,894	7,996
Less: Accumulated amortisation	(4,352)	(3,281)
	4,542	4,715
	39,284	36,293

Reconciliations

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

	Goodwill $'000	Construction rights $'000	Liquor licences $'000	Management and leasehold rights $'000	Software $'000
2013					
Gross balance at the beginning of the year	12,493	1,388	189	23,215	7,996
Accumulated amortisation and impairment losses at the beginning of the year	–	–	–	(5,707)	(3,281)
Net balance at the beginning of the year	12,493	1,388	189	17,508	4,715
Acquisitions and initial contributions	300	–	–	3,972	1,277
Adjustments	–	–	–	–	124
Amortisation	–	–	–	(1,643)	(1,825)
Disposals	(470)	–	–	–	–
Net foreign currency differences on translation of foreign operations	888	–	–	117	251
Net balance at the end of the year	13,211	1,388	189	19,954	4,542
2012					
Gross balance at the beginning of the year	12,707	1,388	189	23,127	6,449
Accumulated amortisation and impairment losses at the beginning of the year	–	–	–	(4,088)	(2,296)
Net balance at the beginning of the year	12,707	1,388	189	19,039	4,153
Acquisitions and initial contributions	–	–	–	70	2,247
Adjustments	–	–	–	–	103
Amortisation	–	–	–	(1,621)	(1,634)
Disposals	–	–	–	–	(19)
Net foreign currency differences on translation of foreign operations	(214)	–	–	20	(135)
Net balance at the end of the year	12,493	1,388	189	17,508	4,715

Impairment losses recognised

No impairment losses in relation to goodwill have been recognised in the year ended 30 June 2013 (2012: nil).

NOTE 19 – GOODWILL AND OTHER INTANGIBLE ASSETS (continued)	2013 $'000	2012 $'000
Impairment tests for cash-generating units containing goodwill		
The following units have carrying amounts of goodwill:		
Cinema Exhibition – New Zealand	6,258	5,818
Cinema Exhibition – Germany	3,622	3,176
Multiple units without significant goodwill	3,331	3,499
	13,211	12,493

The recoverable value of goodwill relating to the exhibition business in New Zealand and goodwill relating to the Group's share of a cinema joint venture in Germany has been determined by a value in use calculation. This calculation uses cash flow projections based on operating forecasts and projected five year results, with cash flows beyond the five year period being projected using a per annum growth rate of negative 2.5% to 2%, which is considered appropriate given economic indicators and the expected long term increase in revenue and operating costs in these markets. Pre-tax discount rates of 10.92% and 12.0% (2012: 11.24% and 12.0%) per annum have been used in discounting the projected cash flows. In management's assessment, there are no reasonable possible changes in assumptions that would give rise to an impairment.

NOTE 20 – OTHER NON-CURRENT ASSETS	Note	2013 $'000	2012 $'000
Security deposits in respect of long term operating leases		5,653	1,137
Wildlife at the Featherdale Wildlife Park		–	640
Operating lease payments paid in advance		677	593
Sundry		2,747	1,648
		9,077	4,018

NOTE 21 – TRADE AND OTHER PAYABLES	2013	2012
Trade payables	31,951	27,381
Other payables and accruals	55,817	59,062
	87,768	86,443

The Group's exposure to liquidity and currency risk related to trade and other payables is disclosed in Note 29.

NOTE 22 – LOANS AND BORROWINGS		Note	2013	2012
Current				
Non-interest bearing loans				
Loans from other companies	– unsecured		452	184
Non-current				
Interest bearing liabilities and borrowings				
Bank loans	– secured	23	78,543	46,981
Deferred financing costs			(1,508)	(2,214)
			77,035	44,767
Non-interest bearing loans				
Loans from other companies	– unsecured		1,434	1,850
			78,469	46,617

The Group's exposure to liquidity and currency risk related to interest bearing liabilities and borrowings is disclosed in Note 29.

NOTE 23 – FINANCING ARRANGEMENTS

Bank debt – secured
The Group's secured bank debt facilities comprise the following:

- $350,000,000 revolving multi-currency loan facility;
- $30,000,000 credit support facility (for the issue of letters of credit and bank guarantees); and
- $50,000 overdraft facility supporting transactional banking facilities.

The above facilities mature on 15 July 2015 and are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages (refer Note 17). Debt drawn under these facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.80% and 2.55% per annum. At 30 June 2013 the Group had drawn $78,543,000 (2012: $46,981,000) under the debt facilities, of which nil (2012: nil) was subject to interest rate swaps used for hedging, and had drawn $12,553,000 under the credit support facility (2012: $10,114,000).

NOTE 24 – PROVISIONS	Note	2013 $'000	2012 $'000
Current			
Employee benefits	30	16,605	15,351
Onerous contracts		–	456
Insurance loss contingencies and other claims		913	123
		17,518	15,930
Non-current			
Employee benefits	30	1,584	1,487
Decommissioning of leasehold improvements		6,462	5,876
		8,046	7,363
Movements in provisions			
Movements in the carrying amounts of each class of provisions, except for employee benefits, are set out below:			
Onerous contracts			
Carrying amount at the beginning of the year		456	1,338
Provisions utilised		(466)	(896)
Net foreign currency differences on translation of foreign operations		10	14
Carrying amount at the end of the year		–	456

NOTE 24 – PROVISIONS (continued)	2013 $'000	2012 $'000
Insurance loss contingencies and other claims		
Carrying amount at the beginning of the year	123	222
Provided	790	22
Provisions reversed	–	(121)
Carrying amount at the end of the year	913	123
Decommissioning of leasehold improvements		
Carrying amount at the beginning of the year	5,876	6,589
Payments	(105)	(121)
Provided	95	–
Provisions reversed	(116)	(278)
Notional interest	66	59
Net foreign currency differences on translation of foreign operations	646	(373)
Carrying amount at the end of the year	6,462	5,876

Onerous contracts
The onerous contracts provision related to long term non-cancellable operating leases in respect of certain cinema sites in New Zealand. Provisions had been raised for the forecast net deficits resulting from obligations under the leases. For further detail on the basis of accounting, refer Note 1(q)(ii).

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

Decommissioning of leasehold improvements
The decommissioning of leasehold improvements provision has been raised in respect of make-good obligations under long term lease contracts for various cinema sites. In determining the provision, an assessment has been made, for each location, of the likelihood that a decommissioning cost will be incurred in the future and, where applicable, the level of costs to be incurred. Uncertainty exists in estimating the level of costs to be incurred in the future because of the long term nature of cinema leases. The basis of accounting is set out in Note 1(q)(iii).

NOTE 25 – OTHER LIABILITIES	Note	2013 $'000	2012 $'000
Current			
Derivatives at fair value	29	–	18
Contract deposits received in advance		3,280	1,420
Lease incentives deferred		401	369
		3,681	1,807
Non-current			
Lease incentives deferred		4,511	4,563
		4,511	4,563

NOTE 26 – SHARE CAPITAL	2013 Shares	2012 Shares	2013 $'000	2012 $'000
Share capital				
Fully paid ordinary shares	157,902,929	157,798,418	219,126	219,126
Movements in share capital				
Balance at the beginning of the year	157,798,418	157,643,568	219,126	219,126
Performance shares exercised and withdrawn from the trust	104,511	154,850	–	–
Balance at the end of the year	157,902,929	157,798,418	219,126	219,126
Share capital consists of:				
Ordinary shares	157,710,502	157,587,043		
Tax Exempt Share Plan shares	48,607	42,455		
Employee Share Plan shares	143,820	168,920		
	157,902,929	157,798,418		
Treasury shares				
Performance shares	2,656,994	2,761,505		
	160,559,923	160,559,923		

Ordinary shares
The Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

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

Treasury shares
Treasury shares consist of shares held in trust in relation to the Group's Executive Performance Share Plan. As at 30 June 2013, a total of 2,656,994 (2012: 2,761,505) shares were held in trust and classified as treasury shares.

Employee and executive performance share plans
Information relating to the plans is set out in Note 30.

Options
There are no share options on issue as at 30 June 2013 (2012: nil).

NOTE 27 – RESERVES AND RETAINED EARNINGS	2013 $'000	2012 $'000
Reserves		
Available-for-sale investments revaluation	9,406	7,067
Investment property revaluation	5,121	3,821
Hedging	13	(12)
Share-based payments	13,084	11,876
Foreign currency translation	(4,593)	(18,923)
	23,031	3,829
Movements in reserves		
Available-for-sale investments revaluation reserve		
Balance at the beginning of the year	7,067	7,578
Movement in fair value – net of tax	2,339	(511)
Balance at the end of the year	9,406	7,067
Investment property revaluation reserve		
Balance at the beginning of the year	3,821	3,821
Revaluation increment on transfer from property, plant and equipment to investment properties	1,300	–
Balance at the end of the year	5,121	3,821
Hedging reserve		
Balance at the beginning of the year	(12)	(463)
Movement in fair value of cash flow hedging instruments – net of tax	25	451
Balance at the end of the year	13	(12)
Share-based payments reserve		
Balance at the beginning of the year	11,876	8,580
Amount recognised in the Income Statement as an employee expense	1,536	2,940
Other adjustments	(328)	356
Balance at the end of the year	13,084	11,876
Foreign currency translation reserve		
Balance at the beginning of the year	(18,923)	(13,430)
Currency translation adjustment on controlled foreign entities' financial statements	14,330	(5,493)
Balance at the end of the year	(4,593)	(18,923)

Available-for-sale investments revaluation reserve
This reserve includes the cumulative net change in the fair value of available-for-sale investments. Amounts are recognised in the Income Statement when the associated assets are sold or impaired.

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

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

Share-based payments reserve
This reserve includes the cumulative fair value of the executive performance shares which have been recognised as an employee expense in the Income Statement.

Foreign currency translation reserve
This reserve records the foreign currency differences arising from the translation of foreign operations, the translation of transactions that hedge the Group's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a foreign operation and the Group's share of associates' increment or decrement in their foreign currency translation reserve. Refer accounting policy Note 1(d).

NOTE 27 – RESERVES AND RETAINED EARNINGS (continued)

	2013 $'000	2012 $'000
Retained earnings		
Balance at the beginning of the year	635,918	621,801
Profit for the year	85,792	79,742
Dividends paid	(64,224)	(65,625)
Balance at the end of the year	657,486	635,918

NOTE 28 – PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended, 30 June 2013, the parent entity of the Group was Amalgamated Holdings Limited.

	2013 $'000	2012 $'000
Results of parent entity		
Profit for the year	57,371	51,426
Other comprehensive income	2,873	1,534
Total comprehensive income for the year	60,244	52,960
Financial position of parent entity at year end		
Current assets	295	226
Total assets	449,711	516,732
Current liabilities	10,846	9,101
Total liabilities	15,241	78,956
Net assets	434,470	437,776
Total equity of parent entity comprises:		
Share capital	219,126	219,126
Available-for-sale investments revaluation reserve	9,406	7,067
Share-based payments reserve	13,084	11,876
Retained earnings	192,854	199,707
Total equity	434,470	437,776

NOTE 28 – PARENT ENTITY DISCLOSURES (continued)	2013 $'000	2012 $'000
Parent entity commitments		
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable are due:		
Not later than one year	2,053	1,949
Later than one year but not later than five years	1,066	3,119
	3,119	5,068
Parent entity contingencies		
Details of contingent liabilities for the parent entity which, although considered remote, are as follows:		
Controlled entities		
The Company has guaranteed the obligations of some subsidiary entities in respect of a number of operating lease commitments. Operating lease commitments of subsidiary entities that have been guaranteed are due:		
Not later than one year	63,543	56,446
Later than one year but not later than five years	120,335	121,523
Later than five years	107,554	119,007
	291,432	296,976
The Company has guaranteed commitments in respect of financing and other arrangements of certain subsidiary entities	455	399
Jointly controlled entities		
The Company has guaranteed the obligations of some jointly controlled entities in respect of a number of operating lease commitments. Operating lease commitments of jointly controlled entities guaranteed are due:		
Not later than one year	29,262	28,666
Later than one year but not later than five years	105,637	106,941
Later than five years	83,767	97,484
	218,666	233,091
	510,553	530,466

Parent entity guarantees

Subsidiaries

The Company has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of most of its Australian incorporated subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Note 33.

Bank debt facilities

The Company is a guarantor under the Group's secured bank debt facilities, as disclosed in Note 23.

NOTE 29 – FINANCIAL RISK MANAGEMENT

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

The Group's activities expose it to the following financial risks:
- credit risk;
- liquidity risk; and
- market risk, including interest rate and foreign exchange risks.

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

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

Credit risk
Credit risk arises from trade and other receivables outstanding, cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. It is the risk of financial loss to the Group if a customer or counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk.

Exposure to credit risk is monitored on an ongoing basis. Management has established a credit policy under which each new customer requiring credit over a certain amount is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Purchase limits are established for major customers, which represent the maximum open amount without requiring additional approval from management.

The Group has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance relates to exposures for specific customers.

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

At 30 June 2013, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

Guarantees
All guarantees are in respect of obligations of subsidiaries, associates or jointly controlled entities in which the Group has an interest. Details of guarantees given by the Group are provided in Note 32. Details of guarantees given by the parent entity are provided in Note 28.

	Note	2013 $'000	2012 $'000
The Group's maximum exposure to credit risk at the reporting date was:			
Unquoted investments in other entities	14	1,387	315
Available-for-sale financial assets	15	13,374	10,032
Trade and other receivables	11	47,064	40,514
Cash, cash equivalents and short term deposits	10	92,768	63,309
Security deposits in respect of long term operating leases	20	5,653	1,137
		160,246	115,307

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)	2013 $'000	2012 $'000
The maximum exposure to credit risk for receivables by geographic region at the reporting date was:		
Australia	31,937	28,450
New Zealand	4,717	3,333
Germany and other eurozone countries	10,410	8,717
United Kingdom	–	14
	47,064	40,514
The maximum exposure to credit risk for receivables by reportable segment at the reporting date was:		
Cinema Exhibition – Australia	9,704	7,917
Cinema Exhibition – Germany	10,249	8,583
Cinema Exhibition – New Zealand	1,279	898
Entertainment Technology	4,285	5,453
Hotels	11,723	10,885
Thredbo Alpine Resort	481	565
Leisure/Attractions	182	180
Property and Other Investments	4,717	1,113
Other	4,444	4,920
	47,064	40,514

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. Group Treasury aims to maintain flexibility in funding by maintaining committed credit lines with a number of counterparties. Bank debt facilities available to the Group are detailed in Note 23.

The Group's financial liabilities

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

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	Between 6 to 12 months $'000	Between 1 to 2 year(s) $'000	Between 2 to 5 years $'000	Over 5 years $'000
2013							
Non-derivative financial liabilities							
Secured bank loans	78,543	(86,536)	(1,802)	(1,923)	(4,143)	(78,668)	–
Unsecured non-interest bearing loans from other companies	1,886	(1,886)	(226)	(226)	(163)	(519)	(752)
Trade payables	31,951	(31,951)	(31,951)	–	–	–	–
Other payables and accruals	55,817	(55,817)	(55,817)	–	–	–	–
Derivative financial assets							
Forward exchange contracts	(18)	18	18	–	–	–	–
	168,179	(176,172)	(89,778)	(2,149)	(4,306)	(79,187)	(752)

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	Between 6 to 12 months $'000	Between 1 to 2 year(s) $'000	Between 2 to 5 years $'000	Over 5 years $'000
2012							
Non-derivative financial liabilities							
Secured bank loans	46,981	(53,672)	(1,050)	(1,065)	(2,194)	(49,363)	–
Unsecured non-interest bearing loans from other companies	2,034	(2,034)	(47)	(47)	(184)	(250)	(1,506)
Trade payables	27,381	(27,381)	(27,381)	–	–	–	–
Other payables and accruals	59,062	(59,062)	(59,062)	–	–	–	–
Derivative financial liabilities							
Forward exchange contracts	18	(18)	(18)	–	–	–	–
	135,476	(142,167)	(87,558)	(1,112)	(2,378)	(49,613)	(1,506)

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

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

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

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

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

	2013 $'000	2012 $'000
Fixed rate instruments		
Financial assets	–	–
Financial liabilities	–	–
	–	–
Variable rate instruments		
Financial assets	83,395	51,807
Financial liabilities	(78,543)	(46,981)
	4,852	4,826

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

The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. Due to the current low level of Group debt, there were no outstanding interest rate hedges at 30 June 2013 (2012: no interest rate hedges).

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)

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

Details of the major components relating to the Group's interest bearing liabilities are disclosed in Notes 22 and 23.

Sensitivity analysis
Sensitivity analysis for fixed rate instruments
The Group accounts for fixed rate financial assets and liabilities at fair value. The Group had no fixed rate instruments for the year ended 30 June 2013 (2012: no fixed rate instruments).

At 30 June 2013, if prevailing market interest rates had moved by +/– 1% (100 basis points) per annum from prevailing year end rates, the effect on the Group's post-tax profit and equity, assuming all other variables remain constant, would have been as illustrated below:

	Profit or loss expense/(income)		Hedging reserve (gain)/loss	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2013				
Variable rate instruments	(34)	34	–	–
	(34)	34	–	–
2012				
Variable rate instruments	(34)	34	–	–
	(34)	34	–	–

The movement in profit is due to the higher or lower interest income or costs resulting from a change in rate receivable or payable on variable rate deposits and debt. The movement (if any) in equity in the hedging reserve is due to an increase or decrease in the fair value of derivative instruments designated in cash flow hedges, net of tax.

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

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

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

	2013				2012			
	NZD $'000	EUR $'000	GBP $'000	USD $'000	NZD $'000	EUR $'000	GBP $'000	USD $'000
Cash and cash equivalents	72	16	20	126	596	117	38	234
Trade receivables	375	–	–	–	264	–	–	–
Secured bank loans	(50,543)	–	–	–	(46,981)	–	–	–
Trade payables	(562)	–	–	–	(140)	–	–	–
Gross balance sheet exposure	(50,658)	16	20	126	(46,261)	117	38	234
Forward exchange contracts	–	–	–	18	–	–	–	(18)
	–	–	–	18	–	–	–	(18)
Net exposure	(50,658)	16	20	144	(46,261)	117	38	216

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis
A 10% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2013 would have (decreased)/increased Group equity and profit (pre-tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity $'000	Profit or loss $'000
2013		
AUD/NZD +10%	4,595	9
AUD/NZD -10%	(5,616)	(14)
AUD/EUR +10%	–	(2)
AUD/EUR -10%	–	1
AUD/USD +10%	–	(13)
AUD/USD -10%	–	17
2012		
AUD/NZD +10%	4,271	(76)
AUD/NZD -10%	(5,220)	67
AUD/EUR +10%	–	(10)
AUD/EUR -10%	–	13
AUD/USD +10%	–	(20)
AUD/USD -10%	–	24

Hedging of net investment in foreign subsidiaries
The Group's NZD denominated bank loan is designated as a hedge of the foreign currency exposure to the Group's net investment in its subsidiaries in New Zealand. The carrying amount of the loan at 30 June 2013 was $50,543,000 (2012: $46,981,000). A foreign exchange loss of $3,562,000 (2012: loss of $660,000) was recognised in equity on translation of the loan to AUD.

The majority of the movement in the AUD/NZD sensitivity analysis in the table above is attributed to movements in the holding value of this NZD denominated bank loan. This movement would have an opposite movement in the AUD holding value of the underlying hedged component of the investment in New Zealand.

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)

Fair values

The fair values of financial assets and liabilities together with their carrying amounts shown in the Statement of Financial Position are as follows:

	Note	2013 Carrying amount $'000	2013 Fair value $'000	2012 Carrying amount $'000	2012 Fair value $'000
Cash and cash equivalents	10	92,768	92,768	63,309	63,309
Trade and other receivables	11	46,951	46,951	40,337	40,337
Present value of loans provided under the Employee Share Plan	11	113	113	177	177
Other financial assets	14	1,387	1,387	315	315
Available-for-sale financial assets	15	13,374	13,374	10,032	10,032
Security deposits – operating leases	20	5,653	5,653	1,137	1,137
Bank loans	22	(77,035)	(78,543)	(44,767)	(46,981)
Loans from other companies	22	(1,886)	(1,886)	(2,034)	(2,034)
Trade and other payables	21	(87,768)	(87,768)	(86,443)	(86,443)
Forward exchange contracts	13, 25	18	18	(18)	(18)
		(6,425)	(7,933)	(17,955)	(20,169)

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above:

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value where an appropriate rate of interest is not received/charged in respect of the amount.

Quoted investments

Fair value is determined by reference to the securities exchange quoted market prices at close of business on 30 June, without any deduction for transaction costs.

Interest bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Derivatives

Bank mark-to-market valuations have been used to determine the fair value of interest rate swaps and forward exchange contracts. These have been back tested against valuations generated by the Group's treasury system pricing module, using market quoted data as at 30 June. The system uses discounted cash flow techniques to value financial instruments.

Interest rates used for determining fair value

The Group uses a bank quoted interest rate swap curve as at 30 June plus assessed risk factors/credit spread to discount financial instruments.

NOTE 29 – FINANCIAL RISK MANAGEMENT (continued)

Financial instruments fair value determination method grading

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Available-for-sale financial assets	13,374	–	–	13,374
Derivative financial assets	–	18	–	18
	13,374	18	–	13,392

2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Available-for-sale financial assets	10,032	–	–	10,032
Derivative financial liabilities	–	(18)	–	(18)
	10,032	(18)	–	10,014

Capital management

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

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

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

There were no changes in the Group's approach to capital management during the year.

No Group entity is subject to externally imposed capital requirements.

NOTE 30 – EMPLOYEE BENEFITS	Note	2013 $'000	2012 $'000
Employee benefits			
Aggregate liability for employee benefits including on-costs:			
Current			
Employee benefits provision	24	16,605	15,351
Non-current			
Employee benefits provision	24	1,584	1,487
		18,189	16,838

NOTE 30 – EMPLOYEE BENEFITS (continued)

Executive Performance Share Plan
The establishment of the Executive Performance Share Plan was approved by shareholders at the 2006 Annual General Meeting. Employees receiving awards under the Executive Performance Share Plan are those of a senior level and above (including the Managing Director).

An employee awarded performance shares is not legally entitled to shares in the Company before the performance shares allocated under the plan vest. However, the employee can vote and receive dividends in respect of shares allocated to them. Once the shares have vested which is dependent on the Group achieving its earnings per share ("EPS") and total shareholder return ("TSR") targets, they remain in the trust (refer Note 1(s)(i)) until the earliest of the employee leaving the Group, the tenth anniversary of the date the performance shares were awarded or the Board approving an application for their release. Award, vesting and exercise under the plan are made for no consideration. The performance period is three years.

Set out below are summaries of performance shares awarded under the plan:

Type of right	Grant date	Balance at the start of the year	Granted	Exercised	Forfeited shares reallocated	Balance at the end of the year [(a)]
2013						
Performance shares	21 February 2013	–	661,650	–	–	661,650
Performance shares [(b)]	29 February 2012	10,000	–	–	–	10,000
Performance shares [(c)]	23 February 2012	759,577	–	–	–	759,577
Performance shares [(d)]	16 May 2011	50,000	–	–	–	50,000
Performance shares [(d)]	23 February 2011	603,447	–	–	(111,886)	491,561
Performance shares [(e)]	28 June 2010	570,193	–	(36,379)	(314,321)	219,493
Performance shares [(f)]	23 February 2009	429,421	–	(16,199)	(142,974)	270,248
Performance shares [(g)]	18 February 2008	263,407	–	(32,788)	(75,207)	155,412
Performance shares [(h)]	19 February 2007	75,460	–	(19,145)	(17,262)	39,053
		2,761,505	661,650	(104,511)	(661,650)	2,656,994
2012						
Performance shares	29 February 2012	–	10,000	–	–	10,000
Performance shares [(c)]	23 February 2012	–	759,577	–	–	759,577
Performance shares	16 May 2011	50,000	–	–	–	50,000
Performance shares [(d)]	23 February 2011	603,447	–	–	–	603,447
Performance shares [(e)]	28 June 2010	570,193	–	–	–	570,193
Performance shares [(f)]	23 February 2009	525,051	–	(95,630)	–	429,421
Performance shares [(g)]	18 February 2008	298,515	–	(35,108)	–	263,407
Performance shares [(h)]	19 February 2007	109,572	–	(24,112)	(10,000)	75,460
		2,156,778	769,577	(154,850)	(10,000)	2,761,505

(a) The balance at the end of the year includes a total of 117,931 shares (2012: 380,959 shares) that have been forfeited by employees due to cessation of employment. The forfeited shares are held within the trust and can be utilised for future grants.
(b) The balance at the end of the year for the 2013 performance share plan includes 5,463 forfeited shares.
(c) The balance at the end of the year for the 2012 performance share plan includes 88,105 forfeited shares (2012: 22,289 forfeited shares).
(d) The balance at the end of the year for the 2011 performance share plan includes 24,363 forfeited shares (2012: 66,223 forfeited shares).
(e) The balance at the end of the year for the 2010 performance share plan includes no forfeited shares (2012: 57,004 forfeited shares).
(f) The balance at the end of the year for the 2009 performance share plan includes no forfeited shares (2012: 142,974 forfeited shares).
(g) The balance at the end of the year for the 2008 performance share plan includes no forfeited shares (2012: 75,207 forfeited shares).
(h) The balance at the end of the year for the 2007 performance share plan includes no forfeited shares (2012: 17,262 forfeited shares).

NOTE 30 – EMPLOYEE BENEFITS (continued)

During the year to 30 June 2013, 661,650 performance shares were granted to employees under the plan and 255,872 shares, relating to the 2010 plan issue, vested with employees. Of the shares that have vested from the 2007, 2008, 2009 and 2010 plan issues, 104,511 shares were exercised and withdrawn from the trust during the year.

Other than as disclosed above, none of the performance shares awarded under the plan vested or became exercisable during the year.

Fair value of performance shares granted
The assessed fair value at grant date of performance shares granted under the Executive Performance Share Plan during the year ended 30 June 2013 was $7.43 (2012 issue: $5.89) for those shares that have EPS hurdles and $5.00 (2012 issue: $4.21) for those shares that have TSR hurdles. The fair value of each performance share is estimated on the date of grant using a Monte Carlo model with the following weighted average assumptions used for each grant:

	Granted 21 Feb 2013	Granted 23 Feb 2012	Granted 23 Feb 2011
Dividend yield (per annum)	5.27%	6.9%	6.2%
Expected volatility	20%	25%	25%
Risk-free rate (per annum)	2.85%	3.65%	5.2%
Share price (30 day volume weighted average price)	$7.43	$5.89	$5.98
Expected life of incentive	3 years	3 years	3 years

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

Tax Exempt Share Plan
All Australian resident permanent employees (excluding directors) are eligible to participate in the Tax Exempt Share Plan. The Tax Exempt Share Plan enables participating employees to make salary sacrifice contributions to purchase shares on-market on a monthly basis. The shares in the Tax Exempt Share Plan are restricted from being traded and must be held for a minimum of three years whilst the participant remains an employee of the Group. Trading restrictions are lifted on the cessation of employment.

Offers under the Tax Exempt Share Plan are at the discretion of the Company. All shares acquired under the Tax Exempt Share Plan rank equally with all other ordinary shares.

The total number of shares purchased during the year by employees, under the Tax Exempt Share Plan, totalled 7,755 shares (2012: 16,221 shares).

Employee Share Plan
At 30 June 2013, the total shares issued under the plan was 143,820 (2012: 168,920). There were no shares issued during the year. The plan is closed to new members and no offers have been made under the plan since 1998.

The market value of ordinary shares at 30 June 2013 was $8.27 (2012: $6.45).

Note 26 provides details of the movement in the ordinary share capital during the year.

Superannuation
Group entities contribute to several defined contribution superannuation plans – refer also Note 1(r). The superannuation contributions recognised as an employee expense in the Income Statement are detailed below:

	2013 $'000	2012 $'000
Superannuation contributions recognised as an employee expense	9,333	8,556

NOTE 31 – COMMITMENTS AND LEASES	2013 $'000	2012 $'000
Capital expenditure commitments		
Contracted but not provided for and payable	2,732	8,306
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable:		
Within one year	93,133	88,454
Later than one year but not later than five years	293,282	286,730
Later than five years	257,654	275,463
	644,069	650,647

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

A small number of leases have commitments in respect of contingent rental payments which arise when the operating performance of a site exceeds a pre-determined amount. Also, there are rentals which are determined as the higher of a base rental and a fixed percentage of a defined amount reflecting the operating performance of a site or a base rental plus a fixed percentage of the net profit from the site. Contingent rental payments recognised as an expense in the period for the Group amounted to $2,863,000 (2012: $2,756,000).

	2013 $'000	2012 $'000
Sub-lease receivables – as lessor		
Future lease receivables in relation to sub-leases of property space under operating leases not recognised and receivable:		
Within one year	9,565	9,369
Later than one year but not later than five years	33,308	33,025
Later than five years	248,754	249,169
	291,627	291,563
Operating leases – as lessor		
Future operating lease rentals for owned properties not recognised and receivable:		
Within one year	10,498	10,045
Later than one year but not later than five years	34,346	33,182
Later than five years	46,552	53,993
	91,396	97,220

The Group receives rental income from a number of properties, both leased and owned. With exception to sub-leases under the Thredbo head lease, leases are for periods ranging between one to 15 years and have varying terms, escalation clauses and renewal or extension options. There are approximately 700 sub-leases under the Thredbo head lease. Thredbo sub-leases consist of long term accommodation sub-leases for holiday apartments, chalets and lodges and also retail premises. Long term accommodation sub-leases are typically for periods mirroring the head lease, which was renewed for a further 50 year period on 29 June 2007.

Finance lease commitments – as lessor or lessee
The Group does not have finance lease or hire purchase arrangements in place where it acts as a lessor or a lessee.

NOTE 32 – CONTINGENT LIABILITIES

Details of contingent liabilities which, although considered remote, are as follows:

	2013 $'000	2012 $'000
Contingent liabilities		
Jointly controlled entities		
Certain subsidiaries have obligations in respect of the lease commitments for jointly controlled entities. Operating lease commitments of jointly controlled entities not included in the Group's financial statements, for which a controlled entity has obligations, are due:		
Not later than one year	39,480	38,232
Later than one year but not later than five years	143,926	125,378
Later than five years	79,341	108,098
	262,747	271,708

Claim against Group entity for additional charges

A Group entity has received a claim for the payment of additional charges covering the last six years, the basis of which is disputed by the Group entity. It is estimated that the Group's maximum liability under this claim is $492,000 (2012: $618,000), plus interest and legal costs. No provision has been established against this amount as it is currently not considered that the success of this claim is probable.

Claims for personal injury

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

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

NOTE 33 – DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports.

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

The subsidiaries subject to the deed are:

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

Note

(a) Atura Hotels and Resorts Pty Limited and QT Hotels and Resorts Pty Limited became parties to the deed during the year by virtue of an Assumption Deed signed on 25 June 2013.

NOTE 33 – DEED OF CROSS GUARANTEE (continued)

A consolidated Statement of Comprehensive Income and consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed, at 30 June 2013 are set out as follows:

	2013 $'000	2012 $'000
Statement of Comprehensive Income		
Profit before tax	83,475	74,751
Income tax expense	(25,201)	(23,598)
Profit after tax from continuing operations	58,274	51,153
Profit after tax from discontinued operations	4,910	1,088
Profit for the year	63,184	52,241
Retained earnings at the beginning of the year	579,254	592,638
Dividends paid during the year	(64,224)	(65,625)
Retained earnings at the end of the year	578,214	579,254
Statement of Financial Position		
ASSETS		
Current assets		
Cash and cash equivalents	26,041	9,134
Trade and other receivables	30,581	27,213
Inventories	11,352	18,980
Prepayments and other current assets	4,216	1,708
Total current assets	72,190	57,035
Non-current assets		
Trade and other receivables	1,185	1,220
Loans to controlled entities	149,645	153,133
Investments in controlled entities	93,162	93,162
Other financial assets	1,382	310
Available-for-sale financial assets	13,374	10,032
Investments accounted for using the equity method	109,698	107,026
Property, plant and equipment	502,806	470,921
Investment properties	69,500	79,350
Goodwill and other intangible assets	23,499	23,107
Deferred tax assets	991	2,383
Other non-current assets	3,226	2,648
Total non-current assets	968,468	943,292
Total assets	1,040,658	1,000,327
LIABILITIES		
Current liabilities		
Trade and other payables	37,710	41,478
Current tax liabilities	9,021	7,875
Provisions	13,968	13,107
Deferred revenue	37,684	35,526
Other current liabilities	3,280	217
Total current liabilities	101,663	98,203
Non-current liabilities		
Loans from controlled entities	25,358	22,643
Other loans and borrowings	77,894	45,627
Provisions	2,423	1,958
Deferred revenue	4,500	4,173
Total non-current liabilities	110,175	74,401
Total liabilities	211,838	172,604
Net assets	828,820	827,723
EQUITY		
Share capital	219,126	219,126
Reserves	31,480	29,343
Retained earnings	578,214	579,254
Total equity	828,820	827,723

NOTE 34 – BUSINESS COMBINATIONS

2013
The Group acquired the following businesses during the year:
- Royal Cricketers Arms Hotel, Blacktown, NSW;
- Horizons Resort, Jindabyne, NSW (now trading as Rydges Horizons Snowy Mountains);
- Quay West Resort & Spa, Falls Creek, VIC (now trading as QT Falls Creek); and
- South East Mountain Biking, Thredbo, NSW.

Total cash consideration paid, assets acquired, liabilities assumed and goodwill arising on acquisition in respect of the above acquisitions are summarised below:

Identifiable assets acquired and liabilities assumed	**Fair value at acquisition date $'000**
Other financial assets	1,072
Property, plant and equipment	2,471
Management rights	1,972
Other assets	179
Deferred revenue	(460)
Other liabilities	(127)
Total net value of identifiable assets and liabilities	5,107

The above fair values of identifiable assets and liabilities have been determined based upon the best information available as of the reporting date.

Goodwill
Goodwill was recognised as a result of the acquisitions as follows:

	$'000
Net cash consideration paid	5,407
Less: net value of identifiable assets and liabilities	(5,107)
Goodwill	300

Goodwill was attributable to the acquisition of the South East Mountain Biking business.

2012
The Group made no significant acquisitions during the year.

NOTE 35 – PARTICULARS IN RELATION TO CONSOLIDATED ENTITIES	Note	Ownership interest 2013 %	2012 %
Company (parent entity)			
Amalgamated Holdings Limited			
Subsidiaries			
AHL Administration Pty Limited		100	100
Albury Hotel Property Unit Trust		100	100
Amalgamated Cinema Holdings Limited	(a)(d)	100	100
Amalgamated Holdings Superannuation Fund Pty Limited		100	100
Ancona Investments Pty Limited		100	100
Atura Hotels and Resorts Pty Limited	(h)	100	-
Birch, Carroll & Coyle Limited		100	100
BLN Hotels Property Unit Trust		100	100
Bryson Centre Unit Trust		100	100
Bryson Hotel Property Unit Trust		100	100
Bryson Hotel Pty Limited		100	100
Canberra Theatres Limited		100	100
CMS Cinema Management Services GmbH & Co. KG	(a)(f)	100	100
CMS Cinema Verwaltungs GmbH	(a)(f)	100	100
Edge Digital Cinema Pty Limited		100	100
Edge Digital Technology Pty Limited		100	100
Edge Investments BV	(a)(e)	100	100
Elsternwick Properties Pty Limited		100	100
Event Cinemas (Australia) Pty Limited		100	100
Event Cinemas (Fiji) Limited	(g)	100	100
Event Cinemas Limited	(a)(d)	100	100
Event Cinemas New Plymouth Limited	(a)(d)	100	100
Event Cinemas Nominees Limited	(a)(d)	100	100
Event Cinemas (NZ) Limited	(a)(d)	100	100
Event Cinemas Queen Street Nominees Limited	(a)(d)	100	100
Featherdale Farm & Aviaries Pty Limited		100	100
Featherdale Holdings Pty Limited		100	100
Filmlab Engineering Pty Limited		100	100
Filmpalast am ZKM Karlsruhe Beteiligungs GmbH	(a)(f)	100	100
Filmpalast Konstanz Beteiligungs GmbH	(a)(f)	100	100
First Cinema Management BV	(a)(e)	100	-
Glenelg Theatres Pty Limited		100	100
Greater Entertainment Pty Limited		100	100
Greater Occasions Australia Pty Limited		100	100
Greater Union Betriebsmittel GmbH	(a)(f)	100	100
Greater Union Filmpalast Cubix in Berlin GmbH	(a)(f)	100	100
Greater Union Filmpalast Dortmund GmbH & Co. KG	(a)(f)	100	100
Greater Union Filmpalast GmbH	(a)(f)	100	100
Greater Union Filmpalast in der Kulturbrauerei GmbH	(a)(f)	100	100
Greater Union Filmpalast in Hamburg GmbH	(a)(f)	100	100
Greater Union Filmpalast Rhein-Main GmbH	(a)(f)	100	100
Greater Union First Cinema BV and Co. KG	(a)(f)	100	-
Greater Union Holdings Limited	(b)	-	100
Greater Union International BV	(a)(e)	100	100
Greater Union International GmbH	(f)	100	100
Greater Union International Holdings Pty Limited		100	100
Greater Union Limited	(c)	100	100
Greater Union Nominees Pty Limited		100	100
Greater Union Real Estate Mainz GmbH	(a)(f)	100	100
Greater Union Screen Entertainment Pty Limited		100	100
Greater Union Theaters Dritte GmbH & Co. KG	(a)(f)	100	100
Greater Union Theaters Dritte Verwaltungs GmbH	(a)(f)	100	100
Greater Union Theaters GmbH	(a)(f)	100	100

NOTE 35 – PARTICULARS IN RELATION TO CONSOLIDATED ENTITIES (continued)	Note	Ownership interest 2013 %	Ownership interest 2012 %
Subsidiaries (continued)			
Greater Union Theaters Management Mainz GmbH	(a)(f)	100	100
Greater Union Theaters Verwaltungs GmbH	(a)(f)	100	100
Greater Union Theaters Zweite GmbH & Co. KG	(a)(f)	100	100
Greater Union Theaters Zweite Verwaltungs GmbH	(a)(f)	100	100
Greattheatre Pty Limited		100	100
GUO Investments (WA) Pty Limited		100	100
Gutace Holdings Pty Limited		100	100
Haparanda Pty Limited		100	100
Haymarket's Tivoli Theatres Pty Limited		100	100
Kidsports Australia Pty Limited		100	100
Kosciuszko Thredbo Pty Limited		100	100
KTPL Unit Trust		100	100
Kvarken Pty Limited		100	100
Lakeside Hotel Property Unit Trust		100	100
Lakeside Hotel Pty Limited		100	100
Lakeside International Hotel Unit Trust		100	100
Mamasa Pty Limited		100	100
Movietimes Australia and New Zealand Pty Limited	(i)	100	-
Multiplex Cinemas Magdeburg GmbH	(a)(f)	100	100
Multiplex Cinemas Oberhausen GmbH	(a)(f)	100	100
Neue Filmpalast GmbH & Co. KG	(a)(f)	100	100
Neue Filmpalast Management GmbH	(a)(f)	100	100
NFP Erste GmbH & Co. KG	(a)(f)	100	100
NFP Erste Verwaltungs GmbH	(a)(f)	100	100
Noahs Hotels (NZ) Limited	(a)(d)	100	100
Noahs Limited		100	100
Northside Gardens Hotel Property Unit Trust		100	100
Northside Gardens Hotel Pty Limited		100	100
Pantami Pty Limited		100	100
QT Gold Coast Pty Limited		100	100
QT Hotels and Resorts Pty Limited		100	100
QT Resort Port Douglas Pty Limited		100	100
Red Carpet Event GmbH	(a)(f)	100	100
RH Hotels Pty Limited		100	100
RQ Motels Pty Limited		100	100
Rydges Bankstown Pty Limited		100	100
Rydges Cronulla Pty Limited		100	100
Rydges Gladstone Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Pty Limited		100	100
Rydges Hotels Limited		100	100
Rydges Hotels Property Unit Trust		100	100
Rydges HPT Pty Limited		100	100
Rydges Property Holdings Pty Limited		100	100
Rydges Queenstown Hotel Limited	(a)(d)	100	100
Rydges Rotorua Hotel Limited	(a)(d)	100	100
Rydges Townsville Hotel Property Unit Trust		100	100
Sonata Hotels Pty Limited		100	100
Sunshine Cinemas Pty Limited		100	100
Tannahill Pty Limited		100	100
The Geelong Theatre Company Limited		100	100
The Greater Union Organisation Pty Limited		100	100
Thredbo Resort Centre Pty Limited		100	100
Tourism & Leisure Pty Limited		100	100

NOTE 35 – PARTICULARS IN RELATION TO CONSOLIDATED ENTITIES (continued)	Note	Ownership interest 2013 %	2012 %
Subsidiaries (continued)			
Turmpalast Frankfurt GmbH & Co. KG	(a)(f)	100	100
Turmpalast Frankfurt Management GmbH	(a)(f)	100	100
Vierte Kinoabspielstatten GmbH & Co. KG	(a)(f)	100	100
Vierte Kinoabspielstatten Verwaltungs GmbH	(a)(f)	100	100
Western Australia Cinemas Pty Limited		100	100
Zollverein Pty Limited		100	100
Zweite Kinoabspielstatten GmbH & Co. KG	(a)(f)	100	100
Zweite Kinoabspielstatten Verwaltungs GmbH	(a)(f)	100	100

(a) These companies are audited by other member firms of KPMG International.
(b) This company was incorporated and domiciled in Jersey, and was dissolved on 7 June 2013.
(c) This company was incorporated in and carries on business in the United Kingdom.
(d) These companies were incorporated in and carry on business in New Zealand.
(e) These companies were incorporated in and carry on business in The Netherlands.
(f) These companies were incorporated in and carry on business in Germany.
(g) This company was incorporated and is domiciled in Fiji.
(h) Atura Hotels and Resorts Pty Limited was incorporated on 9 April 2013.
(i) Movietimes Australia and New Zealand Pty Limited was incorporated on 12 December 2012.

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

NOTE 36 – INVESTMENTS IN ASSOCIATES

			Interest		Investment carrying amount		Contribution to operating profit/(loss)	
Name	Principal activities	Country of incorporation	2013 %	2012 %	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cinesound Movietone Productions Pty Limited	Film owner and distributor	Australia	50	50	139	156	(17)	5
Digital Cinema Integration Partners Pty Limited	Administration	Australia	48	48	–	–	–	–
Digital Cinema Integration Partners NZ Pty Limited	Administration	New Zealand	(a) 60	60	–	–	–	–
					139	156	(17)	5

(a) Digital Cinema Integration Partners NZ Pty Limited is not consolidated as the Group does not have control and the power to govern financial and operating policies.

Dividends received from associates for the year ended 30 June 2013 amount to nil (2012: nil). The balance date of all current associates is 30 June.

NOTE 36 – INVESTMENTS IN ASSOCIATES (continued)	2013 $'000	2012 $'000
Summarised financial information relating to associates		
Aggregate assets, liabilities, revenues and net profit of associates, not adjusted for the percentage ownership held by the Group, are as follows:		
Revenues – as reported by associates	87	104
Net profit – as reported by associates	(34)	10
Current assets	198	268
Non-current assets	92	59
Total assets – as reported by associates	290	327
Current liabilities	11	15
Non-current liabilities	–	–
Total liabilities – as reported by associates	11	15
Net assets – as reported by associates	279	312
Group's share of net assets of associates	139	156
Carrying value of investments in associates	139	156
Movements in carrying amount of associates		
Carrying amount of associates at the beginning of the year	156	151
Share of net profit	(17)	5
Carrying amount of associates at the end of the year	139	156

NOTE 37 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

			Profit share		Investment carrying amount		Share of sales revenue		Contribution to operating profit/(loss)	
Name	Principal activities	Nature of interest	2013 %	2012 %	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Share of joint venture assets	50	50	93,857	91,123	182,750	176,889	32,911	29,227
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	462	379	1,517	1,483	83	75
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	4,217	4,436	7,084	6,911	1,306	1,127
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	3,549	4,154	12,683	12,926	2,946	2,851
Fiji Cinema Joint Venture	Operator of multiscreen cinema complexes	Share of joint venture assets	(a)(b) 66.7	(a)(b) 66.7	4,927	4,374	3,281	3,037	979	756
Filmpalast am ZKM Karlsruhe GmbH & Co. KG	Operator of a multiscreen cinema complex	Equity share	(c) 50	(c) 50	1,481	855	9,830	7,774	1,952	1,836
Filmpalast Konstanz GmbH & Co. KG	Operator of a multiscreen cinema complex	Equity share	(c) 50	(c) 50	970	782	3,511	2,924	864	798
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	3,207	3,028	4,891	4,763	1,179	1,088
Geelong Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	(d) 50	(d) 50	1,038	803	4,527	4,314	735	617
Jam Factory Cinema Operations Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	824	682	8,864	8,327	643	300
Rialto Joint Venture	Operator of multiscreen cinema complexes	Share of joint venture assets	(a) 50	(a) 50	2,352	2,353	2,509	2,401	151	103
Southport 6 Cinemas Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	(b) 51	(b) 51	1,382	1,236	3,753	4,063	706	827
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	1,023	1,029	4,328	4,465	695	698
					119,289	115,234	249,528	240,277	45,150	40,303

(a) Fiji Cinema Joint Venture operates in Fiji and Rialto Joint Venture operates in New Zealand.
(b) The joint venture is not consolidated as the Group does not have control and the power to govern financial and operating policies.
(c) Filmpalast am ZKM Karlsruhe GmbH & Co. KG and Filmpalast Konstanz GmbH & Co. KG were incorporated in Germany.
(d) A write-down in the value of this investment was made in prior years.

NOTE 37 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

During the year, the cinema joint ventures purchased management and consulting services of $6,177,000 (2012: $5,977,000), capital equipment of $5,198,000 (2012: $10,284,000), block and artwork of $132,000 (2012: $132,000) and other services of $351,000 (2012: $328,000) from the Group. These transactions were on normal commercial terms.

	2013 $'000	2012 $'000
The Group's aggregate share of the jointly controlled entities' assets and liabilities consists of:		
Current assets	22,459	23,017
Non-current assets	86,029	86,179
Total assets	108,488	109,196
Current liabilities	23,067	26,784
Non-current liabilities	2,520	2,177
Total liabilities	25,587	28,961
Net assets	82,901	80,235
Movements in carrying amount of jointly controlled entities		
Carrying amount of jointly controlled entities at the beginning of the year	115,234	114,324
Share of net profit	45,150	40,303
Distributions received	(41,858)	(39,325)
Foreign currency translation movements	792	(42)
Amortisation of capitalised interest	(29)	(30)
Other	–	4
Carrying amount of jointly controlled entities at the end of the year	119,289	115,234

Refer Note 32 for details of contingent liabilities.

NOTE 38 – DIRECTOR AND EXECUTIVE DISCLOSURES

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

Section of Remuneration Report	Directors' Report page reference
Non-executive director remuneration	27
Managing Director and executive remuneration	28
Fixed annual remuneration	28
Variable remuneration – short term incentive	28
Variable remuneration – long term incentive	29
Employment contracts	31
Directors' and executives' position and period of responsibility	32
Directors' and executives' remuneration	33

NOTE 38 – DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Directors
The following persons were directors of Amalgamated Holdings Limited during the financial year:

Name	Position	Period of responsibility
AG Rydge	Non-executive director and Chairman	1 July 2012 to 30 June 2013
AJ Clark	Non-executive director and lead independent director	1 July 2012 to 30 June 2013
KG Chapman	Non-executive director	1 July 2012 to 30 June 2013
PR Coates	Non-executive director	1 July 2012 to 30 June 2013
VA Davies	Non-executive director	1 July 2012 to 30 June 2013
RG Newton	Non-executive director	1 July 2012 to 30 June 2013
DC Seargeant	Managing Director and Chief Executive Officer	1 July 2012 to 30 June 2013

DC Grant was appointed to the Board on 25 July 2013 and was not a key management person at any time during the period 1 July 2012 to 30 June 2013.

Other key management personnel
The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	Position and employer	Period of responsibility
TJ Alley	Director of Marketing Amalgamated Holdings Limited	14 November 2012 to 30 June 2013
NC Arundel	Managing Director Rydges Hotels & Resorts Rydges Hotels Limited	1 July 2012 to 30 June 2013
PC Bourke	Director of Information Technology Amalgamated Holdings Limited	1 July 2012 to 22 November 2012
GC Dean	Director Finance & Accounting, Company Secretary Amalgamated Holdings Limited	1 July 2012 to 30 June 2013
MR Duff	Director Commercial Amalgamated Holdings Limited	1 July 2012 to 30 June 2013
HR Eberstaller	Managing Director AHL Strategic Investments The Greater Union Organisation Pty Limited	1 July 2012 to 30 June 2013
JM Hastings	General Manager Entertainment – Australia and New Zealand The Greater Union Organisation Pty Limited	1 July 2012 to 24 August 2012

All of the above persons were also key management personnel during the whole of the year ended 30 June 2012, with the exception of TJ Alley who commenced employment with the Group on 14 November 2012.

NOTE 38 – DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Key management personnel remuneration

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

	2013 $	2012 $
Employee benefits		
Short term	6,311,783	6,565,070
Other long term	77,559	101,673
Termination payments	–	373,000
Post-employment	157,989	168,278
Equity compensation	653,461	1,642,728
	7,200,792	8,850,749

Performance share holdings and transactions

The movement during the year in the number of performance shares in Amalgamated Holdings Limited held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

		Held at the beginning of the year	Granted	Exercised	Forfeited	Other [(b)]	Held at the end of the year
Director							
DC Seargeant	2013	945,000	210,000	–	(120,000)	–	1,035,000
	2012	690,000	255,000	–	–	–	945,000
Executives							
TJ Alley [(a)]	2013	–	20,767	–	–	–	20,767
	2012	–	–	–	–	–	–
NC Arundel	2013	109,303	23,502	(24,233)	(9,493)	–	99,079
	2012	80,764	28,539	–	–	–	109,303
PC Bourke [(b)]	2013	24,855	–	–	–	(24,855)	–
	2012	9,174	15,681	–	–	–	24,855
GC Dean	2013	51,695	20,868	–	(5,944)	–	66,619
	2012	41,397	25,089	(14,791)	–	–	51,695
MR Duff	2013	116,707	22,489	(20,000)	(8,973)	–	110,223
	2012	89,799	26,908	–	–	–	116,707
HR Eberstaller	2013	40,352	9,876	–	(3,933)	–	46,295
	2012	28,560	11,792	–	–	–	40,352
JM Hastings [(c)]	2013	79,793	–	–	(79,793)	–	–
	2012	50,000	29,793	–	–	–	79,793
PW Horton [(d)]	2013	–	–	–	–	–	–
	2012	83,680	–	(48,485)	(35,195)	–	–

(a) TJ Alley commenced employment with the Group on 14 November 2012.
(b) PC Bourke ceased to be a key management person effective 22 November 2012. The movement represents the balance of performance shares held at that date.
(c) JM Hastings ceased employment with the Group on 24 August 2012.
(d) PW Horton ceased employment with the Group on 28 October 2011.

No performance shares have been granted since the end of the year. No performance shares were held by the related parties of key management personnel.

NOTE 38 – DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Equity holdings and transactions

The movement during the year in the number of ordinary shares of Amalgamated Holding Limited held, directly, indirectly or beneficially, by key management personnel, including their related parties, is as follows:

		Held at the beginning of the year	Purchases	Received on release of performance shares	Sales	Other (a)	Held at the end of the year
Directors							
AG Rydge (Chairman)	2013	72,234,355	–	–	–	–	72,234,355
	2012	71,834,355	400,000	–	–	–	72,234,355
AJ Clark	2013	65,000	–	–	–	–	65,000
	2012	65,000	–	–	–	–	65,000
KG Chapman	2013	57,500	–	–	–	–	57,500
	2012	54,500	3,000	–	–	–	57,500
PR Coates	2013	36,500	–	–	–	–	36,500
	2012	36,500	–	–	–	–	36,500
VA Davies	2013	8,000	2,000	–	–	–	10,000
	2012	–	8,000	–	–	–	8,000
RG Newton	2013	66,840	1,500	–	–	–	68,340
	2012	66,840	–	–	–	–	66,840
DC Seargeant (Managing Director)	2013	469,490	–	–	–	–	469,490
	2012	869,490	–	–	(400,000)	–	469,490
Executives							
TJ Alley (b)	2013	–	–	–	–	–	–
	2012	–	–	–	–	–	–
NC Arundel	2013	8,013	–	24,233	–	–	32,246
	2012	8,013	–	–	–	–	8,013
PC Bourke (c)	2013	–	–	–	–	–	–
	2012	–	–	–	–	–	–
GC Dean	2013	54,791	–	–	–	–	54,791
	2012	108,137	–	14,791	(68,137)	–	54,791
MR Duff	2013	–	–	20,000	(20,000)	–	–
	2012	25,892	–	–	(25,892)	–	–
HR Eberstaller	2013	3,584	–	–	(3,584)	–	–
	2012	3,584	–	–	–	–	3,584
JM Hastings (d)	2013	–	–	–	–	–	–
	2012	–	–	–	–	–	–
PW Horton (e)	2013	–	–	–	–	–	–
	2012	63,697	–	–	–	(63,697)	–

(a) This movement represents the balance of ordinary shares held at the relevant date, being the date of commencement with the Group or termination from the Group.
(b) TJ Alley commenced employment with the Group on 14 November 2012.
(c) PC Bourke ceased to be a key management person effective 22 November 2012.
(d) JM Hastings ceased employment with the Group on 24 August 2012.
(e) PW Horton ceased employment with the Group on 28 October 2011.

No shares (other than performance shares) were granted to key management personnel during the financial reporting period as compensation in the year to 30 June 2013.

NOTE 38 – DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Loans and other transactions with key management personnel and their related parties

Loans to key management personnel and their related parties
There were no loans outstanding at any time during the year with any key management personnel or their related parties.

Other transactions with the Company or its controlled entities
AG Rydge and AJ Clark are directors of Carlton Investments Limited. Carlton Investments Limited rents office space from a controlled entity. Rent is charged to Carlton Investments Limited at a market rate. Rent and office service charges received during the year were $23,752 (2012: $24,274). The Company holds shares in Carlton Investments Limited. Dividends received during the year from Carlton Investments Limited totalled $547,257 (2012: $509,447).

AG Rydge paid rent, levies and other costs to Group entities during the year amounting to $87,539 (2012: $85,755). Rent is charged to AG Rydge at market rates.

During the year, a controlled entity signed a lease agreement for a cinema complex in Townsville with an entity related to KG Chapman. The lease period will commence when construction of the site is completed, which is expected to be in 2015.

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

From time to time, key management personnel of the Group, or their related parties, may purchase goods or services from the Group. These purchases are usually on the same terms and conditions as those granted to other Group employees. Where the purchases are on terms and conditions more favourable than those granted to other Group employees, the resulting benefits form part of the total remuneration outlined within the Remuneration Report.

NOTE 39 – RELATED PARTIES

Associates
Other transactions were receipt of property rentals from associates of $47,000 (2012: $45,000) and costs of $52,000 (2012: $29,000), paid on behalf of an associate, $52,000 (2012: $29,000) of which is refundable by that associate.

Refer also Notes 11, 16 and 36.

Jointly controlled entities
Refer Notes 11, 16, 32 and 37.

Key management personnel
Disclosures relating to directors and named executives are set out in Note 38.

NOTE 40 – RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES	2013 $'000	2012 $'000
Reconciliation of profit for the year to net cash provided by operating activities		
Profit for the year	85,792	79,742
Adjustments for:		
Amortisation	10,420	10,176
Depreciation	30,132	27,174
Net loss on sale of non-current assets	2,134	972
Profit on sale of discontinued operation	(5,024)	–
Profit on sale of investment property	(1,439)	–
Development gain on revaluation of the redeveloped Canberra Civic property	–	(112)
Fair value (increment)/decrement of investment properties	(16)	71
Equity accounted investment distributions	41,858	39,325
Share of equity accounted investees' net profit	(45,133)	(40,308)
Asset impairment adjustments	–	18,228
Share-based payments expense	1,536	2,940
Receivables impairment adjustment	(88)	467
Unrealised foreign exchange (gains)/losses	(221)	218
Increase in income taxes payable	2,657	525
Net cash provided by operating activities before change in assets and liabilities	122,608	139,418
Change in assets and liabilities adjusted for effects of consolidation of controlled entities acquired/disposed during the year:		
Increase in trade and other receivables	(5,128)	(2,870)
Decrease in inventories	7,815	516
(Increase)/decrease in prepayments and other current assets	(5,932)	796
Decrease/(increase) in deferred tax items	452	(558)
(Decrease)/increase in trade and other payables	(2,308)	12,136
Increase/(decrease) in provisions	2,782	(1,075)
Increase in deferred revenue	10,175	4,380
Decrease in deferred income – VAT dispute	–	(9,886)
Decrease in other liabilities	(2,213)	(3,790)
Increase/(decrease) in financing costs payable	37	(782)
Net cash provided by operating activities	128,288	138,285

NOTE 41 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends
For final dividends declared after 30 June 2013, refer Note 8.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Amalgamated Holdings Limited:

   (a) the consolidated financial statements and notes that are set out on pages 39 to 108 and the Remuneration Report in the Directors' Report set out on pages 27 to 37, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

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

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

2. There are reasonable grounds to believe that the Company and the Group entities identified in Note 33 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Class Order 98/1418.

3. The directors have received the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Director Finance & Accounting for the year ended 30 June 2013.

4. The directors draw attention to Note 1(b) to the financial report, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

DC Seargeant
Director

Dated at Sydney this 22nd day of August 2013.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALGAMATED HOLDINGS LIMITED

Report on the financial report

We have audited the accompanying financial report of Amalgamated Holdings Limited (the company), which comprises the statement of financial position as at 30 June 2013, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 41 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMALGAMATED HOLDINGS LIMITED

Report on the remuneration report

We have audited the remuneration report included in pages 27 to 37 of the directors' report for the year ended 30 June 2013. 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Amalgamated Holdings Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Kenneth Reid
Partner

Sydney
22 August 2013

SHAREHOLDER INFORMATION

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

SHAREHOLDINGS (AS AT 23 AUGUST 2013)

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

Shareholder	Number of ordinary shares held
Enbeear Pty Limited	56,598,377 *
Carlton Investments Limited	56,588,377
Perpetual Limited	18,448,940
Investors Mutual Limited	11,280,675
IOOF Holdings Limited	9,962,378

* Includes Carlton Investments Limited holding.

VOTING RIGHTS
Ordinary shares
There were 6,139 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 7.8(a) of the Company's Constitution, are:

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

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

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

Options
There were no outstanding options of the Company as at 23 August 2013.

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	Number of shares held
1 – 1,000	2,905	1,220,040
1,001 – 5,000	2,079	5,267,410
5,001 – 10,000	561	4,005,437
10,001 – 100,000	545	13,849,739
100,001 and over	49	136,217,297
	6,139	160,559,923

The number of shareholders holding less than a marketable parcel is 302.

UNQUOTED ORDINARY SHARES
There were 2,851,206 unquoted ordinary shares issued pursuant to the employee share plans. The shares were held by 670 holders. The unquoted ordinary shares have been included within the distribution of shareholders table above.

SHAREHOLDER INFORMATION

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

	Number of shares held	Percentage of capital held
Enbeear Pty Limited	32,134,031	20.01
Eneber Investment Company Limited	19,777,772	12.32
JP Morgan Nominees Australia Limited	12,119,730	7.55
National Nominees Limited	10,358,380	6.45
RBC Investor Services Australia Nominees Pty Limited (Bkcust Account)	9,092,778	5.66
RBC Investor Services Australia Nominees Pty Limited (Pipooled Account)	6,087,938	3.79
Alphoeb Pty Limited	6,027,315	3.75
The Manly Hotels Pty Limited	5,732,812	3.57
Carlton Hotel Limited	5,276,103	3.29
HSBC Custody Nominees (Australia) Limited	4,795,785	2.99
Citicorp Nominees Pty Limited	4,652,634	2.90
Mr Alan Graham Rydge	3,269,915	2.04
Citicorp Nominees Pty Limited (Colonial First State Inv Account)	2,052,216	1.28
BNP Paribas Noms Pty Ltd (DRP)	1,941,582	1.21
TN Phillips Investments Pty Ltd	1,346,000	0.84
Australian United Investment Company Limited	1,200,000	0.75
Argo Investments Limited	1,040,151	0.65
Sandhurst Trustees Ltd (SISF Account)	935,989	0.58
Australian Foundation Investments Company Limited	775,000	0.48
Milton Corporation Limited	740,667	0.46
	129,356,798	80.57

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

SECURITIES EXCHANGE
Amalgamated Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. Shares are listed on the ASX under the code AHD. Details of trading activity are published in most Australian daily newspapers.

OTHER INFORMATION

ANNUAL GENERAL MEETING
The Annual General Meeting will be held at 10:00am on Friday 25 October 2013 at:

Event Cinemas
505 – 525 George Street
Sydney NSW 2000

REGISTERED OFFICE
Level 20
227 Elizabeth Street
Sydney NSW 2000

Telephone	+61 2 9373 6600
Facsimile	+61 2 9373 6534

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SHARE REGISTRY
Computershare Investor Services Pty Limited
Level 4
60 Carrington Street
Sydney NSW 2000

GPO Box 2975
Melbourne VIC 3001

Telephone	1300 850 505
Facsimile	+61 3 9473 2500

www.computershare.com

For more information on Amalgamated Holdings Limited, please refer to our website at www.ahl.com.au

AMALGAMATED
HOLDINGS
LIMITED

ABN 51 000 005 103