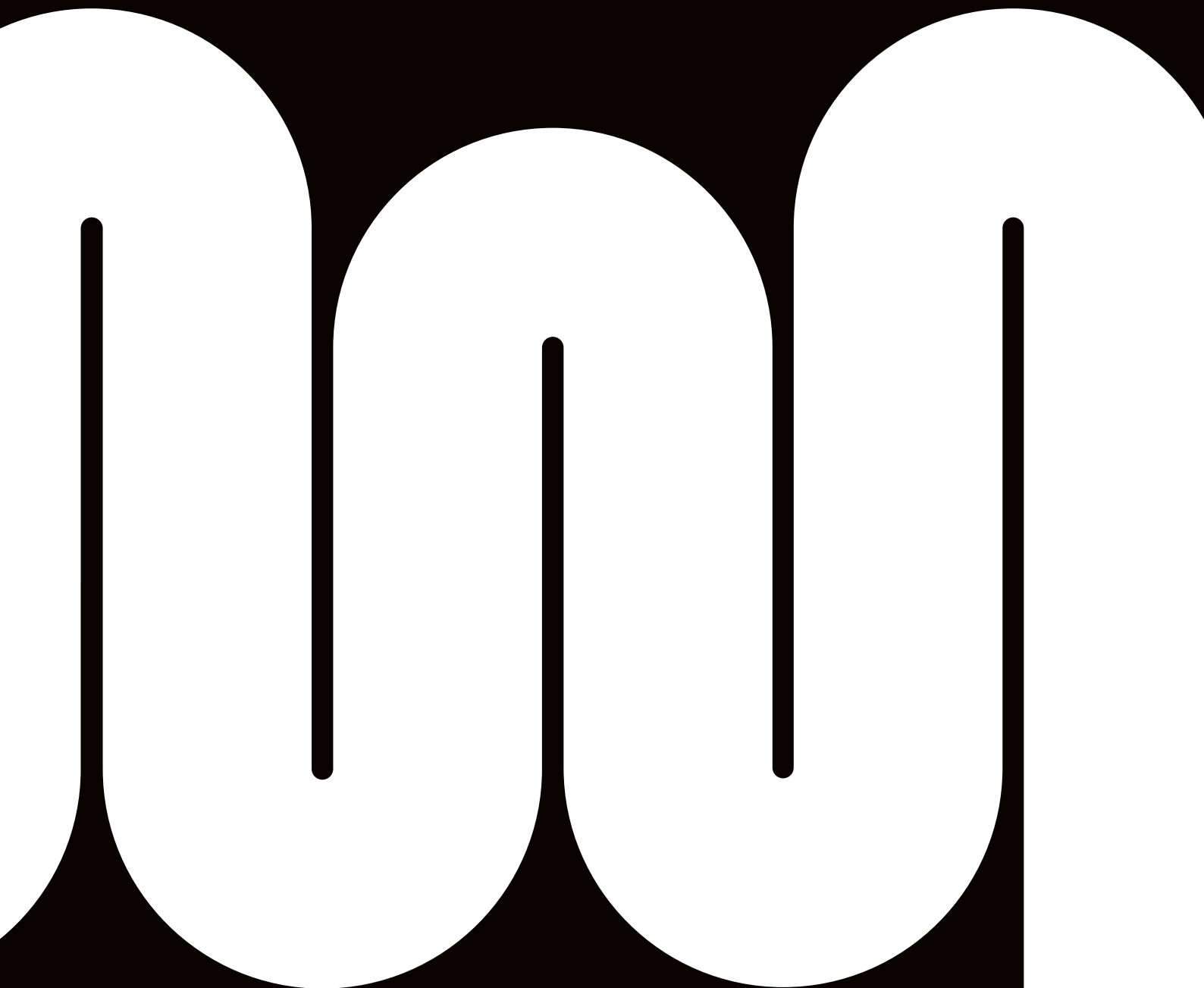
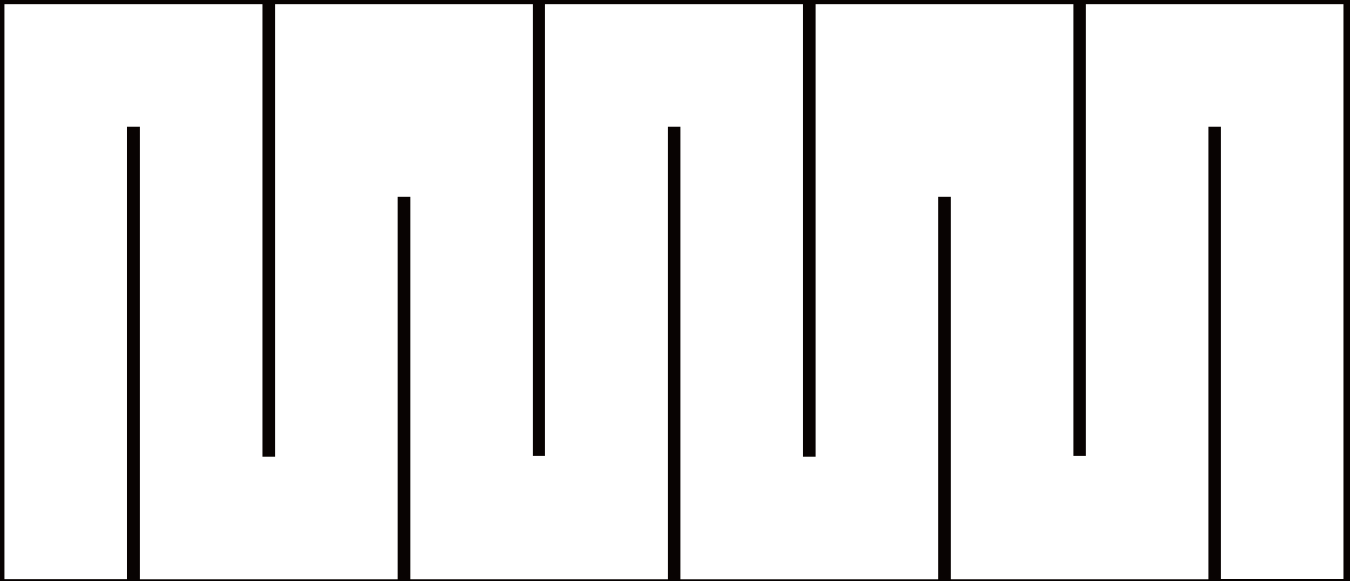


2023 Annual Report





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Acknowledgement of Country

EVT acknowledges the Traditional Owners and Custodians of Country where we live, work and play, and we recognise their continuing connection to the land and waters. We pay our respects to Aboriginal and Torres Strait Islander peoples, and to Elders past and present.





DIRECTORS' REPORT

Introduction

The directors present their report together with the financial report of EVT Limited, being the Company and its controlled entities ("Group"), for the year ended 30 June 2023 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:

	Director since
AG Rydge (Chairman)	1978
BD Chenoweth (appointed 9 December 2022)	2022
PR Coates	2009
VA Davies	2011
DC Grant	2013
JM Hastings (Managing Director and Chief Executive Officer)	2017
PM Mann	2013
RG Newton (resigned 21 October 2022)	2008

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND INDEPENDENCE STATUS

Alan Rydge AM

Non-executive Chairman, Board member since 1978, Chairman of the Board since 1980. Member of the Audit and Risk Committee and member of the Nomination and Remuneration Committee.

Experience

A company director with more than 50 years of experience in the film, hospitality, leisure and tourism industries. Joined the Greater Union group in 1971 and was formerly the Group Managing Director. He was made a Member of the Order of Australia in 2022.

Directorships

Mr Rydge is also a director of the listed company, Carlton Investments Limited (appointed 1980, chairman since 1980). In addition, Mr Rydge is chairman of Alphoeb Pty Limited and Enbear Pty Limited.

Brett Chenoweth

Independent non-executive director and Board member since 2022.

Experience

A company director with more than 25 years of operating experience in media, technology, telecommunications and digital businesses.

Directorships

Mr Chenoweth is chairman of Adairs Limited (ASX: ADH), Madman Entertainment Pty Ltd, Canberra Data Centres and The Bombora Group. He is also a director of Tabcorp Holdings Limited (ASX: TAH) and Surfing Australia Limited, and a Senior Advisor to H.R.L. Morrison & Co.

Peter Coates AO, BSc (Mining Engineering), FAICD, FAusIMM

Independent non-executive director and Board member since 2009, and Chairman of the Nomination and Remuneration Committee. Mr Coates is the lead independent director.

Experience

A company director with more than 50 years of industry experience including as chief executive officer of Xstrata and Glencore's global coal businesses until his retirement in December 2007. Mr Coates was a past non-executive chairman of Santos Limited, Sphere Minerals Limited and Minara Resources Ltd, and a past chairman of the Minerals Council of Australia, NSW Minerals Council and Australian Coal Association. He was made an Officer of the Order of Australia in 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal in 2011.

Directorships

Mr Coates is currently a director of Glencore plc and chairman of the Industry Advisory Council for the School of Minerals and Energy Resource Engineering, UNSW.

Valerie Davies FAICD

Independent non-executive director and Board member since 2011. Member of the Nomination and Remuneration Committee.

Experience

A company director with more than 25 years of broad experience across diverse sectors, including tourism, property, technology, resources, labour-hire, health and media. Ms Davies also operated her own consultancy in corporate communications, working at the leadership level with numerous tier one national and international business organisations addressing the complexities of issues management, communications, coaching and mentoring. She is a member of Chief Executive Women, a former Telstra Business Woman of the Year (WA), a Fellow of the Australian Institute of Company Directors as well as being a past Vice-President of the AICD (WA).

Directorships

Ms Davies is a director of Cedar Woods Properties Limited (ASX: CWP) and was previously a commissioner of Tourism Western Australian (resigned 30 June 2021).

David Grant BComm, CA, GAICD

Independent non-executive director and Board member since 2013. Chairman of the Audit and Risk Committee.

Experience

A company director and a Chartered Accountant with more than 25 years of accounting and finance experience spanning both the accounting profession and the commercial sector. Mr Grant's executive career included roles with Goodman Fielder Limited and Iluka Resources Limited. Mr Grant was formerly a non-executive director of iiNet Limited.

Directorships

Mr Grant is a director of Retail Food Group Limited (ASX: RFG) and The Reject Shop Limited (ASX: TRS), and was previously a director of A2B Australia Limited (ASX: A2B) (resigned 3 October 2022).

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

Jane Hastings BComm

Managing Director and Chief Executive Officer ("CEO") since 1 July 2017.

Experience

More than 20 years of experience in the tourism, hospitality and entertainment sectors. Ms Hastings was previously CEO of New Zealand Media and Entertainment (NZME) (2014 – 2016). Ms Hastings was appointed as the Group's Chief Operating Officer in 2016 and CEO in 2017.

Directorships

Ms Hastings is a director of Les Mills International Limited and was previously a New Zealand Film Commission board member.

Patria Mann BEc, FAICD

Independent non-executive director and Board member since 2013. Member of the Audit and Risk Committee.

Experience

An experienced non-executive director with 20 years of board experience across various sectors and geographies. She has significant insight and understanding of market development, business transformation, including digital and technological change and mergers and acquisitions and financial transactions. She also brings strong ASX, audit, risk management and governance experience. Mrs Mann qualified as a Chartered Accountant and was formerly a partner at KPMG. She is a Fellow of the Australian Institute of Company Directors.

Directorships

Mrs Mann is a director of Ridley Corporation Limited (ASX: RIC), Bega Cheese Limited (ASX: BGA) and GWA Limited (ASX: GWA) (appointed 1 January 2023).

COMPANY SECRETARIES

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

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

CORPORATE GOVERNANCE

The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition. The Group has disclosed its 2023 Corporate Governance Statement in the corporate governance section on its website (www.evt.com/investors). As required, the Group has also lodged the 2023 Corporate Governance Statement and Appendix 4G with the ASX.

DIRECTORS' MEETINGS

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

	Directors' meetings		Audit and Risk Committee meetings		Nomination and Remuneration Committee meetings		Other special purpose committee meetings ^(a)	
	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended
AG Rydge	6	6	4	4	5	5	4	4
BD Chenoweth ^(b)	3	3	–	–	–	–	–	–
PR Coates	6	6	–	–	5	5	2	2
VA Davies	6	6	–	–	5	5	–	–
DC Grant	6	6	4	4	–	–	4	4
JM Hastings ^(c)	6	6	4	4	5	5	4	4
PM Mann	6	6	4	4	–	–	–	–
RG Newton ^(d)	2	2	–	–	–	–	–	–

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

(b) BD Chenoweth was appointed on 9 December 2022.

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

(d) RG Newton resigned on 21 October 2022.

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

PRINCIPAL ACTIVITIES

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

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

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

The result for the year ended 30 June 2023 reflects strong year on year growth in Group revenue and earnings. The Group's normalised revenue was \$1,196.2 million, up \$242.4 million or 25.4% on prior year and normalised earnings before interest, tax, depreciation, amortisation, the impact of AASB 16 Leases and individually significant items ("normalised EBITDA") was \$187.0 million, up \$48.7 million or 35.2%. Excluding the prior year benefit of the German government's COVID Bridging Aid programs, Group revenue was up \$305.4 million or 34.3%, and EBITDA was up \$111.7 million or 148.3%. This result was achieved in the context of an operating environment where post COVID factors continue to present challenges including delays in film releases and recovery in international inbound travel.

The recovery in **Entertainment** continued, with revenue of \$725.5 million up \$128.0 million or 21.4% excluding the benefit of the German government's Bridging Aid programs in the prior year. However, due to COVID-related studio delayed film release dates for certain key titles, Entertainment revenue was 13.2% below the pre-COVID year ended 30 June 2019 ("FY19"). The studio delays in film releases were partially mitigated by the Group's business transformation initiatives delivering continued strong growth in average admission price ("AAP") and merchandising spend per head ("SPH") despite broader market commentary on weakness in consumer spend. In Australia, AAP and SPH continued to grow on prior year and were well ahead of FY19 up 20.9% and 50.3% respectively. In New Zealand, a similar result was achieved with solid growth on prior year and exceptional growth in AAP of 39.6% and in SPH of 49.6% on FY19.

The Group's **Hotels and Resorts** revenue of \$352.6 million was up \$134.8 million or 61.9% and EBITDA of \$87.4 million up \$60.8 million or 228.8%. This was a record result for the division after adjusting for the closure of Rydges Melbourne during the majority of the year for a major upgrade. Record average room rates and revenue per available room ("revpar") results were also achieved with each of the Group's brands contributing to this outstanding result and achieving greater than fair market share.

Thredbo also achieved a record result with revenue of \$106.3 million up 65.3% on the prior year and up 29.9% on FY19, and EBITDA of \$39.8 million up 144.1% on the prior year and up 37.5% on FY19. This result was achieved following a transformation in Thredbo's business model focussing on better capacity utilisation and delivering a premium experience.

The Group's **property portfolio** is independently valued at least every three years and updated independent valuations were obtained at 30 June 2023 for the majority of the Group's property portfolio. The overall independent value of the Group's property portfolio increased to approximately \$2,302.0 million, up from \$2,057.4 million at 30 June 2021 when the previous independent valuations were obtained, notwithstanding \$202.8 million of the Group's non-core property disposals having been completed since 30 June 2021. Excluding the properties acquired or sold between 30 June 2021 and 30 June 2023, the underlying portfolio value increased 20.0%. This increase reflects the Group's strategy of developing existing assets with premiumisation initiatives, acquiring properties in key city locations which are or can be converted to operating assets, and divesting underperforming assets to recycle capital into growth projects. The normalised EBITDA for the Group's Property division was \$6.9 million, down \$0.9 million on the prior year, with the success of the Group's non-core property divestment strategy resulting in a minor reduction in rental revenue.

The Group's unallocated corporate costs at the EBITDA level increased \$3.5 million to \$23.8 million due to short term incentive payments and an increase in insurance premiums. However, the Group's underlying unallocated costs were below FY19 despite market cost challenges, adjusting for the impact of insurance premium increases and short-term incentive payments.

The Group's normalised EBITDA of \$187.0 million was up \$48.7 million (35.2%) on the prior year. Excluding the benefit of the German government's Bridging Aid program in the prior year, normalised EBITDA was up \$111.7 million (148.3%). This was a strong result despite headwinds prevailing in a cost challenged market, and a direct result of a more agile operating business with growth strategies delivering positive outcomes.

The Group's profit before interest, individually significant items, the net impact of AASB 16 Leases, and income tax expense was \$112,298,000, \$50,805,000 (82.6%) above the prior year. Normalised profit after tax was \$62,544,000 (2022: \$46,198,000) and the reported net profit after income tax was \$106,529,000 (2022: \$53,322,000). The reported net profit after tax included the profit on sale recognised on disposal of The Miller Hotel (formerly Rydges North Sydney) and the Darwin Cinema Centre, and proceeds from the settlement of the dispute with Vue in relation to the 2018 CineStar Germany transaction.

The Group's net debt at 30 June 2023 was \$262.6 million, which was below pre-COVID net debt levels. The enduring strength of the Group's balance sheet will enable the Group to invest for growth and capitalise on opportunities in the future.

EVT Group Strategy

A change of the Company's name to EVT Limited was approved by shareholders at the 2022 Annual General Meeting. The new name better tells the story of what we do, including Entertainment, Ventures and Travel, and how we do it, with the launch of a strategic framework. This framework puts the customer at the centre, with success measured based on net promoter score and sentiment tracking and includes the Group's three strategic goals to grow revenue above market, maximise assets, and pursue business transformation initiatives to grow earnings. The new strategic framework acknowledges that EVT can only be successful in the long term by driving employee engagement, making a positive social impact on the communities in which it operates, and supporting a better tomorrow through environmental sustainability strategies and initiatives, which collectively form the Group's Elevate program.

The Group continues to make strong progress against the three strategic goals, being:

1. **Grow revenue above market** by ensuring the customer experience and employee culture continue to secure results above fair market share.
2. **Maximise assets** by growing the value of the EVT property portfolio through developing existing assets with premiumisation initiatives, acquisition of properties in key city locations which are or can be converted to operating assets, and divesting underperforming assets to recycle capital into growth projects.
3. **Business transformation** initiatives to continually improve operating models to mitigate cost pressures and maintain or improve margins.

The achievement of the EVT three strategic goals is supported by the Group's **Elevate** program:

1. **Elevate our Customers** which includes growing our loyalty membership, listening and tracking customer feedback to target investment and adoption of new technology and capabilities to improve the customer experience.
2. **Elevate our People** which includes recruitment, development, and retention of quality talent by creating a positive and empowered culture, adopting continuous employee feedback, and measuring outcomes.
3. **Elevate our Community** which includes encouraging daily evidence of our "Everyone Belongs" diversity and inclusion approach and playing our part to support the communities we operate in.
4. **Elevate our Environment** which recognises our role in ensuring a better tomorrow through sustainable practices and procurement, sustainable design, and transparency and reporting.

Maximising Assets

The EVT property portfolio is currently valued at approximately \$2,302.0 million, reflecting an underlying 20% increase in value compared to the prior valuations (excluding the properties acquired or sold between 30 June 2021 and 30 June 2023). This increase reflects the Group's strategy of developing existing assets with premiumisation initiatives, acquiring properties in key city locations which are or can be converted to operating assets, and divesting underperforming assets to recycle capital into growth projects.

The Group exceeded its target to realise gross proceeds of \$250 million from the sale of non-core property assets following the sale of The Miller Hotel (formerly Rydges North Sydney), which settled in July 2022. The hotel has been retained in the Group's portfolio under a management agreement. The sale of the Darwin Cinema Centre settled in December 2022. Proceeds from asset sales during the year were \$82.1 million and the total proceeds from non-core property sales to date are \$282.4 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. Whilst the Group's non-core property proceeds target has been exceeded, there are a small number of other properties, including four in Germany, that have been identified as non-core, and divestment of these properties will be considered when market conditions are favourable.

Property acquisitions completed in the year included 54 Cook Street, Auckland, which is the location of the new flagship LyLo Auckland accommodation concept, and the Limes Hotel, Brisbane, which will be converted to the first Australian LyLo in the year ending 30 June 2024 ("FY24"). This will bring the Group's footprint in the budget sector to four properties with a total of 628 pods and 206 rooms. LyLo Auckland was launched in December 2022. LyLo is an innovative new design-led lifestyle budget accommodation experience, and the Auckland property includes 190 individual sleeping pods, 37 double rooms with shared bathrooms, and 70 ensuite rooms. The performance of LyLo Auckland has exceeded expectations since opening.

The Group continues to invest in its key hotel assets, including the major upgrade of Rydges Melbourne, which commenced reopening in May 2023, and QT Gold Coast, where rooms were completed in the first half and conferencing was completed in the second half. Early results from both upgrades are exceeding expectations. The net promoter score ("NPS") for Rydges Melbourne is already in the excellent range. As previously disclosed, Rydges Melbourne contributed around 15% of Hotel group EBITDA in FY19, and whilst it is expected to once again be the Group's most profitable hotel, it may take one to two years for earnings to build and stabilise. QT Gold Coast is experiencing a similar lift in NPS and a strong pipeline of conference interest, as well as winning four awards at the recent Queensland Hotels Association Awards, including the award for Best Meeting & Events Venue. Planning is underway for future upgrades of QT Canberra and Rydges Queenstown.

The Group has continued to make good progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. A Stage Two Development Application was approved in May 2023 for the proposed 525 George Street, Sydney development of a mixed-use development including prime George Street retail space, a premium Event Cinema, a QT hotel, and residential apartments. We expect to assess construction costs for the development by the end of FY24. The City of Sydney has previously approved the Development Application for the podium component of the proposed 458-472 George Street development, whilst the Group has withdrawn the Stage One Development Application for a commercial office tower on this site, with planning commenced for a hotel tower as an alternative. The timing of commencement of the 525 George Street and 458-472 George Street developments will be subject to market conditions.

The Group's hotel strategy has evolved to include all segments of the market from luxury to budget accommodation, and the Independent Collection has been created to leverage the Group's expertise by introducing new and innovative management and service models. During the year there was net growth in the Group's portfolio of eight hotels and 1,110 rooms, including Rydges Hunter Valley Resort, and the fast-growing Independent Collection now comprises 17 hotels with 2,251 rooms.

In Australia, premiumisation upgrades of Event Cinemas Chermside was completed in the year and Event Cinemas Innaloo was partially completed, and an upgrade of Event Cinemas Robina is underway. The Group was also successful in securing the management of IMAX Darling Harbour in Sydney, which is due to open in the second quarter of FY24. The new seven-screen premium Event Cinemas Queensgate in Wellington, New Zealand partially opened in December, including an IMAX screen, and was fully operational in March 2023.

FY24 outlook

The financial year has started positively for the Entertainment Group with the record-breaking performance of *Barbie* and *Oppenheimer*; the Group's Hotels maintaining record rates, and travel normalising to pre-COVID patterns. Thredbo has been impacted by a weather-driven delayed start to the season in June 2023 and poor snow conditions persisting into July and August.

The Entertainment Group's performance will be subject, as always, to the overall appeal of the film line-up. The current writers' and actors' strike in Hollywood may lead to delays in releases for certain titles. When blockbuster titles are released, the Group expects to continue to benefit from its premiumisation strategy driving an improvement in yield which has been proven to date despite market-wide pressure on consumer spending. Notwithstanding the recent announcement of film delays including *Force of Nature: The Dry 2*, *Spider-Man: Beyond the Spider-Verse*, Marvel title *Kraven*, and the latest instalment in the *Karate Kid* series, and based on the current film line-up, the Group expects box office in FY24 to perform better than FY23.

The Group's Hotels occupancy continues to grow, with average room rates stabilising around record levels. There has been a solid recovery in corporate travel, including conference and events. Leisure travel has normalised to pre-COVID levels with regional markets returning to more regular patterns of demand after outperforming during COVID, and metropolitan markets improving. China's announcement returning Australia to its preferred destination list this month should support a continued recovery in the international inbound segment in FY24, subject to airline capacity.

Thredbo's 2023 winter season has been impacted by poor weather conditions resulting in a late start, fewer snowmaking days, and increased wind-hold days with key lifts unable to operate. Approximately 50% of ski runs have been able to open compared to 100% in the prior year and the 2019 winter. Despite these challenges, Thredbo's EBITDA for the first quarter of FY24 is expected to be broadly in line with the 2019 winter. The Group's new business model enables the resort to deliver a stronger financial performance on weaker snow conditions. Summer performance is expected to reflect continued demand for mountain biking, subject to weather conditions.

The results delivered in FY23 demonstrate that the Group's premiumisation initiatives and operating model enhancements can offset cost increases when demand is strong. Investment in compliance and risk management continues to grow, whilst the Group is also increasing investment in its sustainability initiatives. The Group has a strong foundation for the future and greater agility to respond to market challenges that may arise in FY24.

Key projects in FY24

The Entertainment Group will increase the premium cinema experiences including proprietary concepts and global premium formats such as IMAX, 4DX and ScreenX. The appeal of Thredbo will continue to grow with the introduction of the year-round Alpine Coaster attraction, further investment in snowmaking, and three additional mountain biking trails. The Hotels division will continue to actively pursue new hotel opportunities across the budget to luxury market segments. In the budget segment, the development of a flagship Australian LyLo on surplus land at QT Gold Coast is under consideration, and an expansion of pods at LyLo Auckland through the development of level four of 54 Cook Street is at the planning stage.

The Group will continue to explore ways to improve the value of the property portfolio through acquisitions and progressing the priority development projects, including planning for the QT Canberra and Rydges Queenstown upgrades, the introduction of a new micro guest room concept at Atura Adelaide Airport, and an upgrade of guest rooms at QT Wellington.

Work will continue on the Group's major developments, including the assessment and tender of construction costs for the 525 George Street development by the end of FY24, and planning has commenced for a hotel tower above the previously approved podium of the 458-472 George Street development.

OVERVIEW OF THE GROUP

Reported net profit after tax and individually significant items was \$106,529,000 (2022: \$53,322,000), \$53,207,000 or +99.8% above the prior year result. The normalised result before interest and income tax expense was a profit of \$112,298,000 (2022: \$61,493,000), and the normalised result after tax was a profit of \$62,544,000 (2022: \$46,198,000). A summary of the normalised result is outlined below:

	30 June 2023				30 June 2022					
	Normalised EBITDA ¹ \$'000	Depreciation and amortisation ² \$'000	Normalised Result ³ \$'000	Impact of AASB16 Leases \$'000	Reconciliation to reported net profit \$'000	Normalised EBITDA ¹ \$'000	Depreciation and amortisation ² \$'000	Normalised Result ³ \$'000	Impact of AASB16 Leases \$'000	Reconciliation to reported net profit \$'000
CONSOLIDATED GROUP RESULT										
Entertainment										
Australia and New Zealand	46,555	(31,027)	15,528	25,560	41,088	32,206	(31,330)	876	18,560	19,436
Germany	30,081	(6,880)	23,201	1,733	24,934	75,630	(8,735)	66,895	1,854	68,749
Hospitality and Leisure										
Hotels and Resorts	87,388	(28,513)	58,875	1,724	60,599	26,576	(27,733)	(1,157)	(183)	(1,340)
Thredbo	39,772	(4,780)	34,992	–	34,992	16,292	(4,974)	11,318	–	11,318
Property	7,028	(2,081)	4,947	–	4,947	7,790	(2,130)	5,660	–	5,660
Unallocated revenues and expenses	(23,810)	(1,435)	(25,245)	–	(25,245)	(20,185)	(1,914)	(22,099)	–	(22,099)
	187,014	(74,716)	112,298	29,017	141,315	138,309	(76,816)	61,493	20,231	81,724
Net finance costs			(16,594)	(25,257)	(41,851)			(15,994)	(25,033)	(41,027)
Income tax (expense)/credit			95,704	3,760	99,464			45,499	(4,802)	40,697
			(33,160)	(1,137)	(34,297)			699	1,385	2,084
Profit before individually significant items			62,544	2,623	65,167			46,198	(3,417)	42,781
Individually significant items – net of tax					41,362					10,541
Reported net profit					106,529					53,322

1. Normalised EBITDA is the normalised result (see below) for the year before depreciation and amortisation and excluding the impact of AASB16 Leases.

2. Depreciation and amortisation excludes the impact of AASB16 Leases.

3. Normalised result is profit for the year before individually significant items (as outlined in Note 2.2 to the financial statements) and excluding the impact of AASB16 Leases. As outlined in Note 2.2 to the financial statements, this measure is used by the Group's Chief Executive Officer to allocate resources and in assessing the relative performance of the Group's operations. The normalised result is an unaudited non-International Financial Reporting Standards ("IFRS") measure.

An analysis of the last five years is outlined below:

	2023	2022	2021	2020	2019
Total revenue and other income (\$'000)	1,275,441	987,794	692,474	1,030,921	1,304,288
Basic earnings per share (cents)	66.1	33.1	(29.8)	(35.4)	69.6
Total dividends declared ^(a) (\$'000)	74,211	–	–	33,851	83,822
Ordinary dividends per share (cents)	34	–	–	21	52
Special dividends per share (cents)	12	–	–	–	–

(a) No dividends were declared in relation to the 30 June 2022 and 30 June 2021 years. A final dividend was declared in relation to the year ended 30 June 2023 (refer also to Note 4.2).

INDIVIDUALLY SIGNIFICANT ITEMS

Individually significant items comprised the following:

	2023 \$'000	2022 \$'000
Profit on sale of properties	64,618	28,212
Settlement of a legal dispute relating to the sale of a business segment	11,624	–
Impairment charges	(13,502)	(6,148)
Hotel and cinema pre-opening costs	(4,489)	–
Transaction and other costs associated with the sale of a business segment	(1,240)	(810)
Other expenses (net of income items)	(403)	(800)
Disposal of assets on redevelopment or damage	–	(5,156)
Restructure costs, redundancies and staff retention costs arising as a result of COVID-19	–	(3,723)
Reversal of impairment charges booked in previous years	–	1,548
Individually significant items before tax	56,608	13,123
Income tax expense	(15,246)	(2,582)
Individually significant items after tax	41,362	10,541

INVESTMENTS

The Group acquired property, plant and equipment totalling \$189,475,000 during the year. The significant acquisitions and capital additions include the following:

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

On 12 September 2022, the Group acquired the freehold and existing business of a hotel property situated in Fortitude Valley trading as the Limes Hotel. The purchase price was \$5,500,000. On 30 September 2022, the Group acquired an additional 15% interest in Rydges Latimer Holdings Limited (“Latimer”) taking the Group’s total ownership interest in Latimer to 85%. Latimer owns and operate the Rydges Latimer Christchurch hotel. The net consideration paid for the acquisition of 15% of the total share capital of Latimer was NZ\$6,332,000 (A\$5,544,000). On 10 May 2023, the Group acquired a freehold interest in 54 Cook Street, Auckland, which is the location of the LyLo Auckland accommodation business operated by the Group. The purchase price was NZ\$32,250,000 (A\$29,633,000).

Further information relating to these acquisitions has been outlined within Note 5.1 to the financial statements.

PROPERTY

The Group exceeded its target to realise gross proceeds of \$250 million from the sale of non-core property assets following the sale of The Miller Hotel (formerly Rydges North Sydney), which settled in July 2022. The hotel has been retained in the Group’s portfolio under a management agreement. The sale of the Darwin Cinema Centre settled in December 2022. Proceeds from asset sales during the year were \$82.1 million and the total proceeds from non-core property sales to date are \$282.4 million, which represents a premium of approximately 28% over the most recent valuations of the properties sold. The Group has also continued to make progress with the two major development projects at 525 George Street and 458-472 George Street, Sydney. Further information regarding these matters is set out below in the Review of Operations by Division.

The Group’s interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, is independently valued by registered qualified valuers on a progressive three-year cycle. Independent valuations for the majority of the Group’s properties were obtained at 30 June 2023, and the total value of the Group’s interest in land and buildings based on these

independent valuations is \$2,301,950,000 (refer to Notes 3.3, 3.4 and 3.5 to the financial statements) whilst the total written-down book value of these land and buildings including integral plant and equipment at 30 June 2022 was \$1,210,387,000.

The total value of the Group's properties as at 30 June 2023 included:

	Valuations 2023 ^(a) \$'000	Carrying value 2023 \$'000	Valuations 2022 ^(a) \$'000	Carrying value 2022 \$'000
Valuation of:				
Interest in land and buildings	2,287,724	1,206,311	1,935,287	1,052,032
Investment properties	6,400	6,400	6,300	6,300
Assets held for sale	7,826	3,165	72,595	16,658
	2,301,950	1,215,876	2,014,182	1,074,990
Less: assets subsequently sold	—	—	(66,000)	(14,126)
Total	2,301,950	1,215,876	1,948,182	1,060,864

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

CAPITAL STRUCTURE

Cash and term deposits at 30 June 2023 totalled \$207,000,000 (2022: \$175,158,000) and total bank debt outstanding was \$469,575,000 (2022: \$385,562,000).

TREASURY POLICY

The Group manages interest rate risk in accordance with a Board approved treasury policy covering the types of instruments, range of protection and duration of instruments. The financial instruments cover interest rate swaps and forward rate agreements. Maturities of these instruments are up to a maximum of five years. Interest rate swaps and forward rate agreements allow the Group to raise long term borrowings at floating rates and swap a portion of those borrowings into fixed rates. The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. At 30 June 2023, the Group had no interest rate hedges (2022: nil).

LIQUIDITY AND FUNDING

The Group's main secured bank debt facilities were amended and restated on 24 May 2023 and consist of \$650,000,000 (2022: \$650,000,000) in revolving multi-currency general loan facilities and a \$7,500,000 (2022: \$2,500,000) credit support facility for the issue of letters of credit and bank guarantees. The main secured bank debt facilities are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages (refer to Note 3.3).

Debt drawn under the main secured bank debt facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.50% and 3.15% per annum. As at 30 June 2023, the Group had drawn \$449,700,000 (2022: \$365,510,000) under the main secured bank debt facilities and \$2,425,000 (2022: \$1,349,000) under the credit support facility. Debt facility components subject to interest rate swaps used for hedging at 30 June 2023 totalled \$nil (2022: \$nil).

A New Zealand-domiciled subsidiary has general loan facilities secured against a hotel property. The subsidiary had drawn NZ\$21,631,000 (A\$19,875,000) under the facility at 30 June 2023 (2022: NZ\$22,234,000 (A\$20,052,000)). Prior to 30 September 2021 the subsidiary was accounted as a joint venture as the Group owned a 16% interest in the subsidiary. The Group currently has an ownership interest of 85% (2022: 70%) and expects to achieve 100% ownership of the subsidiary on 30 September 2023, via a stepped acquisition arrangement.

CASH FLOWS FROM OPERATIONS

Net cash inflows from operating activities as reported decreased to \$241,754,000 from \$279,907,000 in the prior year. After adjusting to include the payment of lease liabilities, net cash inflows from operating activities decreased to \$127,165,000 from \$175,631,000 in the prior year. This movement was driven a reduction in other revenue and income, including government subsidies and support.

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 AUSTRALIA

As at 30 June	2023	2022	Movement
Cinema locations*	68	68	—
Cinema screens*	653	658	(5)

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

Entertainment Australia revenue was \$373.3 million, a 17.2% increase on the prior year. The Group's box office revenue increased by 11.1% on the prior year and market share was maintained at pre-COVID FY19 levels despite the successful strategy to exit 12 underperforming cinema locations operated by the Group in recent years.

The top performing titles at the Australian box office in the year were: *Avatar: The Way of Water* (\$93.8 million); *The Super Mario Bros. Movie* (\$51.5 million); *Thor: Love and Thunder* (\$44.3 million); *Minions: The Rise of Gru* (\$32.1 million); and *Guardians of the Galaxy Volume 3* (\$31.9 million). The market box office contribution of the top 20 films recovered to only 5.2% below the pre-COVID FY19 levels, demonstrating the enduring appeal of quality blockbuster film releases. The appeal of these films resulted in *Avatar: The Way of Water* being the third best performing title of all time in the Australian market, and *The Super Mario Bros. Movie* the top family film since 2019's *The Lion King*.

Premium concepts were strongly favoured by customers, with admission contribution from premium concepts increasing by 12.5 percentage points over the pre-COVID FY19 and premium admissions now represent over one-third of all admissions. The premiumisation strategy resulted in a record yield result with average admission price increasing by 20.9% over the pre-COVID FY19. In addition, a period of record merchandising spend per head was achieved, increasing 50.3% over the pre-COVID FY19. Growth was also achieved on prior year, with record AAP and SPH results achieved in the majority of months during FY23.

The Group's direct customer relationships remain exceptionally strong with Cinebuzz representing 69% of cinema visits and 86% of online transactions, up two percentage points on the prior year.

The overall normalised EBITDA profit for the year ended 30 June 2023 was \$46,039,000, \$15,559,000 (51.2%) above the prior year.

During the year, the Group continued its premiumisation across the circuit at the key sites at Chermiside (Brisbane) and in selected screens at Innaloo (Perth). In addition, 11 auditoriums were refurbished with either the new three seat concept format of daybeds, reclining seats and premium fixed back seating or two seat concept with reclining seats and premium fixed back seating. These included: an upgrade of BCC Strathpine (North Brisbane) with two auditoriums being upgraded to include daybeds, reclining seats and premium fixed back seating; a refurbishment of BCC Cairns Earville, including a new V-Max screen and the inclusion of premium seating options in five other auditoriums; and the upgrade of three auditoriums at Event Cinemas Robina (Gold Coast) with premium seat choices.

Refurbishment works at Event Cinemas Robina are continuing in FY24 including a new global premium concept ScreenX which opened in August 2023, and three Gold Class auditoriums will also be refurbished during the year. IMAX Sydney is due to open in October 2023. Other upgrades planned for FY24 include: BCC Rockhampton with premium seat choices in all six auditoriums; the addition of premium seat options to four auditoriums at Event Cinemas Glendale including a new V-Max screen; a new 4DX and the upgrade of the Gold Class screens at Event Cinemas Innaloo; an upgrade of nine of the 11 screens at Event Cinemas Campbelltown including a ScreenX auditorium; a new 4DX and the upgrade of four other screens at Event Cinemas Castle Hill; and nine additional screen upgrades at other key locations.

ENTERTAINMENT NEW ZEALAND

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

As at 30 June	2023	2022	Movement
Cinema locations*	21	20	1
Cinema screens*	147	140	7

* Managed and joint venture cinema sites.

Entertainment New Zealand revenue was \$72.9 million or 25.3% up on the prior year. Excluding New Zealand government subsidies in the prior year, revenue increased \$18.1 million or 33.0% year-on-year.

The Group's box office revenue increased by 35.7% and market share improved by 2.5 percentage points on the prior year. The top performing titles at the New Zealand box office in the year were: *Avatar: The Way of Water* (NZ\$19.4 million); *Thor: Love and Thunder* (NZ\$8.0 million); *The Super Mario Bros. Movie* (NZ\$6.8 million); *Minions: The Rise of Gru* (NZ\$6.5 million); and *Guardians of the Galaxy Volume 3* (NZ\$6.1 million). *Avatar: The Way of Water* is the highest grossing film of all time in the New Zealand market, exceeding the previous *Avatar* which grossed NZ\$17.1 million. Similar to Australia, the market box office contribution of the top 20 films contribution recovered to exceed the pre-COVID FY19, demonstrating the enduring appeal of quality blockbuster film releases.

As evidenced in Australia, the Group's premiumisation strategy resulted in customers spending more per visit and the operational model changes reduced the cost to serve whilst customer sentiment improved relative to the pre-COVID period. These initiatives resulted in AAP increasing by 39.6% over the pre-COVID FY19 and up 6.9% on prior year. In addition, a record period of SPH was achieved, up 49.6% on pre-COVID spend per head and up 16.4% on prior year. Cinebuzz maintained its strong influence, with Cinebuzz representing approximately 76% of all online transactions.

The EBITDA result for the year ended 30 June 2023 was \$516,000, \$1,244,000 below the prior year. Excluding New Zealand government subsidies in the prior year, EBITDA increased \$2,093,000 on the prior year.

During the year, the Group reopened the Queensgate site located in Wellington, which was closed in November 2016 due to significant earthquake damage and subsequent demolition. The new site partially opened in December 2022 with four of the seven

auditoriums ready for use and was fully operational in March 2023. The premiumisation upgrade includes a large games zone, branded PLAY, an IMAX screen which includes recliner seats and premium fixed back seats, a V-Max screen, and three auditoriums with the two-seat concept with reclining seats and premium fixed back seating.

ENTERTAINMENT GERMANY

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

As at 30 June	2023	2022	Movement
Cinema locations*	47	48	(1)
Cinema screens*	373	376	(3)

* Managed and joint venture cinema sites.

Entertainment Germany revenues were \$279.2 million, up 26.5% excluding the benefit of the German government's Bridging Aid programs in the prior year.

The top-selling titles in the German market included: *Avatar: The Way of Water* (10.2 million admissions); *The Super Mario Bros. Movie* (5.1 million admissions); *Minions: The Rise of Gru* (4.1 million admissions), the German production *School of Magical Beasts - Part 2* (2.9 million admissions) and *Puss in Boots: The Last Wish* (2.1 million admissions). The top ten films totalled 32.8 million admissions, up 25.1% on the prior year. *Avatar: The Way of Water* grossed €138.7 million at the German Box Office, making it the highest-grossing title ever in the German market, surpassing its predecessor *Avatar* by approximately €30.3 million.

SPH was strong, increasing by 5.1% over the prior comparable period and by 36.0% over pre-COVID FY19. AAP increased by 7.0% over the prior comparable period and 12.8% over pre-COVID FY19.

The Group introduced premium cinema concepts across 11 screens prior to the opening of *Avatar: The Way of Water* which were well received by customers and delivered improvements in yield. The Group is reviewing additional locations for premium cinema concepts to be introduced.

Energy costs remain an important issue due to the geopolitical situation in Europe. On a like-for-like basis, energy costs were €5.5 million (A\$8.7 million) higher than in FY19 and €2.5 million (A\$4.0 million) higher than in the prior year. The Group continues to seek to mitigate the cost impact through activated management initiatives to reduce energy consumption. In addition, the German government has launched an energy subsidy program for consumers and businesses, where the current electricity price per kWh is capped and there is also a Culture Fund Energy subsidy that also applies for calendar year 2023.

The prior year included €40.3 million (A\$63.0 million) of Bridging Aid subsidies principally relating to the year ended 30 June 2021. The current year result included COVID-related assistance and subsidies totalling €13.0 million (A\$20.6 million).

Normalised EBITDA for the fiscal year June 2023 was \$30.1 million, \$45.5 million below the prior year. Excluding the benefit of the German government's Bridging Aid programs in the prior year, EBITDA was up \$17.4 million (137.9%) on the prior year and up \$17.5 million (138.4%) on the pre-COVID FY19.

HOTELS AND RESORTS

As at 30 June	2023	2022	Movement
Locations*	79	71	8
Rooms*	12,219	11,109	1,110
Locations (owned)	24	23	1
Rooms (owned)	3,345	3,547	(202)

* Owned, managed and other hotels with which the Group has a branding, license, or affiliate agreement. Includes Lylo ensuite rooms but excludes 530 Pods.

Overall Hotels and Resorts revenue was \$352.6 million, an increase of 61.9% on the prior year, a record result on a like-for-like basis adjusting for the temporary closure of Rydges Melbourne for upgrade works.

During the year, markets increasingly began the return to pre-COVID trading patterns. As the short-term post-COVID boom in domestic leisure travel normalised back to pre-COVID patterns, other segments rebounded led by accelerating corporate and conference demand, and the early stages of a recovery in international arrival numbers.

The strong average daily rate was a key contributor to the result. The positive rate premium achieved over the pre-COVID FY19 result was maintained consistently across each quarter of the year.

Food and beverage was also a strong contributor to the result, with conference and events revenues and forward holdings from this segment particularly encouraging. Conference and events revenue for the year was up 12.9% on a like-for-like basis adjusting for the closure of Rydges Melbourne.

Direct bookings made via the Group's websites achieved record growth, yielding more direct business and increased levels of fee income from the managed and licensed portfolios.

The Group continues to implement a range of activities under its Elevate program which assisted in countering the widely reported hospitality staff shortages and resulted in customer and employee satisfaction scores towards the upper end of industry benchmarks.

At a brand level, Rydges, QT and Atura hotels continue to achieve above fair market share with hotels trading under the Independent Collection by EVT also performing well. Performance across the Group's managed and licensed portfolio was consistent with the owned hotel performance resulting in a record year fee and commission income.

The refurbishment of guest rooms, public spaces and conference facilities at QT Gold Coast was completed during the year. These works included the launch of qtQT, a cabin accommodation and conference and events concept developed in a previously non-revenue generating area of the hotel, and an upgrade of the guest rooms. QT Gold Coast is experiencing a lift in NPS and a strong pipeline of conference interest, as well as winning four awards at the recent Queensland Hotels Association Awards, including the award for Best Meeting & Events Venue. The redevelopment of Rydges Melbourne, which includes the introduction of apartment room types and an expansion of the conference area by over 1,000 square metres was substantially completed during the year with the rooms opening in May 2023 and the conference and events space opening in June 2023.

The Group's hotel growth strategy has evolved to include all segments of the market from luxury to budget accommodation. The Independent Collection has been created to leverage the Group's expertise by introducing new and innovative management and service models. This momentum was sustained during the year, with net growth of eight hotels and 1,110 rooms in the portfolio, including Rydges Hunter Valley Resort, Rydges Rotorua, Rydges King Square Perth, Rydges Darling Square Sydney, Hotel Totto Wollongong, Hotel Alba Adelaide, LyLo Auckland and Limes Brisbane. The Independent Collection now comprises 17 hotels with 2,251 rooms. Pleasingly, the Group has already offset the impact on owned hotel earnings of the Group's successful property divestment strategy.

In the budget segment, the Group launched its new flagship LyLo Auckland accommodation concept in December 2022, and completed an acquisition of LyLo Auckland property in May 2023. LyLo is an innovative new style-led lifestyle budget accommodation experience, and the Auckland property includes 190 individual sleeping pods, 37 double rooms with shared bathrooms, and 70 ensuite rooms. The performance of LyLo Auckland has exceeded expectations since opening, Jucy Snooze Queenstown and Christchurch have been rebranded to LyLo in August 2023, and the first Australian LyLo will open in Brisbane with the conversion of the previously acquired Limes Hotel in FY24. This will bring the Group's footprint in the budget sector to four properties with a total of 628 pods and 206 rooms.

Normalised EBITDA of \$87.4 million increased over the prior year by \$60.8 million (228.8%), a record result adjusting for the closure of Rydges Melbourne during the year.

THREDBO ALPINE RESORT

The new business model underpinned the winter season record result for Thredbo resulting in revenue, normalised EBITDA and normalised profit before interest and income tax ("PBIT") records. Revenue for the year was a record of \$106.3 million, 65.3% above the prior year and 29.9% above FY19. EBITDA for the year was also a record \$39.8 million, 144.1% above the prior year and 37.5% above FY19, whilst normalised PBIT was \$35.0 million, 209.2% above the prior year and 39.9% above FY19.

The 2022 winter season also benefited from favourable weather conditions enabling the full resort to open for trade on the June opening weekend. Customer sentiment improved as a result of the new business model focussed on less queuing times generating more average runs per customer.

The summer season was affected by unusually wet and windy weather conditions combined with unseasonal snowfalls making mountain biking operation very difficult. The summer season experienced snowfall throughout November resulting in a delayed start to the season and impacted trading days. Unusual wind conditions led to multiple days of closures including the three main trading days of Easter. As a result, tourist ride and mountain bike visitation were down 26% and 6% respectively, leading to a 6% decrease in normalised revenue over the summer period when compared with the prior year. However, this result was still 4% up on the comparable pre-COVID period in FY19.

The 10-day delayed opening to the winter season in June 2023, combined with warmer conditions impacting snowmaking, less natural snowfall and unprecedented wind patterns, has impacted the ability to trade. Only 40% of ski runs were able to open in June 2023 with skier access scans for the period were down 46%, whilst revenue was only down 29%, with the new business model offsetting the impact through higher yields.

Costs were well controlled despite inflationary and wage pressures, the EBITDA margin increased by 2.1 percentage points when compared with the pre-COVID FY19. The revised business model continues to be successful across both seasons providing guests with a more premium experience and customer sentiment remained high across both the winter and summer months.

Progress on the Thredbo premiumisation growth plan is continuing. Construction of a further three mountain bike trails in the Cruiser area was completed in the year taking the total number of trails to 12. Upgrades to the snowmaking system including pipe replacement and the installation of six new snowmaking fan guns on Supertrail was completed prior to the 2023 winter season. The Alpine Coaster installation has commenced construction and is expected to add a further year-round attraction to the resort and is scheduled to be completed for the 2024 winter season. Preparatory work has commenced for the replacement of the two-seater

Snowgums chairlift with a new six-seater chairlift, with construction scheduled for completion for the 2025 winter season, subject to the necessary planning approvals. Further snowmaking upgrades on the lower Supertrail and mid slopes is being undertaken and three new mountain bike trail upgrades taking total trails to 15 is continuing.

PROPERTY AND OTHER INVESTMENTS

Segment revenue was down \$0.9 million to \$10.2 million, primarily due to the successful property divestments of Canberra Civic and Double Bay in the prior year. The normalised PBIT of \$4.9 million was \$0.7 million below the prior year. Pleasingly, the earnings associated with the divestments have been more than offset with earnings growth from the new hotel growth strategy.

UNALLOCATED REVENUES AND EXPENSES

The Group's unallocated corporate costs at the EBITDA level increased \$3.6 million to \$23.8 million due to short term incentive payments and an increase in insurance premiums. However, the Group's underlying unallocated costs were below FY19 despite market cost challenges, adjusting for the impact of insurance premium increases and short-term incentive payments.

DIRECTORS' REPORT Business Strategies and Risks

The Group's business is comprised of:

- Entertainment – including cinema operations in Australia, New Zealand and Germany, restaurants, bars and wellness offerings such as spas and golf courses.
- Ventures – including the management and development of the Group's property portfolio, valued at around \$2.3 billion, hotel management solutions, joint venture partnerships, and business customers for media and entertainment technology.
- Travel – including the Group's hotel operations, from luxury to budget accommodation, and Thredbo Alpine Resort for year-round recreation and adventure activities.

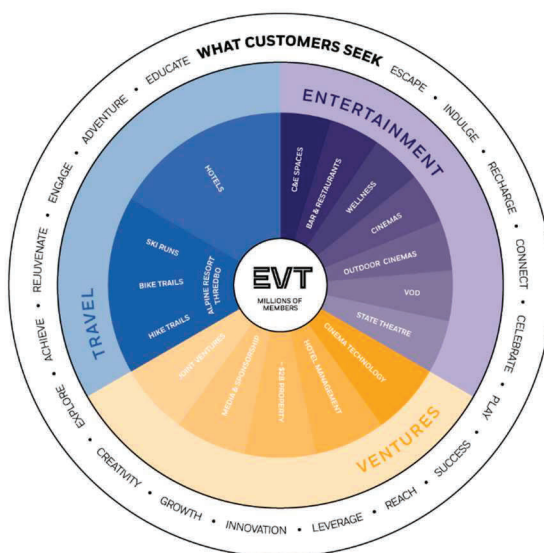
To better reflect the Group's strategy and operations, shareholders approved a change of the Company's name to EVT Limited on 21 October 2022.

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

The Group's strategy is visually represented below:

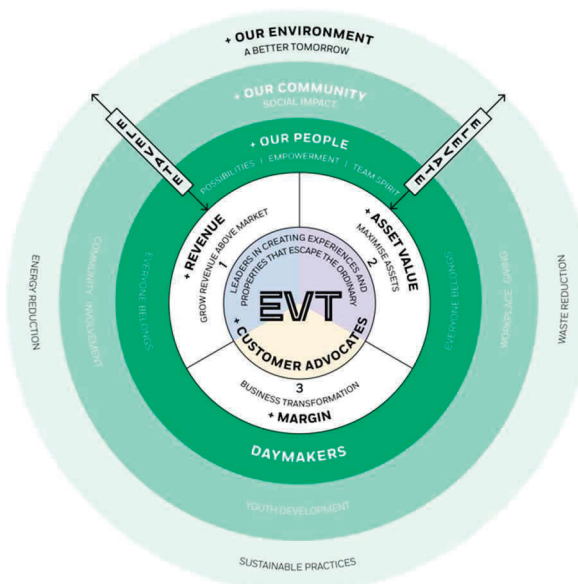
WHAT we do

EVT Experiences



HOW we do it

EVT Way



The Group's strategic priorities and initiatives are described in the Operating and Financial Review on pages 7-16, and summarised below:

1

Grow revenue above market

- Enhanced data capabilities
- Innovative product and pricing strategies
- Customer measurement

2

Maximise assets

- Premiumisation
- Progress major developments
- Expansion and acquisition

3

Business transformation

- Strong culture
- Enhanced operating models
- Future proof technology

MATERIAL RISKS AND OPPORTUNITIES

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

Key risks and opportunities	Potential impact	How we are responding
Safety	Safety and wellbeing remain the Group's highest priority. The Group is subject to inherent operational risks that could potentially result in serious injury or fatality of employees, contractors or members of the public, including an earthquake, bushfire or extreme weather event, a terrorist incident, a fire at one of the Group's locations, a food poisoning outbreak, an avalanche or landslide, and a lift incident or failure.	The Group's highest priority is the safety of all those impacted by its operations, including the Group's employees, guests, contractors, and the communities in which it operates. The Group has implemented a comprehensive and robust safety management system which was independently reviewed in the year ended 30 June 2023. The Group monitors and reports on safety metrics which measure work-related injuries and lost time, with regular reporting to the Board.
Pandemics	As COVID-19 has demonstrated, a pandemic, epidemic or flu outbreak has the potential to materially impact the Group's operations, including due to government mandated closures or domestic or international travel restrictions.	In response to COVID-19, detailed COVID-19 safety plans and staff training programs were developed for, and implemented by, each of the Group's operating divisions. In addition, to ensure these plans were consistent with best practice in Australia, advice was also sought from infectious diseases experts. The Group implemented a comprehensive internal and external audit process to ensure that each location complied with the relevant COVID-19 safety plans. The operational and financial impacts of COVID-19 were partially mitigated by the development of new, more flexible operating models, delivering cost savings during periods of forced closure or restricted trading. It is anticipated that similar strategies may be adopted in response to a future pandemic, if required.
People	A failure to attract, develop and retain high performing individuals could adversely impact the Group's ability to achieve its strategic objectives, including due to the loss of key staff and labour shortages in key roles. In addition, the Group operates in industries that have an elevated risk of the underpayment of staff, including the hospitality industry.	The Group considers that its ability to attract, develop and retain high-performing individuals is a competitive advantage and key to achievement of its strategic objectives. The Group regularly monitors and measures employee engagement through internal surveys. The Group has also undertaken talent management and succession planning processes to identify high potential employees and prepare successors for senior executive positions. The Group has implemented a comprehensive and robust system to manage compliance with employment law, including modern awards and enterprise bargaining agreements, and this system is subject to periodic external reviews.
Capital Management	Maintaining an appropriate capital structure, consideration of hedging exposures and strategies, and compliance with banking covenants will enable the Group to achieve its future strategic objectives, including the planned major property developments.	The Group has implemented detailed treasury policies and procedures to manage and monitor compliance with banking covenants and hedging policies approved by the Board.
Property Values	The Group's property portfolio has a fair value at 30 June 2023 of approximately \$2.3 billion. Whilst the majority of the portfolio remains core to the Group's operations, a decline in property values may negatively impact market perception of the Group's value and share price.	The Group has recently completed a successful divestment of non-core properties, realising proceeds of \$282.4 million, representing a premium of 28% over the most recent valuations of the properties sold. Substantially all the remaining Group properties are operating assets, reducing the Group's exposure to cyclical changes in property valuations.

Key risks and opportunities	Potential impact	How we are responding
Property Resilience	The Group is subject to inherent operational risks that could potentially result in damage or loss of one or more of the Group's properties, including because of earthquake, bushfire or extreme weather event, a terrorist incident, or a fire at one of the Group's locations.	The Group maintains a comprehensive insurance program including in respect of property damage and business interruption. Independent insurance valuations are obtained periodically to ensure that declared insurance values remain appropriate. Due to the exposure of certain Group properties to an elevated risk of earthquake or flood, increased deductibles or reduced policy limits may apply for certain categories of events at certain locations.
Interruption to Film Product Supply and a Shortening of the Cinema Release window	The Group's Entertainment division is reliant on a high-quality global film release schedule, which may be disrupted including due to strike action, a pandemic, a deterioration in international relations and war, geo-economic breakdown or collapse, or a change in strategy by one or more of the major film production studios. In addition, a shortening of the cinema release window could reduce the appeal of cinema for customers.	The Group has limited ability to mitigate exposure to its reliance on global film release dates and cinema release windows, other than through programming of local and alternative content which may be expected to result in generally lower admission levels when compared with blockbuster Hollywood film content.
Customers, Partners and Competitors	The Group operates in highly competitive markets, and customers have alternatives to the Group's entertainment and travel products and services. Increasing intensity of competitor activity could affect the Group's market share. The Group also maintains key strategic relationships with partners including joint venture partners and hotel owners, and a deterioration in relations with those partners may negatively impact on the Group's ability to meet its strategic objectives.	The Group maintains proactive and constructive relationships with its key partners, and where appropriate seeks to develop relationships with other potential partners to assist in mitigating the impact of any potential future breakdown in relations with existing partners.
Supply Chain	The Group is reliant on a broad range of suppliers providing a diverse range of goods and services. An interruption to supply of key products may negatively impact on the Group's operations or program of property developments, upgrades, and refurbishments. The Group's supply chain may also include risks associated with modern slavery or environmental sustainability.	The Group maintains proactive and constructive relationships with key suppliers. The Group identifies key supplier risk and where appropriate develops contingency plans and alternative suppliers for key products and services. The Group's response to the risk of modern slavery is set out in its Modern Slavery Statement, available at www.evt.com/investors .
Cyber Security and Data Privacy	The unauthorised access to, or use of, the Group's information technology systems could adversely impact the Group's ability to serve its customers or compromise customer or employee data, resulting in reputational damage, financial loss or adverse operational consequences.	The Group applies the National Institute of Standards and Technology Framework and has implemented a cyber security program that is subject to periodic external reviews. The Group has a robust information and cyber security and data governance strategy and framework which are subject to regular testing, review and enhancement. Information technology general controls testing, including business continuity and disaster recovery, and penetration testing are performed annually.
Legal and Regulatory Compliance	The Group operates in several geographic regions with differing legal regimes and legislative requirements. A failure to comply with regulatory obligations and local laws could adversely affect the Group's operational and financial performance and its reputation. The Group is also required to maintain compliance with key leases and other contracts, some of which are critical to the ongoing operation of its businesses. A failure to maintain compliance with key leases and contracts may have a material adverse impact on the Group's operations.	The Group has implemented a comprehensive compliance management framework, including policies, procedures, training, and exception reporting. The compliance management framework is subject to periodic internal and external review. Any exceptions are reported to the Board, together with remediation action plans.

Key risks and opportunities	Potential impact	How we are responding
Environmental Sustainability and Climate Change	The Group's assets and operations are exposed to risks associated with climate change, including physical risks, such as an increase in frequency and severity of severe weather events and a reliance on natural snowfall in Thredbo, and transitional risks, such as the imposition of a carbon price. Physical climate-related risks may increase the cost of insurance or result in underinsurance of assets in the future. In addition, the Group is exposed to specific environmental sustainability and compliance risks, including in respect of the operation of a sewerage treatment plant and compliance with water licence requirements in Thredbo.	The Group has begun responding to the Task-force on Climate-related Financial Disclosures ("TCFD") recommendations and further information regarding the Group's response to climate-related risks and opportunities is set out below. The Group has implemented a robust risk management framework to manage compliance with its specific environmental obligations in Thredbo.

ENVIRONMENTAL SUSTAINABILITY








The Group has continued its long-term focus on contributing to a sustainable future. Managing the Group's impact on the environment is important to the Group, its people, customers, partners, and the communities in which it operates. Climate change presents risks and opportunities that may have a material impact on the Group in the future. To address these risks and opportunities, the Group has developed a Sustainability framework of focus areas and goals and continues to work to respond to the TCFD framework, details of which are set out below.

FOCUS AREAS AND GOALS

The Group's environmental sustainability focus areas include:

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

A summary of the goals for each of these focus areas is set out in the table below together with an update on the progress achieved in the year ended 30 June 2023:

Focus area	Goal	Goal description	Purpose	FY23 Progress
Sustainable practices and procurement	1	 Reduce the environmental impact of packaging across the Group and manage waste in a sustainable way	Reduce impact	Group waste audit completed
	2	 Reduce energy and natural resource consumption and purchase renewable electricity	Reduce impact	Renewable energy strategy in development
Sustainable design	3	 Obtain National Australian Built Environment Rating System ("NABERS") ratings for owned property	Align with standard	NABERS ratings completed for Australian owned hotels
	4	 Consider and target sustainable design outcomes including appropriate certifications for capital expenditure projects	Align with standard	Targeting Green Star 5+/Carbon Neutral at 525 George Street
Transparency and reporting	5	 Respond to climate-related risks and opportunities with TCFD reporting	Align with standard	Scope 3 boundary assessment completed
	6	 Raise awareness for environmental protection initiatives to support our customers and team members	Actively improve	Communications strategy implemented
Supporting our focus areas	7	 Strengthen the implementation of our goals through integrated and collaborative partnerships	Actively improve	Partner engagement ongoing

An update regarding the Group's response to climate-related risks and opportunities and the TCFD reporting framework has been provided below.

TRANSPARENCY AND REPORTING – CARBON EMISSIONS

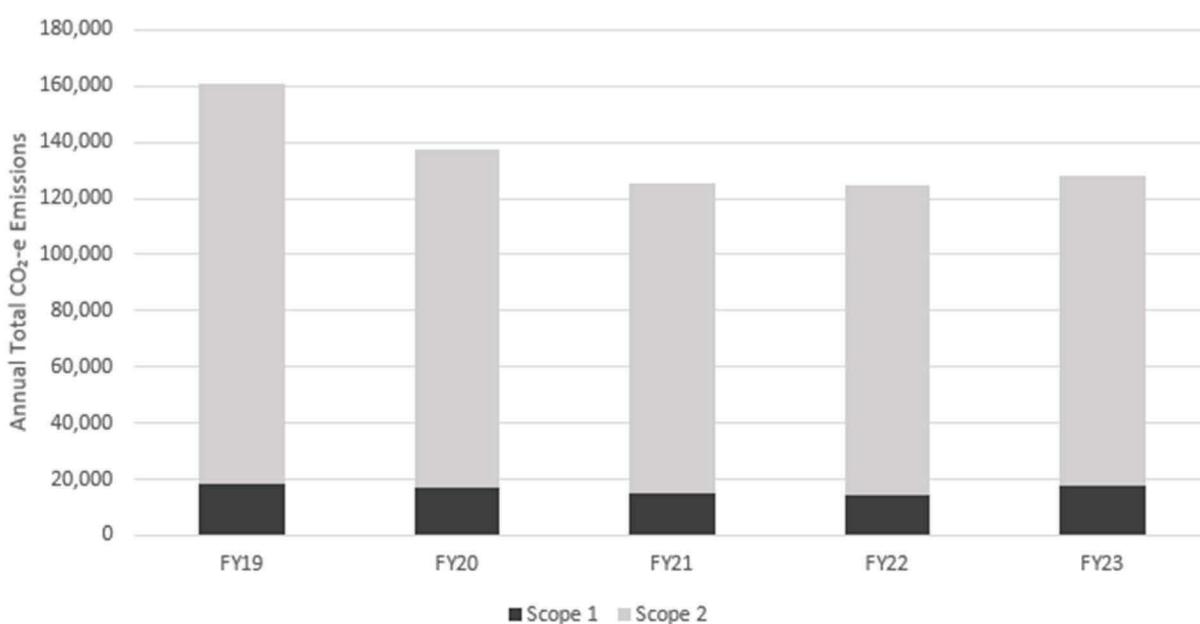
Set out below is a summary of the Group’s Scope 1 and 2 carbon emissions (tCO₂e) for the financial year ended 30 June 2023. The carbon emission data has been compiled based on information provided by the Group’s energy retailers and other relevant source data. In some cases, careful estimates have been used for certain locations and periods where source data could not be obtained prior to the finalisation of the Directors’ Report. The Group’s total Scope 1 and total Scope 2 (location based) carbon emissions for the year ended 30 June 2023 have been subject to limited assurance procedures performed by KPMG.

Total emissions (tCO ₂ e)	2023
<i>Scope 1</i>	
Natural gas	14,231
Stationary fuels	3,407
Transport fuels	297
Other	1
	17,936
<i>Scope 2 (location based)</i>	
Electricity	110,114
	128,050
Total Scope 1 and Total Scope 2 emissions	128,050
<i>By geographic location:</i>	
Australia	110,239
New Zealand	5,123
Germany	12,688
	128,050
<i>By division:</i>	
Cinemas	55,611
Owned hotels	22,777
Managed hotels	39,352
Thredbo	9,273
Other	1,037
	128,050

Note: Australian carbon emission data has been compiled using the National Greenhouse and Energy Reporting methodology and emission factors and the Greenhouse Gas Protocol. New Zealand carbon emission data has been compiled using the New Zealand Ministry for Environment Guidance for Voluntary Greenhouse Gas Reporting framework. German carbon emission data has been compiled using emission factors obtained from the International Energy Agency.

The Group has undertaken an assessment of the boundaries of its indirect Scope 3 carbon emissions and will complete its Scope 3 carbon emission review in FY24.

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



Energy efficiency initiatives, including the replacement of old plant and equipment with new more efficient models, and change in the market mix of renewable electricity generation has supported a reduction in the Group’s Scope 1 and Scope 2 carbon emissions for the year ended 30 June 2023 when compared with the pre-COVID year ended 30 June 2019 of approximately 20%.

TRANSPARENCY AND REPORTING – CLIMATE CHANGE RISK MANAGEMENT

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

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

The Group monitors and manages climate change risk through its established governance and review processes with oversight from the Board, and Audit and Risk Committee, and the Group’s response to climate change risk is led by the CEO with support from the Senior Leadership Team. Within this context, the Board, CEO and Senior Leadership Team have committed to achieving full alignment with the TCFD recommendations targeted for FY24.

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

The Group has undertaken climate-related scenario analysis for two distinct scenarios:

- a “Fast Action” scenario where warming is limited to below 2oC above pre-industrial levels; and
- a “Current Policy” scenario where warming exceeds 3oC above pre-industrial levels.

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

Fast Action^(a)	Current Policy^(b)
Temperature outcome: <2°C warming by 2100	Temperature outcome: >3°C warming by 2100
<ul style="list-style-type: none"> – Fast curtailment of emissions from now – High carbon price (>\$100/t) and strict and coordinated emissions reduction policy – Rapid decline in fossil fuel use and transition to renewable energy – Fast transition of social norms towards green economy – Mobilisation of private and public investment into decarbonisation technology – High levels of investment in abatement technology – Worst physical impacts avoided; however, some physical impacts still present 	<ul style="list-style-type: none"> – No additional climate policy action, or reversal of current policy – Physical impacts are severe, with regular impacts to built environments and flow-on economic damage – Fossil fuel consumption continues to grow out to 2050 – Little investment in abatement technology, with adaptation being the focus of research and development – Most Australian capital cities will be hotter and drier, with significant increases in heat waves – Economic decline hits developing world hardest; however, developed economies also significantly impacted

(a) The Fast Action scenario aligns with the Intergovernmental Panel on Climate Change’s Representative Concentration Pathway (“RCP”) 1.9 (low warming) and Shared Socioeconomic Pathway (“SSP”) 1 (“taking the green road”).

(b) The Current Policy scenario aligns with RCP 8.5 (high warming) and SSP 5 (“taking the highway”).

MATERIAL RISKS AND OPPORTUNITIES – KEY THEMES

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

	Potential impact	How we are responding
Property Resilience	The Group’s business relies on resilient physical infrastructure. This resilience will be critical to business continuity across both the Fast Action and Current Policy scenarios, from managing the impact of harsher and more frequent severe weather events to enhancing the efficiency of property under a carbon constrained scenario.	Consideration for physical impacts on the future development of owned sites can mitigate exposure to site damage or business interruption. Additionally, providing spaces which customers can utilise during periods of harsher weather can enhance both the user experience of the Group’s spaces and the revenue generated in different businesses. The Group’s continued approach to procuring renewable energy and identifying energy efficiency opportunities will mitigate exposures to transition risks.

	Potential impact	How we are responding
Thredbo	As previously identified and disclosed, Thredbo's winter operations have a particular exposure to physical climate impacts on snowfall and temperatures, potentially limiting periods during which snowmaking can operate.	Advancements in technology may support Thredbo to improve snowmaking capabilities, subject to water availability, and long term climate projections are considered as part of Thredbo's future operating strategy. In this context, it is important to note that demand for visitation and activities in the summer months has grown in recent years, and there is potential for demand to increase further due to Thredbo's comparatively cooler climate.
Supply Chain	The nature of the Group's operating businesses means that a diverse supply chain is required. Under both climate scenarios, supply chains will experience a range of risks and present opportunities, particularly with regard to the availability of key products, and the cost of those products in the future.	The Group remains resilient to supply shocks across many of its businesses, and its ability to forward plan has mitigated recent supply chain risks and will be expected to support resilience from physical risk shocks under future climate scenarios. Increased climate impacts to food and beverage products are also actively managed by the Group through menu diversity and our expanding network of local producers.

SUMMARY OF OTHER CLIMATE-RELATED RISKS AND OPPORTUNITIES

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

Summary of other climate-related risks

	TCFD Category	Scenario	Climate-related Risk	Key mitigating actions
1	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3°C)	Physical climate impacts on snowfall and temperatures, potentially limiting periods during which snowmaking can operate	– Technology improvements support snowmaking across a wider range of weather conditions
2	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3°C)	Physical climate impacts on agricultural products increase costs of supply	– Identification of alternate supply and flexibility in food and beverage offerings
3	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3°C)	Increased frequency and severity of severe weather events cause disruptions in supply chains	– Forward planning for seasonal products and ensuring supply chain flexibility and diversity
4	Physical – Acute and Chronic	Fast Action (below 2°C) Current Policy (above 3°C)	Increased frequency and severity of climate impacts on property and plant availability and operating costs	– Completion of physical risk assessments for key owned assets to improve understanding of climate impacts – Engagement with landlords to understand risk exposure and improve resilience
5	Physical and Transition – Market	Fast Action (below 2°C) Current Policy (above 3°C)	Insurance premiums significantly rise due to perceived higher exposure to climate-related risks	– Property enhancements to reduce exposure and minimise impact of weather events – Consideration of locations of operations and insurability based on long-term climate change projections

	TCFD Category	Scenario	Climate-related Risk	Key mitigating actions
6	Transition – Policy	Fast Action (below 2°C)	Introduction of a carbon price raises cost of food and beverage products	<ul style="list-style-type: none"> – Improved diversity of local product suppliers – Engagement with suppliers to identify low-carbon alternatives
7	Transition – Policy	Fast Action (below 2°C)	Introduction of a carbon price raises the cost of energy	<ul style="list-style-type: none"> – Continued expansion of renewable energy procurement and implementation of energy efficiency measures

Summary of other climate-related opportunities

	TCFD Category	Scenario	Climate-related Opportunity	Key actions
1	Transition – Technology	Fast Action (below 2°C)	Development and refurbishment of property provide opportunities for more efficient design and consumption	<ul style="list-style-type: none"> – Consideration of climate-related opportunities for new developments – Engagement with landlords during design and development stage of build to implement more efficient systems
2	Transition – Legal and Reputational	Fast Action (below 2°C)	Increased demand for sustainable products positions the Group ahead of its competitors	<ul style="list-style-type: none"> – Continued exploration of sustainable products and services
3	Transition – Market and Reputational	Fast Action (below 2°C)	Improved waste management practices support enhanced market position	<ul style="list-style-type: none"> – Continue engagement with landlords to improve waste management strategies – Engage with suppliers to increase recycled and upcycled offerings
4	Transition – Market and Reputational	Fast Action (below 2°C)	Effective implementation of adaptation measures and increased efficiency of property increase property valuation	<ul style="list-style-type: none"> – Continued monitoring of asset resilience to climate impacts and enhancement of assets to improve efficiency
5	Physical – Chronic	Fast Action (below 2°C) Current Policy (above 3°C)	Increased demand for Thredbo in summer months due to its comparatively cooler climate	<ul style="list-style-type: none"> – Continued promotion of summer experiences at Thredbo and development of new mountain bike trails and year-round experiences

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

NEXT STEPS

In line with a gap analysis against the TCFD framework completed in FY23, the Group will continue to respond to the TCFD recommendations and work towards full alignment with those recommendations in FY24. This will include further work to quantify the potential impact of material risks identified, an assessment and, if required, enhancement of governance and risk management activities associated with those risks, target setting and the development of climate-related key performance indicators, and further disclosures in the Group’s periodic reporting regarding its response to the TCFD recommendations.

In addition, an assessment of the additional requirements of the International Sustainability Standards Board’s Sustainability Reporting Standards and the Taskforce on Nature-Related Financial Disclosures will be undertaken to ensure the Group is well-positioned to meet its disclosure obligations and the expectations of our stakeholders. A Materiality Assessment will also be undertaken in FY24 to ensure the Group’s Sustainability activity, risk management framework and external reporting is informed by the environmental, social and governance issues which matter most to our key stakeholders and our business.

COMMUNITY AND SOCIAL IMPACT

DIVERSITY AND INCLUSION – EVERYONE BELONGS

The Group has a strong commitment to diversity and seeks to promote an inclusive culture where people are encouraged to succeed to the best of their ability. The Group recognises that diversity contributes to its business success and aspires to a workforce reflective of the communities in which it operates. The Group seeks to attract, develop and retain people in a culture that embraces individuality. The Group's Diversity Policy formalises its commitment to diversity and inclusion. The Diversity Policy is approved by the Board.

This commitment to diversity and inclusion means that the Group continuously works to ensure an environment that supports all individuals to be their best, respected for the value they bring to the business and empowered to achieve. The Group's *Everyone Belongs* initiative supports a culture of learning from and respecting all teammates, treating each other as they want to be treated and united by the Group's values.

In FY23, the Group commenced the process of developing a "Reflect" Reconciliation Action Plan ("RAP") and expects to finalise and begin implementation of the Reflect RAP in FY24.

The Group has adopted the following measurable objectives for gender diversity:

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

The Board considers progress in relation to the above measurable objectives at least annually and the last review was performed in May 2023. Performance was assessed as follows:

Reporting on the gender diversity within the Group to the Board

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

Aiming to maintain an appropriate percentage of women on the Board

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

Aiming to increase the percentage of women in senior management positions as vacancies arise, subject to identification of candidates with appropriate skills

The Group has a female CEO, the percentage of women holding senior executive positions has been maintained in the year ended 30 June 2023, and further initiatives are in development to support increases in future years. The Board will continue to monitor progress in relation to this measurable objective.

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

Gender representation profile

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

	30 June 2023		30 June 2022	
	Female	Male	Female	Male
Board	43%	57%	43%	57%
Senior executives	38%	62%	38%	62%
All Group employees	51%	49%	51%	49%

For the purpose of preparing the above information, senior executives are defined as including direct reports to the CEO and direct reports to those direct reports to the CEO. The Group submitted a report to the Workplace Gender Equality Agency in May 2023 in accordance with the Workplace Gender Equality Act 2012, and this report is available at www.evt.com/investors.

MODERN SLAVERY

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

The Group's Modern Slavery Statements are available at www.evt.com/investors and contain further information regarding the Group's management of modern slavery risks.

WORK HEALTH AND SAFETY ("WHS")

The Group's highest priority is the safety of all those impacted by its operations, including the Group's employees, guests, contractors, and the communities in which the Group operates.

The Group's Head of Safety is responsible for WHS risk management activities across the Group, supported by divisional managers with WHS responsibilities. The Head of Safety reports to the Company Secretary. In the year ended 30 June 2023, an external review was conducted of the Group's WHS management system against the requirements of ISO 45001 *Occupational Health and Safety Management Systems* ("ISO 45001"). The review recognised the enhancements made since the previous review conducted in 2020 and a gap analysis has been completed to assess the potential for the Group to achieve ISO 45001 accreditation.

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

DIVIDENDS

Dividends on ordinary shares paid during the year were:

2023	Per share cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Special dividend	12	19,359	17 November 2022	30%	100%
Interim 2023 dividend	14	22,586	23 March 2023	30%	100%
		41,945			

To assist the Group's liquidity during the COVID-19 recovery period, no dividends were declared in respect of the year ended 30 June 2022.

REMUNERATION REPORT

The Remuneration Report, which forms part of the Directors' Report, is set out on pages 29 to 40 and has been audited as required by section 308(3C) of the Corporations Act 2001.

EVENTS SUBSEQUENT TO REPORTING DATE**DIVIDENDS**

On 28 August 2023, the directors declared a final dividend of 20 cents per share for the year ended 30 June 2023.

LIKELY DEVELOPMENTS

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

DIRECTORS' INTERESTS

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

Directors	Ordinary shares held directly	Ordinary shares held by companies in which a director has a beneficial interest ^(a)	Performance rights held directly
AG Rydge	4,431,663	68,948,033	—
BD Chenoweth	—	—	—
PR Coates	—	46,960	—
VA Davies	—	14,000	—
DC Grant	8,500	—	—
JM Hastings	45,295	—	525,011
PM Mann	—	8,500	—

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

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

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

Mrs PM Mann was previously a partner of the current audit firm, KPMG, at a time when KPMG undertook an audit of the Group.

AUDITOR INDEPENDENCE

The lead auditor's independence declaration is set out on page 41 and forms part of the Directors' Report for the year ended 30 June 2023.

NON-AUDIT SERVICES PROVIDED BY KPMG

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

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

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

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

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

ROUNDING OFF

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

Signed in accordance with a resolution of the directors:



AG Rydge
Director



JM Hastings
Director

Dated at Sydney this 28th day of August 2023



DIRECTORS' REPORT

Remuneration Report

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

REMUNERATION PHILOSOPHY

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

Remuneration levels are competitively set to attract appropriately qualified and experienced directors and executives. The Nomination and Remuneration Committee obtains independent information about remuneration, including benchmarking surveys and industry data. The remuneration packages of the CEO and other senior executives include at-risk components that are linked to the overall financial and operational performance of the Group and based on the achievement of specific goals of the Group. Executives participate in the Group's Executive Performance Rights Plan. Realisation of the longer term benefits of the Executive Performance Rights Plan is conditional upon achievement of certain performance criteria, details of which are outlined below. Further details in relation to these plans are provided in Note 6.1 to the financial statements.

REMUNERATION STRUCTURE

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

NON-EXECUTIVE DIRECTOR REMUNERATION

OBJECTIVE

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

STRUCTURE

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

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

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

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

Year to 30 June	2024 \$	2023 \$
Chairman (inclusive of committee fees)	204,000	194,000
<i>Other non-executive directors</i>		
Base	151,000	144,000
Lead independent director	16,000	14,000
Audit and Risk Committee	15,000	15,000
Chairman – Audit and Risk Committee	15,000	14,000
Nomination and Remuneration Committee	9,000	8,000
Chairman – Nomination and Remuneration Committee	7,000	7,000

The remuneration of non-executive directors for the year ended 30 June 2023 is detailed on page 36.

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

CEO AND OTHER EXECUTIVE REMUNERATION

OBJECTIVE

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

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

STRUCTURE

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

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

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

FIXED ANNUAL REMUNERATION

OBJECTIVE

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

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

Effective from 1 July 2023, the Board has approved a fixed annual remuneration package for the CEO to the value of \$1,709,000, comprising base salary, superannuation and, if applicable, any salary sacrificed items.

STRUCTURE

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

VARIABLE REMUNERATION – STI

Objective

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

Structure

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

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

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

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

For the CEO and other executive KMP, the general target bonus opportunity range is from 75% to 115% of fixed annual remuneration. The target bonus range for the CEO and other executive KMP is detailed below for the year ended 30 June 2023:

	Maximum potential STI calculated on fixed annual remuneration ^(a)	Weighting of KPIs (as a percentage of fixed annual remuneration):			
		Group earnings	Segment earnings	Special projects	Sustainability and employee engagement
CEO					
JM Hastings ^(b)	115%	55%	–	50%	10%
Other executive KMP					
GC Dean	75%	40%	–	31%	4%
MR Duff	85%	30%	25%	26%	4%

(a) Fixed annual remuneration is comprised of base salary, superannuation and benefits provided through salary sacrificing arrangements. The maximum possible value of each executive's STI award for future financial years is estimated by multiplying their maximum STI opportunity by their fixed annual remuneration. The minimum possible value of the STI award for future financial years is nil.

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

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

VARIABLE REMUNERATION – LTI

Objective

The objectives of the LTI plan are to:

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

Structure

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

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

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

The performance hurdle for the awards of performance rights to executives in the financial year ended 30 June 2023 is based on growth in EVT Limited's earnings per share ("EPS") over the three financial years ending 30 June 2025 ("Performance Period"), with performance measured against the year ended 30 June 2022. The performance hurdle for the awards of performance rights to executives in the financial year ended 30 June 2023 is as follows:

EPS hurdle

The EPS hurdle requires that the Company's EPS growth for the Performance Period must be greater than the target set by the Board. For the award of Rights with an EPS hurdle, the hurdle is as follows:

- if annual compound EPS growth over the Performance Period is less than 15%, no performance rights will vest;
- if annual compound EPS growth over the Performance Period is equal to or greater than 15%, but less than 35%, the proportion of performance rights 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 35%, all of the performance rights awarded will vest.

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

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

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

RECOGNITION AND RETENTION INCENTIVES

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

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

For the Retention and Recognition Incentive awards in 2020, 60% of the grant value vested in full following the release of the results for the year ended 30 June 2021, and was awarded in rights on 20 September 2021, and the remaining 40% of the grant value vested in full following the release of the results for the year ended 30 June 2022, and was awarded in rights on 20 September 2022.

Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2023. Any rights that remain unexercised two years thereafter will expire.

For the Retention and Recognition Incentive awards in 2021, 60% of the grant value vested in full following the release of the results for the year ended 30 June 2022, and was awarded in rights on 20 September 2022. The remainder will vest after the release of the results for the year ending 30 June 2023. Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2024. Any rights that remain unexercised two years thereafter will expire.

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

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

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

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

REMUNERATION OUTCOME FOR THE YEAR ENDED 30 JUNE 2023

STI AWARDS PAID IN THE YEAR ENDED 30 JUNE 2023

The table below shows STI awards paid during the year ended 30 June 2023, which relate to performance in the financial year ended 30 June 2022. These were awarded in October 2022. Details of the vesting profile of the STI bonuses awarded as remuneration to the CEO and other executive KMP of the Group are shown below:

	Included in remuneration ^(a) \$	Awarded in year	Forfeited ^(b)
CEO and Managing Director			
JM Hastings ^(c)	1,705,000	95.7%	4.3%
Other executive KMP			
GC Dean	405,662	88.5%	11.5%
MR Duff	576,000	96.0%	4.0%

(a) Amounts included in remuneration represent the amounts that were awarded during the year based on achievement of certain specific goals and satisfaction of specified performance criteria for the 30 June 2022 year. No amounts vest in future years in respect of the STI bonus schemes for the 2022 year.

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

(c) Further information regarding the performance criteria for the CEO's STI award is set out below.

The CEO's goals and performance criteria in relation to performance in the financial year ended 30 June 2022 are summarised below. All performance criteria set out below were applicable to the CEO. Goals and performance criteria for other executive KMP are appropriately aligned with those of the CEO where applicable to the role of each other executive KMP.

Category	Criteria	Achievement
Group financial objective	Normalised EBITDA targets determined by the Board	Partially achieved. Partial achievement of the Group EBITDA financial objective was assessed in the context of normalised EBITDA of \$138.3 million representing a \$111.1 million improvement on the prior year.
Capital management	Ensuring the Group has access to sufficient funding for its operations and the Board-approved capital plan	Achieved. The Group's non-core property divestment strategy was successfully executed, reducing net debt to below pre-COVID levels, and ensuring access to sufficient funding for the Group's operations and the Board-approved capital plan.
Growth projects	Develop and progress the Group's major property developments and priority asset upgrade program	Achieved. Key milestones were achieved for the Group's major property developments, whilst significant progress was made with the Group's priority asset upgrade program.
Other strategic objectives	Identify, development and implement other strategic initiatives that will enhance shareholder value	Achieved. Initiatives included the non-core property divestment strategy, the evolution of the Group's hotel strategy to include the Independent Collection, and the Group's people, community and environment strategic initiatives.
Employee engagement	Achieve a positive result from an internal employee sentiment survey	Achieved. A very positive employee engagement score was achieved in the internal employee sentiment survey.

During the years ended 30 June 2021 and 30 June 2022, no awards were paid under the STI plan to the CEO or other executive KMP, notwithstanding the achievement of certain individual KPIs by KMP. This was in recognition of the ongoing impact of COVID-19 on the Group's performance and on shareholder returns.

STI OUTCOMES IN RESPECT OF THE YEAR ENDED 30 JUNE 2023

The Board has yet to assess the STI outcomes for KMP in relation to performance in the financial year ended 30 June 2023 and these outcomes will be disclosed in the remuneration report for the year ending 30 June 2024.

KMP LTI OUTCOMES

The chart below summarises the LTI outcomes for the KMP over the past four financial years.



LTI OUTCOMES IN THE YEAR ENDED 30 JUNE 2023

In November 2022, the LTI award granted in the year ended 30 June 2020 under the Company's Executive Performance Rights Plan was tested. The performance hurdles for this award were assessed over the three financial years ending 30 June 2022, with performance measured against the year ended 30 June 2019, and were as follows:

- the Company's relative total shareholder return performance against a comparator group comprised of the S&P/ASX 200 (excluding trusts, infrastructure groups and mining companies), with partial vesting at or above the 50th percentile and full vesting at or above the 75th percentile; and
- EPS growth of not less than 4%, with full vesting achieved at EPS growth equal to or greater than 6%.

The results were as follows:

- **Relative total shareholder return (50% weighting):** the Company ranked 54.3 in the percentile rankings for the comparator group, resulting in partial vesting of the Rights associated with this hurdle.
- **EPS growth (50 weighting):** the Company did not achieve the EPS growth hurdle.

Overall, 29.3% of the Rights issued pursuant to the LTI award in the year ended 30 June 2020 vested to plan participants, and the remaining 70.7% of Rights lapsed.

GROUP PERFORMANCE

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

	2023	2022	2021	2020	2019
Net profit/(loss) before individually significant items and AASB 16 (\$) ^(a)	62,544,000	46,198,000	(54,051,000)	(3,275,000)	111,889,000
Normalised earnings per share (cents)	38.8	28.7	(33.5)	(2.0)	69.6
Dividends per share (cents)	46.0	–	–	21	52
Share price at year end (\$) ^(b)	11.74	13.05	12.64	8.41	12.50

(a) Refer to page 10 in the Directors' Report for a reconciliation to reported net profit for the year.

(b) The share price at 30 June 2018 was \$13.39.

EMPLOYMENT CONTRACTS FOR THE CEO AND OTHER EXECUTIVE KMP

A summary of the key terms of JM Hastings' employment contract is set out in the table below:

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

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

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

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

USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged during the year ended 30 June 2023 to provide remuneration recommendations as defined in section 9B of the Corporations Act 2001.

KMP

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

Name	Position	Period of responsibility
Non-executive directors		
Alan Rydge	Chairman and non-executive director	1 July 2022 to 30 June 2023
Brett Chenoweth	Independent non-executive director	9 December 2022 to 30 June 2023
Peter Coates	Lead independent and non-executive director	1 July 2022 to 30 June 2023
Valerie Davies	Independent non-executive director	1 July 2022 to 30 June 2023
David Grant	Independent non-executive director	1 July 2022 to 30 June 2023
Patria Mann	Independent non-executive director	1 July 2022 to 30 June 2023
Richard Newton	Independent non-executive director	1 July 2022 to 21 October 2022
Executive director		
Jane Hastings	CEO	1 July 2022 to 30 June 2023
Other executive KMP		
Gregory Dean	Director Finance and Accounting, Company Secretary	1 July 2022 to 30 June 2023
Mathew Duff	Director Commercial	1 July 2022 to 30 June 2023

All executive KMP were employed by EVT Limited.

STATUTORY REMUNERATION DISCLOSURES FOR DIRECTORS AND EXECUTIVES

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

		Short term			Post-employment			Other long term		Share-based		Total		Proportion of remuneration performance related
		Cash salary and fees ^(a) \$	STI ^(b) \$	Insurance premiums ^(c) \$	Total short term \$	Superannuation contributions \$	Accrued annual leave \$	Accrued long service leave \$	LTI – at risk ^(d) \$	Recognition and Retention Incentive ^(e) \$	Total \$			
DIRECTORS														
Non-executive														
AG Rydge	2023	175,566	-	-	175,566	18,434	-	-	-	-	-	-	194,000	-
	2022	168,182	-	-	168,182	16,818	-	-	-	-	-	-	185,000	-
BD Chenoweth ^(f)	2023	80,727	-	-	80,727	-	-	-	-	-	-	-	80,727	-
	2022	-	-	-	-	-	-	-	-	-	-	-	-	-
PR Coates	2023	156,561	-	-	156,561	16,439	-	-	-	-	-	-	173,000	-
	2022	149,091	-	-	149,091	14,909	-	-	-	-	-	-	164,000	-
VA Davies	2023	137,557	-	-	137,557	14,443	-	-	-	-	-	-	152,000	-
	2022	128,788	-	-	128,788	12,879	-	-	-	-	-	-	141,667	-
DC Grant	2023	156,561	-	-	156,561	16,439	-	-	-	-	-	-	173,000	-
	2022	149,091	-	-	149,091	14,909	-	-	-	-	-	-	164,000	-
PM Mann	2023	143,891	-	-	143,891	15,109	-	-	-	-	-	-	159,000	-
	2022	139,394	-	-	139,394	13,939	-	-	-	-	-	-	153,333	-
RG Newton ^(g)	2023	43,439	-	-	43,439	4,561	-	-	-	-	-	-	48,000	-
	2022	124,545	-	-	124,545	12,455	-	-	-	-	-	-	137,000	-
Executive														
JM Hastings	2023	1,654,124	1,705,000	3,983	3,363,107	25,292	(657)	40,175	1,359,744 ^(h)	297,933	5,085,594	60.3%		
	2022	1,526,432	-	3,695	1,530,127	23,568	(62,750)	175,164	333,904 ^(h)	997,778	2,997,791	11.1%		

		Short term			Post-employment			Other long term		Share-based		Total	Proportion of remuneration performance related
		Cash salary and fees ^(a)	STI ^(b)	Insurance premiums ^(c)	Total short term	Superannuation contributions	Accrued annual leave	Accrued long service leave	LTI – at risk ^(d)	Recognition and Retention Incentive ^(e)	\$		
OTHER EXECUTIVE KMP													
GC Dean	2023	733,234	405,662	11,104	1,150,000	25,292	9,168	28,266	309,846 ^(d)	95,627	1,618,199	44.2%	
	2022	681,930	–	10,421	692,351	23,568	1,556	20,951	76,813 ^(d)	326,709	1,141,948	6.7%	
MR Duff	2023	834,805	576,000	8,242	1,419,047	25,292	3,075	32,789	337,082 ^(d)	108,257	1,925,542	47.4%	
	2022	769,698	–	7,552	777,250	23,568	42,732	57,070	78,446 ^(d)	369,859	1,348,925	5.8%	

- (a) Cash salary and fees includes dividend equivalent payments for vested rights issued to JM Hastings, GC Dean and MR Duff pursuant to the Recognition and Retention Incentive award. The Recognition and Retention Incentive award terms are summarised on page 32.
- (b) No STI bonuses for KMP were paid during the year ended 30 June 2022 due to the impact of COVID-19 on the Group.
- (c) Amounts disclosed in the table above exclude insurance premiums paid by the Group in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out within the Directors' Report on page 28. The amounts disclosed in the table above relate to premiums paid by the Group for salary continuance insurance.
- (d) Amounts disclosed in the table above for remuneration relating to performance rights have been determined in accordance with the requirements of AASB 2 *Share-based Payment*. AASB 2 requires the measurement of the fair value of performance rights at the grant date and then to have that value apportioned in equal amounts over the period from grant date to vesting date. Details of performance rights on issue are set out within the Remuneration Report and further details on the terms and conditions of these performance rights are set out in Note 6.1 to the financial statements.
- (e) The Recognition and Retention Incentive award terms are summarised on page 32.
- (f) BD Chenoweth was appointed a director of the Company on 9 December 2022.
- (g) RG Newton resigned as a director of the Company on 21 October 2022.

OTHER TRANSACTIONS WITH KMP AND THEIR RELATED PARTIES

AG Rydge is a director of Carlton Investments Limited, and Carlton Investments Limited is a significant shareholder in the Company. Carlton Investments Limited rents office space from an entity controlled by the Company. Rent is charged to Carlton Investments Limited at a market rate and ordinary commercial terms. Rent and office service charges received during the year ended 30 June 2023 were \$23,363 (2022: \$23,363). The Company holds preference shares in Carlton Investments Limited. Dividends received during the year from preference shares held in Carlton Investments Limited were \$5,312 (2022: \$5,312).

AG Rydge paid rent, levies and other costs to Group entities during the year ended 30 June 2023 amounting to \$117,382 (2022: \$107,647). Rent is charged to AG Rydge at market rates and the arrangements are on ordinary commercial terms.

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

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

EXECUTIVE PERFORMANCE RIGHTS PLAN – CURRENT LTI PLAN**ANALYSIS OF LTI PERFORMANCE RIGHTS GRANTED AS REMUNERATION**

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

	Number	Grant date	Vested during the year	Forfeited during the year	Year in which the grant vests	Fair value ^(a)	
						Performance right – EPS \$	Performance right – TSR ^(b) \$
CEO							
JM Hastings	124,427 ^(c)	20 Feb 2023	–	–	30 Jun 2026	13.27	–
	101,573	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	159,236	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	113,637	20 Feb 2020	33,295	80,342	30 Jun 2023	11.07	5.15
Other executive KMP							
GC Dean	28,317	20 Feb 2023	–	–	30 Jun 2026	13.27	–
	23,115	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	36,356	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	25,945	20 Feb 2020	7,602	18,343	30 Jun 2023	11.07	5.15
MR Duff	32,110	20 Feb 2023	–	–	30 Jun 2026	13.27	–
	26,212	24 Jun 2022	–	–	30 Jun 2025	13.16	–
	37,062	18 Feb 2021	–	–	30 Jun 2024	10.00	6.99
	26,448	20 Feb 2020	7,749	18,699	30 Jun 2023	11.07	5.15

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

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

(c) Granted pursuant to shareholder approval under ASX Listing Rule 10.14 obtained at the 2022 AGM.

EXECUTIVE PERFORMANCE RIGHTS PLAN – RECOGNITION AND RETENTION INCENTIVE

ANALYSIS OF RIGHTS GRANTED AS REMUNERATION

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

	Number	Award date	Vested in the prior year	Vested during the year	Forfeited during the year	Year in which the rights can be converted to shares ^(a)	Fair value ^(b) \$
CEO							
JM Hastings	64,271 ^(c)	20 Sep 2021	64,271	–	–	30 Jun 2024	14.44
	43,145 ^(c)	20 Sep 2022	–	43,145	–	30 Jun 2024	13.08
	32,359 ^(d)	20 Sep 2022	–	32,359	–	30 Jun 2025	13.08
Other executive KMP							
GC Dean	21,977	20 Sep 2021	21,977	–	–	30 Jun 2024	14.44
	14,753	20 Sep 2022	–	14,753	–	30 Jun 2024	13.08
	11,065	20 Sep 2022	–	11,065	–	30 Jun 2025	13.08
MR Duff	24,879	20 Sep 2021	24,879	–	–	30 Jun 2024	14.44
	16,701	20 Sep 2022	–	16,701	–	30 Jun 2024	13.08
	12,526	20 Sep 2022	–	12,526	–	30 Jun 2025	13.08

(a) Rights issued pursuant to the 2020 Recognition and Retention Incentive award may be converted to ordinary shares no earlier than August 2023 and rights issued pursuant to the 2021 Recognition and Retention Incentive award may be converted to ordinary shares no earlier than August 2024.

(b) The fair value of the rights is calculated as the five-day volume weighted average price of shares of the Company on the ASX as at the date that the rights were granted.

(c) Granted pursuant to shareholder approval under ASX Listing Rule 10.14 obtained at the 2020 AGM.

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

RIGHTS HOLDINGS AND TRANSACTIONS

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

		Held at the beginning of the year	Granted	Exercised	Forfeited	Held at the end of the year ^(a)
CEO						
JM Hastings	2023	438,717	199,931 ^(b)	(33,295)	(80,342)	525,011
	2022	361,830	165,844	–	(88,957)	438,717
Other executive KMP						
GC Dean	2023	107,393	54,135 ^(b)	(7,602)	(18,343)	135,583
	2022	84,966	45,092	–	(22,665)	107,393
MR Duff	2023	114,601	61,337 ^(b)	(7,749)	(18,699)	149,490
	2022	86,175	51,091	–	(22,665)	114,601

(a) As at the end of the year, there were no rights which are both vested and exercisable. Refer to the table in the 'Executive Performance Rights Plan – Recognition and Retention Incentive' section above for the number of vested and unexercisable rights held by each KMP.

(b) The value of rights granted during the year to JM Hastings, GC Dean and MR Duff is \$2,738,168, \$736,104 and \$834,060 respectively. This is the total fair value of the rights calculated at grant date.

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

SHAREHOLDINGS AND TRANSACTIONS

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

		Held at the beginning of the year	Purchases	Received on vesting of rights	Sales	Other	Held at the end of the year ^(a)
Directors							
AG Rydge (Chairman)	2023	73,396,103	-	-	-	-	73,396,103
	2022	73,396,103	-	-	-	-	73,396,103
BD Chenoweth ^(b)	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
PR Coates	2023	46,960	-	-	-	-	46,960
	2022	46,960	-	-	-	-	46,960
VA Davies	2023	14,000	-	-	-	-	14,000
	2022	14,000	-	-	-	-	14,000
DC Grant	2023	7,500	1,000	-	-	-	8,500
	2022	7,500	-	-	-	-	7,500
PM Mann	2023	7,142	1,500	-	-	-	8,642
	2022	7,142	-	-	-	-	7,142
RG Newton ^(c)	2023	66,840	-	-	-	(66,840)	-
	2022	66,840	-	-	-	-	66,840
JM Hastings (CEO)	2023	12,000	-	33,295	-	-	45,295
	2022	12,000	-	-	-	-	12,000
Other KMP							
GC Dean	2023	158,222	-	7,602	-	-	165,824
	2022	158,222	-	-	-	-	158,222
MR Duff	2023	54,481	-	7,749	-	-	62,230
	2022	84,899	-	-	(30,418)	-	54,481

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

(b) BD Chenoweth was appointed a director of the Company on 9 December 2022.

(c) RG Newton resigned as a director of the Company on 21 October 2022.

Other than the arrangements disclosed above, no shares were granted to KMP as compensation in the year ended 30 June 2023. Performance rights were granted to certain KMP as disclosed on page 39.

End of Directors' Report: Remuneration Report – Audited



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

To the Directors of EVT Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of EVT Limited for the financial year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

28 August 2023

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023



	Note	2023 \$'000	Restated * 2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4.4	207,000	175,158
Trade and other receivables	3.1	60,050	65,710
Current tax receivables		397	436
Inventories	3.2	23,761	18,581
Prepayments and other current assets		11,349	9,927
Assets held for sale	3.5	3,165	16,658
Total current assets		305,722	286,470
Non-current assets			
Trade and other receivables	3.1	6,873	6,936
Other financial assets		4	4
Other investments	4.5	78	78
Investments accounted for using the equity method	5.3	9,884	9,684
Property, plant and equipment	3.3	1,439,212	1,302,890
Right-of-use assets	3.9	793,203	825,583
Investment properties	3.4	6,400	6,300
Goodwill and other intangible assets	3.6	107,481	97,081
Deferred tax assets	2.4	30,755	65,310
Other non-current assets		21,174	19,621
Total non-current assets		2,415,064	2,333,487
Total assets		2,720,786	2,619,957
LIABILITIES			
Current liabilities			
Trade and other payables	3.7	133,045	156,123
Loans and borrowings	4.4	15,703	1,555
Current tax liabilities		11,572	26,681
Provisions	3.8	28,247	25,461
Deferred revenue		97,392	109,780
Lease liabilities	3.9	131,327	126,893
Other current liabilities	3.10	7,744	8,117
Total current liabilities		425,030	454,610
Non-current liabilities			
Loans and borrowings	4.4	453,015	384,791
Deferred tax liabilities	2.4	–	–
Provisions	3.8	25,284	21,796
Deferred revenue		9,474	7,819
Lease liabilities	3.9	798,155	818,169
Other non-current liabilities	3.10	–	12,001
Total non-current liabilities		1,285,928	1,244,576
Total liabilities		1,710,958	1,699,186
Net assets		1,009,828	920,771
EQUITY			
Share capital	4.1	219,126	219,126
Reserves	4.3	89,628	65,155
Retained earnings		701,074	636,490
Total equity		1,009,828	920,771

* The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination (refer to Note 5.1).

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

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023



	Note	2023 \$'000	2022 \$'000
Revenue and other income			
Revenue from sale of goods and rendering of services	2.1	1,145,617	831,552
Other revenue and income	2.1	129,824	156,242
Total revenue and other income		1,275,441	987,794
Expenses			
Employee expenses		(337,990)	(258,288)
Depreciation, amortisation and impairments		(198,096)	(191,907)
Film hire and other film expenses		(169,582)	(140,950)
Occupancy expenses		(148,323)	(130,696)
Purchases and other direct expenses		(107,446)	(75,043)
Other operating expenses		(80,784)	(75,374)
Finance costs		(43,487)	(41,185)
Advertising, commissions and marketing expenses		(33,479)	(20,705)
Total expenses		(1,119,187)	(934,148)
Equity accounted profit			
Share of net profit from equity accounted associates and joint ventures	5.3	(182)	174
Profit before tax		156,072	53,820
Income tax expense	2.4	(49,543)	(498)
Profit for the year		106,529	53,322
Earnings per share			
Basic earnings per share	2.5	66.1	33.1
Diluted earnings per share	2.5	65.5	32.9

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023



	2023 \$'000	2022 \$'000
Profit for the year	106,529	53,322
Other comprehensive expense		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences for foreign operations – net of tax	15,477	(9,715)
Other comprehensive expense for the year – net of tax	15,477	(9,715)
Total comprehensive income for the year	122,006	43,607

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023



	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	219,126	65,155	636,490	920,771
Profit for the year	–	–	106,529	106,529
<i>Other comprehensive expense</i>				
Foreign currency translation differences for foreign operations – net of tax	–	15,477	–	15,477
Total other comprehensive expense recognised directly in equity	–	15,477	–	15,477
Total comprehensive income	–	15,477	106,529	122,006
Employee share-based payments expense – net of tax	–	8,996	–	8,996
Dividends paid	–	–	(41,945)	(41,945)
Total transactions with owners	–	8,996	(41,945)	(32,949)
Balance at 30 June 2023	219,126	89,628	701,074	1,009,828
Balance at 1 July 2021	219,126	70,242	583,168	872,536
Profit for the year	–	–	53,322	53,322
<i>Other comprehensive expense</i>				
Foreign currency translation differences for foreign operations – net of tax	–	(9,715)	–	(9,715)
Total other comprehensive expense recognised directly in equity	–	(9,715)	–	(9,715)
Total comprehensive (expense)/income	–	(9,715)	53,322	43,607
Employee share-based payments expense – net of tax	–	4,628	–	4,628
Total transactions with owners	–	4,628	–	4,628
Balance at 30 June 2022	219,126	65,155	636,490	920,771

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023



	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		1,273,885	926,091
Cash payments in the course of operations		(1,059,220)	(751,279)
Cash provided by operations		214,665	174,812
Dividends from joint ventures		–	510
Other revenue and income		95,599	141,395
Dividends received		5	5
Interest received		1,636	158
Finance costs paid		(42,526)	(41,707)
Income tax (paid)/refunded		(27,625)	4,734
Net cash provided by operating activities	7.2	241,754	279,907
Cash flows from investing activities			
Payments for property, plant and equipment and redevelopment of properties		(189,475)	(98,247)
Finance costs paid in relation to qualifying assets		(10,905)	(4,022)
Purchase of management rights, software and other intangible assets		(14,213)	(1,240)
Payments for business acquired		(9,298)	(12,584)
Decrease in loans from other entities		(901)	(489)
Proceeds from disposal of property, plant and equipment		82,810	113,710
Net cash used by investing activities		(141,982)	(2,872)
Cash flows from financing activities			
Proceeds from borrowings		224,247	102,623
Repayments of borrowings		(142,510)	(210,450)
Repayment of non-controlling interest loan		(1,747)	(7,523)
Transaction costs related to borrowings		(2,413)	(26)
Payments of lease liabilities		(114,589)	(104,276)
Dividends paid		(41,945)	–
Net cash used by financing activities		(78,957)	(219,652)
Net increase in cash and cash equivalents		20,815	57,383
Cash and cash equivalents at the beginning of the year		175,158	120,978
Effect of movements in exchange rates on cash held		11,027	(3,203)
Cash and cash equivalents at the end of the year		207,000	175,158

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



SECTION 1 Basis of preparation

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

1.1 REPORTING ENTITY



EVT Limited ("Company") (formerly Event Hospitality and Entertainment Limited) is a company domiciled in Australia. The name of the Company was changed to EVT Limited on 24 October 2022. The consolidated financial report of the Company as at and for the year ended 30 June 2023 comprises the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates, joint ventures and joint operations.

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

The financial report was authorised for issue by the Board of Directors of EVT Limited on 28 August 2023.

1.2 BASIS OF PREPARATION



Statement of compliance

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

Basis of measurement

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

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

Use of estimates and judgements

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

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

Key estimates and judgements

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

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

Measurement of fair values

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Global coronavirus pandemic (“COVID-19”)

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

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

The Group continues to maintain a cautious stance in relation to the continued and sustained recovery from the impacts of COVID-19 and the Group retains a conservative approach to capital, funding and liquidity that should allow the Group to respond quickly to the current, or future emerging, economic environments.

Going concern basis of accounting

The Group has a net current asset deficiency of \$119.3 million at 30 June 2023. This deficiency is predominately a consequence of the recognition of current lease liabilities (under *AASB 16 Leases*) totalling \$131.3 million. Current lease and other liabilities are expected to be supported by future operating cash flows and available liquidity from undrawn debt facilities of \$200.3 million and cash of \$207.0 million as at 30 June 2023.

1.3 FOREIGN CURRENCY



Functional and presentation currency

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

Foreign currency transactions

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

Financial statements of foreign operations

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

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

Net investment in foreign operations

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

1.4 NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE GROUP



The Group has adopted all of the new, revised or amended Standards and Interpretations issued by the Australian Accounting Standards Board (“Standards Board”) that are mandatory and effective for the year ended 30 June 2023. The adoption of the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

New and revised Standards issued but not yet effective

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



SECTION 2

Performance for the year

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

2.1 REVENUE



Revenue recognition policies

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

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

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

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

	2023 \$'000	2022 \$'000
Revenue from contracts with customers (see below)	1,145,617	831,552
Other revenue		
Rental revenue	24,408	24,503
Finance revenue	1,636	158
Dividends	5	5
Sundry	1,976	1,230
Total revenue	28,025	25,896
Other income		
Profit on sale of investment property and property, plant and equipment	65,081	32,419
Government wage subsidies and other compensation ^(a)	22,414	96,349
Settlement of legal dispute relating to the sale of a business segment	11,624	–
Insurance proceeds	2,580	–
Increase in fair value of investment properties	100	30
Reversal of impairment charges booked in previous years	–	1,548
Total other income	101,799	130,346
Total revenue	1,275,441	987,794

(a) Government wage subsidies and other compensation for businesses impacted by the COVID-19 pandemic. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

	Entertainment							Consolidated \$'000
	Australia and New Zealand \$'000	Germany \$'000	Hotels and Resorts \$'000	Thredbo Alpine Resort \$'000	Property and Other \$'000	Corporate and Unallocated \$'000		
Disaggregation of revenue								
2023								
Major products/service lines								
Box office	236,743	154,788	-	-	-	-	-	391,531
Food and beverage	130,947	79,400	109,216	17,092	-	-	-	336,655
Hotel rooms	-	-	195,563	4,760	-	-	-	200,323
Management and service agreements	2,056	234	30,247	-	-	-	-	32,537
Thredbo lift tickets	-	-	-	58,262	-	-	-	58,262
Other revenue from contracts with customers	76,474	16,931	16,184	15,628	1,092	-	-	126,309
Revenue from contracts with customers	446,220	251,353	351,210	95,742	1,092	-	-	1,145,617
Rental revenue	-	5,149	1,074	9,136	9,049	-	-	24,408
Government wage subsidies and other compensation	52	22,202	160	-	-	-	-	22,414
Finance revenue	-	-	-	-	-	1,636	-	1,636
Dividends	-	-	-	-	-	-	5	5
Increase in fair value of investment property	-	-	-	-	100	-	-	100
Sundry	-	491	107	1,442	-	7	-	2,047
Other revenue and other income	52	27,842	1,341	10,578	9,149	1,648	-	50,610
Total revenue and other income before individually significant items	446,272	279,195	352,551	106,320	10,241	1,648	-	1,196,227
Individually significant items – other income	8,660	-	58,930	-	-	11,624	-	79,214
Total revenue and other income	454,932	279,195	411,481	106,320	10,241	13,272	-	1,275,441

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

2.2 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' adjusted EBITDA results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to a segment and to assess its performance, and for which discrete financial information is available.

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

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

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

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

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

Operating segments

The Group comprises the following main operating segments:

Entertainment

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

Entertainment Germany

Includes the cinema exhibition operations in Germany.

Hotels and Resorts

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

Thredbo Alpine Resort

Includes all the operations of the resort including property development activities.

Property and Other Investments

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

Geographical information

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

	Entertainment							Total segments \$'000	Corporate \$'000	Individually significant items \$'000	Unallocated and tax \$'000	Consolidated \$'000
	Australia and New Zealand \$'000	Germany \$'000	Hotels \$'000	Thredbo \$'000	Property \$'000							
30 June 2023												
Revenue and other income												
External segment revenue	446,220	256,993	352,391	106,249	10,141	1,171,994	7	–	–	–	1,172,001	
Other income – external	52	22,202	160	71	100	22,585	5	79,214	–	–	101,804	
Finance revenue	–	–	–	–	–	–	–	–	–	1,636	1,636	
Revenue and other income	446,272	279,195	352,551	106,320	10,241	1,194,579	12	79,214	1,636	1,275,441		
Result												
Segment result	1,33,256	76,616	93,229	39,772	7,028	349,901	(23,810)	70,110	–	–	396,201	
Net (loss)/profit of equity accounted investees	(430)	248	–	–	–	(182)	–	–	–	–	(182)	
EBITDA*	132,826	76,864	93,229	39,772	7,028	349,719	(23,810)	70,110	–	–	396,019	
Depreciation and amortisation	(91,738)	(51,930)	(32,630)	(4,780)	(2,081)	(183,159)	(1,435)	–	–	–	(184,594)	
Impairment charge	–	–	–	–	–	–	–	(13,502)	–	–	(13,502)	
Profit/(loss) before interest and income tax expense	41,088	24,934	60,599	34,992	4,947	166,560	(25,245)	56,608	–	–	197,923	
Finance costs	(21,217)	(1,863)	(2,177)	–	–	(25,257)	–	–	(18,230)	–	(43,487)	
Finance revenue	–	–	–	–	–	–	–	–	1,636	–	1,636	
Profit/(loss) before tax	19,871	23,071	58,422	34,992	4,947	141,303	(25,245)	56,608	(16,594)	–	156,072	
Income tax expense	–	–	–	–	–	–	–	(15,246)	(34,297)	–	(49,543)	
Net profit/(loss)	19,871	23,071	58,422	34,992	4,947	141,303	(25,245)	41,362	(50,891)	106,529		
Assets												
Reportable segment assets (excluding right-of use assets)	350,709	264,594	864,879	93,762	268,199	1,842,143	–	–	44,801	–	1,886,944	
Right-of-use assets	508,569	224,620	60,014	–	–	793,203	–	–	–	–	793,203	
Equity accounted investments	4,538	5,346	–	–	–	9,884	–	–	–	–	9,884	
Deferred tax assets	–	–	–	–	–	–	–	–	30,755	–	30,755	
Total assets	863,816	494,560	924,893	93,762	268,199	2,645,230	–	–	75,556	2,720,786		
Liabilities												
Reportable segment liabilities (excluding lease liabilities)	117,403	62,503	89,008	40,144	–	309,058	–	–	472,418	–	781,476	
Lease liabilities	610,891	246,516	72,075	–	–	929,482	–	–	–	–	929,482	
Total liabilities	728,294	309,019	161,083	40,144	–	1,238,540	–	–	472,418	1,710,958		
Acquisition of non-current assets	42,134	5,669	147,522	17,318	7,374	220,017	76	–	–	220,093		

	Entertainment									
	Australia and New Zealand \$'000	Germany \$'000	Hotels \$'000	Thredbo \$'000	Property \$'000	Total segments \$'000	Corporate \$'000	Individually significant items \$'000	Unallocated and tax \$'000	Consolidated \$'000
30 June 2023										
Reconciliation of adjustments AASB 16 Leases										
Reported EBITDA (including AASB 16 Leases)*	132,826	76,864	93,229	39,772	7,028	349,719	(23,810)	70,110	-	396,019
Less: Occupancy costs	(86,271)	(46,783)	(5,841)	-	-	(138,895)	-	-	-	(138,895)
Adjusted EBITDA (excluding AASB 16 Leases)*	46,555	30,081	87,388	39,772	7,028	210,824	(23,810)	70,110	-	257,124
Result impacts arising from AASB 16 Leases										
Occupancy costs	86,271	46,783	5,841	-	-	138,895	-	-	-	138,895
Amortisation and impairments	(60,711)	(45,050)	(4,117)	-	-	(109,878)	-	-	-	(109,878)
Finance costs	25,560	1,733	1,724	-	-	29,017	-	-	-	29,017
Income tax credit/(expense)**	(21,217)	(1,863)	(2,177)	-	-	(25,257)	-	-	-	(25,257)
	(1,305)	39	129	-	-	(1,137)	-	-	-	(1,137)
	3,038	(91)	(324)	-	-	2,623	-	-	-	2,623

* EBITDA is profit before net interest, income tax, depreciation and amortisation.

** The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.

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

	Entertainment							Total segments \$'000	Individually significant items \$'000	Unallocated and tax \$'000	Total \$'000
	Australia and New Zealand \$'000	Germany \$'000	Hotels \$'000	Thredbo \$'000	Property \$'000	Corporate \$'000	Total				
30 June 2022											
Reported EBITDA (including AASB 16 Leases)*	112,190	120,930	30,466	16,292	7,790	(20,185)	287,668	17,723	-	285,206	
Less: Occupancy costs	(79,984)	(45,300)	(3,890)	-	-	-	(129,174)	-	-	(129,174)	
Adjusted EBITDA (excluding AASB 16 Leases)*	32,206	75,630	26,576	16,292	7,790	(20,185)	158,494	17,723	-	156,032	
Result impacts arising from AASB 16 Leases											
Occupancy costs	79,984	45,300	3,890	-	-	-	129,174	-	-	129,174	
Amortisation and impairments	(61,424)	(43,446)	(4,073)	-	-	-	(108,943)	(5,582)	-	(114,525)	
Finance costs	18,560	1,854	(183)	-	-	-	20,231	(5,582)	-	14,649	
Income tax credit/(expense)**	(21,337)	(1,465)	(2,231)	-	-	-	(25,033)	-	-	(25,033)	
	802	(116)	699	-	-	-	1,385	-	-	1,385	
	(1,975)	273	(1,715)	-	-	-	(3,417)	(5,582)	-	(8,999)	

* EBITDA is profit before net interest, income tax, depreciation and amortisation.

** The tax impact for AASB 16 and the operations of the Group are reported as an unallocated impact.

	30 June 2023			30 June 2022			Total \$'000	New Zealand \$'000	Australia \$'000	Germany \$'000	Total \$'000
	Australia \$'000	New Zealand \$'000	Germany \$'000	Australia \$'000	New Zealand \$'000	Germany \$'000					
Geographic information											
External segment revenue	766,772	148,236	256,993	561,293	101,671	194,321	1,172,001	561,293	194,321	857,285	
Reportable segment assets	1,273,769	303,780	264,594	1,165,400	281,849	234,806	1,842,143	1,165,400	234,806	1,682,055	
Right-of-use assets	446,369	128,928	224,620	480,864	128,782	215,937	799,917	480,864	215,937	825,583	
Equity accounted investments	4,538	-	5,346	4,969	-	4,715	9,884	4,969	4,715	9,684	
Total assets	1,724,676	432,708	494,560	1,651,233	410,631	455,458	2,651,944	1,651,233	455,458	2,517,322	
Acquisition of non-current assets	151,657	62,767	5,669	68,647	86,512	6,330	220,093	68,647	6,330	161,489	

2.3 INDIVIDUALLY SIGNIFICANT ITEMS

Individually significant items comprised the following:

	2023 \$'000	2022 \$'000
Profit on sale of properties	64,618	28,212
Settlement of a legal dispute relating to the sale of a business segment	11,624	–
Impairment charges	(13,502)	(6,148)
Hotel and cinema pre-opening costs	(4,489)	–
Transaction and other costs associated with the sale of a business segment	(1,240)	(810)
Other expenses (net of income items)	(403)	(800)
Disposal of assets on redevelopment or damage	–	(5,156)
Restructure costs, redundancies and staff retention costs arising as a result of COVID-19	–	(3,723)
Reversal of impairment charges booked in previous years	–	1,548
Individually significant items before tax	56,608	13,123
Income tax expense	(15,246)	(2,582)
Individually significant items after tax	41,362	10,541

2.4 TAXATION

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

Current tax

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

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

Deferred tax

Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes. The following temporary differences are not provided for:

- taxable temporary differences on the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

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

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

The Group has unrecognised deferred tax assets in respect of certain foreign tax revenue losses as disclosed on page 60. The utilisation of the tax revenue losses is dependent upon the generation of sufficient future taxable profits within the applicable foreign tax entities and a deferred tax asset is only recognised to the extent that it is supported by sufficient forecast taxable profits. Assumptions regarding the generation of future taxable profits relevant to those foreign tax entities have been based upon management's budget estimates and forecasts. Management considers that the forecast of taxable profits for the applicable foreign tax entities is subject to risk and uncertainty; hence, the Group has not recognised all of the losses as a deferred tax asset.

	2023 \$'000	2022 \$'000
Income tax (expense)/credit		
The major components of income tax are:		
<i>Current income tax</i>		
Current income tax expense	(11,648)	(27,166)
Income tax under provided in the prior year	(2,079)	(56)
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(35,816)	26,724
Income tax expense reported in the Income Statement	(49,543)	(498)
Income tax (expense)/credit reported in equity	(2,432)	1,136
Reconciliation between income tax (expense)/credit and pre-tax profit		
Accounting profit before income tax (expense)/credit	156,072	53,820
Prima facie income tax expense at the income tax rate of 30% (2022: 30%)	(46,822)	(16,146)
Change in income tax (expense)/credit due to:		
Effect of tax rates in foreign jurisdictions	1,200	170
Adjustments relating to non-deductible items and revenue losses	(3,226)	14,750
Gain on disposal of non-depreciable properties	404	554
Share based payments	697	713
Other sundry items	283	(483)
Income tax under provided in the prior year	(2,079)	(56)
Total income tax expense	(49,543)	(498)
Unrecognised deferred tax assets		
Revenue losses – foreign	5,172	6,185

Included in the deferred tax assets not recognised is the gross value of corporate tax and trade tax losses arising in Germany of \$17,240,000 (2022: \$20,615,000). The availability of these tax losses is subject to certain utilisation limits and ongoing availability tests under German tax law. At 30 June 2023, there was no recognised deferred income tax liability (2022: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or incorporated joint ventures.

	Statement of Financial Position		Income Statement	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax liabilities comprise:				
Right-of-use assets	237,399	245,100	12,603	15,507
Property, plant and equipment and intangible assets	47,508	26,088	(21,282)	10,207
Accrued revenue	4,666	7,308	2,903	(2,804)
Sundry items	3,355	2,999	(448)	(315)
	292,928	281,495		
Less: offsetting deferred tax assets	(292,928)	(281,495)		
	–	–		
Deferred tax assets comprise:				
Lease liabilities	275,909	280,709	(10,207)	(12,424)
Share of joint venture entity timing differences	12,713	14,346	(1,603)	(1,019)
Provisions and accrued employee benefits	12,676	12,895	630	(829)
Deferred revenue	5,247	5,614	(371)	205
Sale of a property	–	16,266	(16,266)	16,266
Tax losses	8,774	13,077	(4,976)	898
Sundry items	8,364	3,898	3,201	1,032
	323,683	346,805		
Less: offsetting deferred tax liabilities	(292,928)	(281,495)		
	30,755	65,310		
Deferred tax (expense)/credit			(35,816)	26,724

2.5 EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit 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.

	2023 \$'000	2022 \$'000
Profit attributable to ordinary shareholders (basic and diluted)	106,529	53,322
	Number	Number
Weighted average number of ordinary shares (basic)	161,282,440	161,195,521
Effect of performance rights	1,435,908	1,021,462
Weighted average number of ordinary shares (diluted)	162,718,348	162,216,983

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



SECTION 3

Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in section 4. Deferred tax assets and liabilities are shown in Note 2.4. On the following pages, there are sections covering working capital balances, property, plant and equipment, investment properties, intangible assets and provisions.

3.1 TRADE AND OTHER RECEIVABLES



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

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

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

	2023 \$'000	2022 \$'000
Current		
Trade receivables	27,607	21,563
Less: allowance for trade receivables	(2,428)	(2,254)
	25,179	19,309
Other receivables	34,871	46,401
	60,050	65,710
Non-current		
Other receivables	6,873	6,936
	6,873	6,936

As at 30 June 2023, trade receivables with a value of \$2,428,000 (2022: \$2,254,000) were impaired and fully provided for. The movement in the allowance for trade receivables has been included in other expenses within the income statement. The Group has assessed its expected potential credit losses on an individual trade receivable basis and has applied judgement using management experience and customer interactions.

As at 30 June 2023, trade receivables for the Group that were past due but not impaired were \$6,556,000 (2022: \$4,311,000), of which \$1,662,000 (2022: \$1,528,000) was less than 30 days overdue. The remainder is not considered material and consequently an ageing analysis has not been provided.

Current other receivables of \$34,871,000 (2022: \$46,401,000) do not contain impaired assets and are not past due. Based on the credit history of these other receivables, it is expected that these amounts will be recovered when due.

3.2 INVENTORIES



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

3.3 PROPERTY, PLANT AND EQUIPMENT**Property, plant and equipment**

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

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

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for separately. Depreciation is charged to the Income Statement on a straight-line basis over the asset's estimated useful life. The major categories of property, plant and equipment are depreciated as follows:

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

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

Impairment of property, plant and equipment

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

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

Impairment testing of property, plant and equipment is performed at an individual cinema or hotel site level, with the exception of cinema sites within a single geographic location, which are tested as one cash-generating unit. Thredbo is also considered to be, and has been tested as, one cash-generating unit. Details regarding impairment testing performed at 30 June 2023 are set out below.

	Freehold land and buildings \$'000	Land subject to long term leases \$'000	Buildings and improvements subject to long term leases \$'000	Apartments and share of common property \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
2023							
Gross balance at the beginning of the year	922,399	1,288	523,495	930	801,953	116,114	2,366,179
Accumulated depreciation, amortisation and impairments	(158,992)	-	(290,893)	(115)	(613,289)	-	(1,063,289)
Net balance at the beginning of the year	763,407	1,288	232,602	815	188,664	116,114	1,302,890
Additions	98,727	-	10,045	-	30,952	60,656	200,380
Additions from acquisition	3,465	-	-	-	233	-	3,698
Transfers	23,397	-	28,632	-	47,987	(100,424)	(408)
Disposals	(335)	-	(69)	-	(1,322)	-	(1,726)
Depreciation, amortisation and impairments	(12,668)	-	(18,707)	(13)	(41,506)	-	(72,894)
Impairment write-back	-	-	-	-	-	-	-
Transfer to right-of-use assets	-	-	-	-	-	-	-
Transfer to assets held for sale	(1,519)	-	-	-	-	-	(1,519)
Effect of movement in foreign exchange	5,200	19	2,122	-	1,316	134	8,791
At 30 June 2023	879,674	1,307	254,625	802	226,324	76,480	1,439,212
Gross balance at the end of the year	1,048,866	1,307	569,370	930	867,653	76,480	2,564,606
Accumulated depreciation, amortisation and impairments	(169,192)	-	(314,745)	(128)	(641,329)	-	(1,125,394)
Net balance at the end of the year	879,674	1,307	254,625	802	226,324	76,480	1,439,212
2022 – restated *							
Gross balance at the beginning of the year	899,630	1,320	478,348	930	837,352	85,626	2,303,206
Accumulated depreciation, amortisation and impairments	(155,679)	-	(263,729)	(103)	(633,902)	-	(1,053,413)
Net balance at the beginning of the year	743,951	1,320	214,619	827	203,450	85,626	1,249,793
Additions	573	-	5,590	-	7,502	88,584	102,249
Additions from acquisition – restated *	51,184	-	-	-	2,861	-	54,045
Transfers	2,208	-	35,479	-	21,036	(57,558)	1,165
Disposals	(5,808)	-	(614)	-	(6,428)	-	(12,850)
Depreciation, amortisation and impairments	(10,387)	-	(18,372)	(12)	(44,591)	-	(73,362)
Impairment write-back	162	-	-	-	1,386	-	1,548
Transfer to right-of-use assets	-	-	-	-	6,757	-	6,757
Transfer to assets held for sale	(13,497)	-	(1,625)	-	(1,500)	(36)	(16,658)
Effect of movement in foreign exchange	(4,979)	(32)	(2,475)	-	(1,809)	(502)	(9,797)
At 30 June 2022 – restated *	763,407	1,288	232,602	815	188,664	116,114	1,302,890
Gross balance at the end of the year – restated *	922,399	1,288	523,495	930	801,953	116,114	2,366,179
Accumulated depreciation, amortisation and impairments	(158,992)	-	(290,893)	(115)	(613,289)	-	(1,063,289)
Net balance at the end of the year – restated *	763,407	1,288	232,602	815	188,664	116,114	1,302,890

* The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination (refer to Note 5.1).

Independent valuations of interest in land and buildings

In assessing current values for the Group's interest in land and buildings and integral plant and equipment, including long term leasehold land and improvements, the directors have relied in most cases upon independent valuations from registered qualified valuers or management value in use calculations.

Except for investment properties, which are revalued every half year (refer to Note 3.4), valuations are generally carried out on a progressive two to three-year cycle. The majority of the Group's properties were subject to an independent valuation during the last quarter of the year ending 30 June 2023.

Measurement of fair values

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

The fair value disclosure has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Going concern value is based on capitalisation and discounted cash flow methodologies, and significant unobservable inputs include the forecast net income for each property, and the capitalisation and discount rates used in determining fair value. Key parameters used within the valuations undertaken during the year ended 30 June 2023 are outlined below:

	30 June 2023	30 June 2021
Capitalisation rates	5.66% to 10.00%	4.10% to 12.00%
Pre-tax discount rates	6.75% to 12.00% per annum	5.61% to 11.75% per annum

The fair values determined by the independent registered qualified valuers are sensitive to changes in significant unobservable inputs. For certain sites where the going concern value was not the highest and best use, fair value was determined using a direct comparison methodology with reference to recent sales of similar properties.

A summary of valuations of interest in land and buildings (excluding properties classified as investment property or as held for sale), by year of the last valuation, is set out as follows:

	2023 \$'000	2022 \$'000
Independent valuation – existing use (going concern) is highest and best use		
– June 2023	934,478	–
– May 2023	245,000	–
– April 2023	641,143	–
– November 2022	76,725	–
– June 2021	87,930	1,612,097
– March 2021	–	57,720
Independent valuation – alternate use is highest and best use		
– June 2023	11,362	–
– June 2021	245,000	263,441
Not subject to independent valuation – book value	46,086	2,029
	2,287,724	1,935,287

The book value of the above interests at 30 June 2023 was \$1,206,311,000 (2022: \$1,052,032,000). The written-down book value of plant and equipment at 30 June 2023 which is deemed integral to land and buildings, has been determined to total approximately \$154,339,000 (2022: \$158,879,000). The above valuations do not take into account the potential impact of capital gains tax.

Impairment considerations at 30 June 2023**Hotels**

Hotel properties are treated as separate cash-generating units. The majority of the Group's hotel properties were subject to an independent valuation from suitably qualified external valuers during the last quarter of the financial year ending 30 June 2023. The impairment review process at 30 June 2023 included a comparison of the relevant independent valuation to the carrying value of each hotel cash-generating unit.

As a result of the above impairment review process, no impairment charges (2022: \$nil) were recognised for the year. For hotels that had been subject to impairments in previous years, the trading performance and recoverable amount were also reviewed during the year. No impairment charges (2022: \$nil) were reversed in respect of impairments booked in previous years.

Entertainment

Cinema sites are treated as separate cash-generating units, with certain exceptions for cinema sites within a single geographic area where trading conditions result in the various sites being tested as one cash-generating unit.

The forecast trading performance of certain cinema sites and cash-generating units caused the Group to assess their recoverable amounts at 30 June 2023. The impairment review process at 30 June 2023 included the following:

- the expected 2024 budget (as a proxy for normalised annual earnings) for each cinema or cinema cash-generating unit were reviewed by management to determine the existence, if any, of any underlying current or expected future market or other condition that could potentially adversely impact future performance and earnings for the site or cash-generating unit. If an adverse condition was in existence, the site or cash-generating unit was subject to further impairment testing;
- where no adverse conditions were considered to be present, the 2024 budget and normalised EBITDA was multiplied by a factor range of five and seven and the results were used as a conservative proxy for market valuation purposes; and
- a cash flow model (non-discounted) was utilised and applied as an overlay indicator test.

Where a site or cash-generating unit utilises a component of freehold property which is owned by the Group, the impairment assessment also incorporated the most recently available independent valuation. Where considered appropriate, the independent valuation was used as an indicator of fair value. Where the independent valuation was completed outside of the last financial year the impairment process included a review of the independent valuation parameters to ensure that parameters were consistent (or no less favourable) than prevailing market parameters at 30 June 2023.

For those sites where future adverse market changes were noted or the EBITDA multiple or result from the cash flow model or independent valuation was below the relevant carrying value, the site or cash-generating unit was subject to further impairment testing. To assess the value in use for impairment testing purposes:

- estimated future cash flows were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group’s Entertainment segment related post-tax weighted average cost of capital of 9.06% to 9.72%;
- cash flow forecasts were based upon the 2024 budget and trading parameters presented to the Board of EVT Limited;
- recovery trading parameters were adopted for FY2025 forecasts; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5% to 3.0% were utilised for periods beyond FY2025.

As a result of the above impairment review process, impairment losses totalling \$13.502 million (2022: \$566,000) were recorded in respect of certain cinemas or cash-generating units. The sites (including cash-generating units) that were subject to an impairment charge included one site in Australia, a number of sites located in Germany and one recently closed site in New Zealand.

For cinema hotels that had been subject to impairments in previous years, the trading performance and recoverable amounts were considered in relation to the prior impairment charge. No impairment charges (2022: \$nil) were reversed in respect of impairments booked in previous years.

Thredbo

The operations at Thredbo are treated as one cash-generating unit. The impairment review process incorporated an independent valuation of Thredbo that was issued during the 30 June 2023 year. An independent registered qualified valuer was engaged to perform the valuation which was above the current carrying value by over 280%. The Group determined that there was no impairment in relation to the carrying value of Thredbo.

Security

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

	2023 \$'000	2022 \$'000
Freehold land and buildings	610,457	537,949
Freehold land and buildings classified as assets held for sale	–	14,126
Freehold land and buildings classified as investment properties	6,400	6,300
	616,857	558,375

Capital commitments

At 30 June 2023 the Group had a number of outstanding capital commitments in respect of capital expenditure relating to various sites which are currently under, or which will undertake in the future, refurbishment or development. The commitments are expected to be settled within two financial years of the reporting date and total \$2.418 million (2022: \$8.993 million) for which no provision has been made.

3.4 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. Subsequent transfers from investment property to property, plant and equipment or inventories occur when there is a change in use of the property, usually evidenced by commencement of redevelopment for own use.

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

Fair value of investment property

The Group investment property at 30 June 2023 consists of one central Brisbane property. The Group previously owned an investment property located in Canberra which was sold during the year ended 30 June 2022.

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

The carrying amount of investment property is the fair value of the property as determined by an independent registered qualified valuer. The significant unobservable inputs used by the valuer in determining the fair value of the investment property held by the Group at 30 June 2023 included a market capitalisation rate of 7.25% (2022: 7.25%).

The lease for the investment property is for a non-cancellable period of three years which commenced on 1 July 2023. No contingent rents are charged for the investment property.

During the year ended 30 June 2023, \$195,000 (2022: \$2,848,000) was recognised as rental income for investment properties in the Income Statement, with \$237,000 (2022: \$611,000) incurred in respect of direct costs, including \$52,000 (2022: \$123,000) for repairs and maintenance.

	2023 \$'000	2022 \$'000
Freehold land and buildings		
At fair value (Level 3 fair values)	6,400	6,300
Summary of movements:		
Balance at the beginning of the year	6,300	64,500
Fair value increment	100	30
Additions	–	20
Sale of property	–	(58,250)
Balance at the end of the year	6,400	6,300

3.5 ASSETS HELD FOR SALE



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

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

Assets classified as held for sale

A total of four non-core properties have been identified for potential sale by the Group. As at 30 June 2023, the Group had initiated sale campaigns for two of the properties and, for the other two properties, had entered into sale negotiations with prospective third parties.

	2023 \$'000	2022 \$'000
Assets held for sale – carrying amount	3,165	16,658

The fair value of the assets held for sale has been determined to be \$7,826,000. The fair value was based on independent valuations totalling \$6.180 million for three of the four properties, as determined by independent registered qualified valuers as at 30 June 2021. The 30 June 2021 valuations were reviewed and evaluated and used as the fair value as at the 30 June 2023 reporting date. For each of the three properties the going concern value was not the highest and best use and the fair value was determined by using direct comparison methodology with reference to sales of similar properties in those relevant geographical areas. The fourth property was not subject to valuation and the book value of \$1.646 million at 30 June 2023 was determined to represent the fair value of that property.

3.6 GOODWILL AND OTHER INTANGIBLE ASSETS



Goodwill

Goodwill arises from business combinations as described in Note 5.1 and represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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

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

Construction rights

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

Other intangible assets

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

Impairment

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

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

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

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

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

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	Rights \$'000	Software \$'000	Other \$'000	Total \$'000
2023					
Gross balance at the beginning of the year	70,277	63,371	7,399	1,179	142,226
Accumulated amortisation and impairment losses	(653)	(38,531)	(5,961)	–	(45,145)
Net balance at the beginning of the year	69,624	24,840	1,438	1,179	97,081
Acquisitions and initial contributions	2,616	12,877	522	–	16,015
Transfers	–	–	191	–	191
Amortisation	–	(4,534)	(832)	–	(5,366)
Disposals	–	(1,446)	–	–	(1,446)
Net foreign currency differences on translation of foreign operations	811	174	21	–	1,006
Net balance at the end of the year	73,051	31,911	1,340	1,179	107,481
2022 – restated *					
Gross balance	73,704	74,468	8,547	1,179	157,898
Accumulated amortisation and impairment losses	(653)	(42,557)	(7,207)	–	(50,417)
Net balance at the end of the year	73,051	31,911	1,340	1,179	107,481
2022 – restated *					
Gross balance at the beginning of the year	67,233	68,776	8,861	1,539	146,409
Accumulated amortisation and impairment losses	(653)	(39,169)	(5,242)	–	(45,064)
Net balance at the beginning of the year	66,580	29,607	3,619	1,539	101,345
Acquisitions and initial contributions – restated *	5,547	770	470	–	6,787
Transfers	–	–	(1,165)	–	(1,165)
Amortisation	–	(4,395)	(1,448)	–	(5,843)
Disposals	–	(861)	–	(360)	(1,221)
Net foreign currency differences on translation of foreign operations	(2,503)	(281)	(38)	–	(2,822)
Net balance at the end of the year – restated *	69,624	24,840	1,438	1,179	97,081
2022 – restated *					
Gross balance – restated *	70,277	63,371	7,399	1,179	142,226
Accumulated amortisation and impairment losses	(653)	(38,531)	(5,961)	–	(45,145)
Net balance at the end of the year – restated *	69,624	24,840	1,438	1,179	97,081

* The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination (refer to Note 5.1).

Other intangibles include capitalised amounts relating to construction rights at Thredbo and liquor licences at certain venues throughout the Group. Rights include the amounts capitalised in relation to the payment of key money for hotel management agreements and the initial leasehold acquisition cost relating to certain cinema sites.

Cash generating units containing goodwill have been outlined below:

	2023 \$'000	Restated * 2022 \$'000
Entertainment – Australia and New Zealand	43,583	43,424
Entertainment – Germany	4,214	3,900
Hotels – New Zealand – restated *	18,303	17,965
Hotels – Australia	5,395	3,593
Multiple units without significant goodwill	1,556	742
Total goodwill – restated *	73,051	69,624

* The comparative information has been restated to reflect the finalisation of the acquisition accounting for a business combination (refer to Note 5.1).

Impairment considerations at 30 June 2023

The recoverable value of goodwill has been determined by value in use calculations for each specific goodwill component.

Hotels

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

- estimated future 5-year cash flows (based on 2024 year budget) were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's relevant hotel related post-tax weighted average cost of capital of 9.01% to 9.86%;
- a terminal value capitalisation rate of 6.51% to 7.36%; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5%.

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

- estimated future cash flows (based on 2024 year budget) were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's post-tax weighted average cost of capital of 9.86%; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5%.

As a result of the above impairment review process, no impairment losses (2022: \$nil) were recorded in respect of goodwill.

Entertainment

To assess the value in use for impairment testing purposes:

- estimated future cash flows were discounted to their present value using an appropriate pre-tax discount rate, derived from the Group's post-tax weighted average cost of capital of between 9.06% to 9.72%;
- cash flow forecasts were based on the 2024 budget;
- recovery trading parameters were adopted for FY2025 forecasts; and
- forecast growth rates (inclusive of an average annual inflation rate) of 2.5% to 3.0% were utilised for periods beyond FY2025.

As a result of the above impairment review process, no impairment losses (2022: \$nil) were recorded in respect of goodwill and management leasehold rights. Further information regarding the key assumptions made in relation to the assessment of impairment of Entertainment cash-generating units is disclosed in Note 3.3.

3.7 TRADE AND OTHER PAYABLES

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

	2023 \$'000	2022 \$'000
Trade payables	36,959	54,454
Other payables and accruals	96,086	101,669
	133,045	156,123

3.8 PROVISIONS**Employee benefits**

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

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

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

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

Insurance loss contingencies and other claims

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

Decommissioning of leasehold improvements

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

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

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

Other

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

	2023 \$'000	2022 \$'000
Current		
Employee benefits	28,172	25,386
Insurance loss contingencies and other claims	75	75
	28,247	25,461
Non-current		
Employee benefits	3,583	2,967
Decommissioning of leasehold improvements	21,701	18,829
	25,284	21,796

Movements in provisions

Movements in the carrying amounts of each class of provisions, except for employee benefits, are set out below:

	2023 \$'000	2022 \$'000
Insurance loss contingencies and other claims		
Carrying amount at the beginning of the year	75	75
Payments	–	–
Provided	–	–
Carrying amount at the end of the year	75	75
Decommissioning of leasehold improvements		
Carrying amount at the beginning of the year	18,829	17,056
Provided	2,141	2,616
Reversed	(50)	(359)
Utilised	(54)	(175)
Net foreign currency differences on translation of foreign operations	835	(309)
Carrying amount at the end of the year	21,701	18,829

3.9 COMMITMENTS AND LEASES



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

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

- the Group has the right to operate the asset; or
- the Group has designed the asset in a way that pre-determines how and for what purpose it will be used.

Accounting for leases – as a lessee

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

Short term leases and leases of low-value assets

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

Accounting for leases – as a lessor

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

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

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

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

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

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

	2023 \$'000	2022 \$'000
<i>Right-of-use assets</i>		
Property		
Balance at the beginning of the year	825,583	908,541
Additions	79,856	53,379
Transfer from property, plant and equipment	—	(6,757)
Reclassification (refer to Note 3.10)	(6,714)	—
Derecognition	(588)	(1,467)
Depreciation	(109,877)	(108,943)
Impairment charge	(12,430)	(5,582)
Effect of movement in foreign exchange	17,373	(13,588)
Balance at the end of the year	793,203	825,583
<i>Lease liabilities</i>		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	132,566	127,727
One to five years	455,768	452,889
More than five years	503,650	543,924
Total undiscounted lease liabilities at 30 June	1,091,984	1,124,540
Lease liabilities included in the Statement of Financial Position at 30 June		
Current	131,327	126,893
Non-current	798,155	818,169
	929,482	945,062
<i>Amounts recognised in the Income Statement</i>		
Interest on lease liabilities	25,257	25,033
Variable lease payments not included in the measurement of lease liabilities	2,833	1,600

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

Impairment considerations at 30 June 2023

The right-of-use assets for cinema and hotel sites were considered in conjunction with the impairment process for property, plant and equipment. Detail of the impairment process, including the methodology and parameters, are set out within Note 3.3. As a result of the above impairment review process, impairment losses totalling \$12,430,000 (2022: \$5,582,000) were recorded in respect of certain cinemas or cash-generating units. The sites that that were subject to an impairment charge are located in Germany and New Zealand.

Property leases

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

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

Variable lease payments based on sales and profit

Some leases provide for additional rent payments that are based on sales or profit that the Group makes at the leased site in the period. Variable lease payments during the year ended 30 June 2023 were \$2,833,000 (2022: \$1,600,000).

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. As at 30 June 2023, lease liabilities included \$165,785,000 (2022: \$152,897,000) of lease liabilities in respect of extension options that have yet to be exercised by the Group.

Lease not yet commenced to which the lessee is committed

As at 30 June 2023, the Group has entered into agreements for new leases that have yet to commence and in respect of which lease liabilities have yet to be recognised. The Group's share of the total undiscounted rent payable under these leases is \$25,875,000 (2022: \$28,696,000), over lease terms of between 12 and 15 years.

Other leases

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

Operating leases – as a lessor

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

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

	2023 \$'000	2022 \$'000
Leases of owned properties		
Less than one year	9,667	8,367
One to five years	25,990	25,828
More than five years	12,083	14,615
	47,740	48,810
Sub-leases		
Less than one year	7,415	7,476
One to five years	29,421	29,488
More than five years	213,027	220,374
	249,863	257,338

Finance leases – as a lessor

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

3.10 OTHER LIABILITIES

Other liabilities include contract deposits received in advance of \$1,792,000 (2022: \$1,594,000) and a liability totalling \$5,952,000 (2022: \$12,797,000) relating to the stepped acquisition purchase price of a business combination. Refer to Note 5.1 for further details regarding accounting for a business combination.

Other liabilities at 30 June 2022 also included lessor provided lease incentives totalling \$5,727,000 arising from lease arrangements. During the year ended 30 June 2023 lease incentive balances were transferred and offset against the right-of-use asset. Refer to Note 3.9 for further details regarding lease arrangements.



SECTION 4 Capital structure and financing

This section outlines the Group's capital structure, including how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt). On the following pages, there are sections on the Group's share capital, dividends, reserves, loans and borrowings, and financial risk management.

4.1 SHARE CAPITAL



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

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

	2023 Shares	2022 Shares	2023 \$'000	2022 \$'000
Share capital				
Fully paid ordinary shares	161,327,709	161,195,521	219,126	219,126
Movements in share capital				
Balance at the beginning of the year	161,195,521	161,195,521	219,126	219,126
Share capital issued pursuant to the Executive Performance Rights Plan for nil consideration	132,188	–	–	–
Balance at the end of the year	161,327,709	161,195,521	219,126	219,126
Share capital consists of:				
Ordinary shares	161,327,709	161,195,521		
	161,327,709	161,195,521		

Share buy-back

There is no current on-market buy-back.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan was suspended in August 2010.

Options

Other than the performance rights disclosed in Note 6.1, there were no share options on issue as at 30 June 2023 (2022: nil).

Capital management

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

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

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

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

4.2 DIVIDENDS

Dividends on ordinary shares paid during the year were:

	Per share Cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Special dividend	12	19,359	17 November 2022	30%	100%
Interim 2023 dividend	14	22,586	23 March 2023	30%	100%
		41,945			

To assist the Group's liquidity during the COVID-19 recovery period, no dividends were declared in respect of the year ended 30 June 2022.

Subsequent events

Since the end of the year, the directors declared the following dividends:

	Per share Cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Final 2023 dividend	20	32,266	28 September 2023	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 2023 and will be recognised in subsequent financial statements.

Franking credit balance

	2023 \$'000	2022 \$'000
Franking credits available for future reporting periods	106,633	125,536

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 year is to reduce the balance by \$13,828,000 (2022: \$nil). The ability to utilise franking credits is dependent upon the Company being in a sufficient positive net asset position and also having adequate available cash flow liquidity.

4.3 RESERVES**Financial assets revaluation reserve**

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

Investment property revaluation reserve

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

Hedging reserve

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

Share-based payments reserve

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

Foreign currency translation reserve

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

Movements in reserves during the year	Financial assets revaluation \$'000	Investment property revaluation \$'000	Hedging \$'000	Share-based payments \$'000	Foreign currency translation \$'000	Total \$'000
At 1 July 2022	12,536	5,121	–	40,883	6,615	65,155
Amount recognised in the Income Statement as an employee expense	–	–	–	5,926	–	5,926
Amount recognised in the Income Statement in prior years as an employee expense	–	–	–	3,070	–	3,070
Foreign currency translation differences for foreign operations	–	–	–	–	15,477	15,477
At 30 June 2023	12,536	5,121	–	49,879	22,092	89,628
At 1 July 2021	12,536	5,121	–	36,255	16,330	70,242
Amount recognised in the Income Statement as an employee expense	–	–	–	1,424	–	1,424
Amount recognised in the Income Statement in prior years as an employee expense	–	–	–	3,204	–	3,204
Foreign currency translation differences for foreign operations	–	–	–	–	(9,715)	(9,715)
At 30 June 2022	12,536	5,121	–	40,883	6,615	65,155

4.4 LOANS, BORROWINGS AND FINANCING ARRANGEMENTS



Cash and cash equivalents

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

Loans and borrowings

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

Finance costs

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

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

Bank debt – secured

The Group's main secured bank debt facilities were amended and restated on 24 May 2023 and consist of \$650,000,000 (2022: \$650,000,000) in revolving multi-currency general loan facilities and a \$7,500,000 (2022: \$2,500,000) credit support facility for the issue of letters of credit and bank guarantees. The main secured bank debt facilities are supported by interlocking guarantees from most Australian and New Zealand-domiciled Group entities and secured by specific property mortgages (refer to Note 3.3).

Debt drawn under the main secured bank debt facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.50% and 3.15% per annum. As at 30 June 2023, the Group had drawn \$449,700,000 (2022: \$365,510,000) under the main secured bank debt facilities and \$2,425,000 (2022: \$1,349,000) under the credit support facility. Debt facility components subject to interest rate swaps used for hedging at 30 June 2023 totalled \$nil (2022: \$nil).

A New Zealand-domiciled subsidiary has general loan facilities secured against a hotel property. The subsidiary had drawn NZ\$21,631,000 (A\$19,875,000) under the facility at 30 June 2023 (2022: NZ\$22,234,000 (A\$20,052,000)). Prior to 30 September 2021 the subsidiary was accounted as a joint venture as the Group owned a 16% interest in the subsidiary. The Group currently has an ownership interest of 85% (2022: 70%) and expects to achieve 100% ownership of the subsidiary on 30 September 2023, via a stepped acquisition arrangement.

Other facilities

A wholly-owned New Zealand-domiciled subsidiary has a general security facility in respect of a bank guarantee issued in relation to an obligation under an existing lease arrangement. The general security facility obligation totals NZ\$1,680,000 (A\$1,544,000) at 30 June 2023 (2022: NZ\$2,784,000 (A\$2,511,000)).

Certain wholly-owned German-domiciled subsidiaries have a secured guarantee facility of €14,000,000 (A\$22,955,000) at 30 June 2023 (2022: €14,000,000 (A\$21,248,000)) for the issue of letters of credit and bank guarantee arrangements. The facility was extended during the financial year and expires on 31 May 2024. The facility is secured against cash held within certain wholly-owned German-domiciled subsidiaries. Guarantees supported under the facility bear interest at 1.15% per annum. The Group had issued a total of €12,466,000 (A\$20,439,000) at 30 June 2023 (2022: €12,466,000 (A\$18,919,000)) of guarantees under the facility.

	2023 \$'000	2022 \$'000
Current		
Interest bearing loans and borrowings		
Bank loans – secured	15,304	551
	15,304	551
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	399	1,004
	15,703	1,555
Non-current		
Interest bearing loans and borrowings		
Bank loans – secured	454,271	385,011
Deferred financing costs	(2,343)	(1,540)
	451,928	383,471
Non-interest bearing loans and borrowings		
Loans from other companies – unsecured	1,087	1,320
	453,015	384,791

4.5 FINANCIAL RISK MANAGEMENT



Derivative financial instruments

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

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

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

Investments designated as at FVOCI

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

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

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

Equity investments as at FVOCI	2023 \$'000	2022 \$'000
Investment in a listed company	78	78

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

Financial risks

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

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

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

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

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

Credit risk

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

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

Investments and derivatives

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

At 30 June 2023, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

Guarantees

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

Security deposits

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

Liquidity risk

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

The Group's financial liabilities

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

	Carrying amount \$'000	Contractual cash flows \$'000	6 months or less \$'000	6 to 12 months \$'000	1 to 2 year(s) \$'000	2 to 5 years \$'000	Over 5 years \$'000
2023							
Non-derivative financial liabilities							
Secured bank loans	469,575	(554,664)	(15,993)	(31,082)	(29,896)	(477,693)	—
Unsecured non-interest bearing loans from other companies	1,486	(1,486)	(199)	(200)	(140)	(168)	(779)
Trade payables	36,959	(36,959)	(36,959)	—	—	—	—
Other payables and accruals	96,086	(96,086)	(96,086)	—	—	—	—
Lease liabilities	929,482	(1,091,984)	(66,283)	(66,283)	(127,963)	(327,805)	(503,650)
Derivative financial liabilities							
Forward exchange contracts	—	—	—	—	—	—	—
	1,533,588	(1,781,179)	(215,520)	(97,565)	(157,999)	(805,666)	(504,429)
2022							
Non-derivative financial liabilities							
Secured bank loans	385,562	(409,446)	(11,014)	(12,411)	(381,483)	(4,538)	—
Unsecured non-interest bearing loans from other companies	2,324	(2,324)	(502)	(502)	(404)	(261)	(655)
Trade payables	54,454	(54,454)	(54,454)	—	—	—	—
Other payables and accruals	101,669	(101,669)	(101,669)	—	—	—	—
Lease liabilities	945,062	(1,124,541)	(63,864)	(63,864)	(121,689)	(331,200)	(543,924)
Derivative financial liabilities							
Forward exchange contracts	—	—	—	—	—	—	—
	1,489,071	(1,692,434)	(231,503)	(76,777)	(503,576)	(335,999)	(544,579)

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

Market risk

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

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

Hedge of net investment in foreign operations

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

Interest rate risk

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

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

	2023 \$'000	2022 \$'000
Fixed rate instruments		
Financial assets	–	–
Financial liabilities	(4,132)	(4,055)
	(4,132)	(4,055)
Variable rate instruments		
Financial assets	194,412	72,384
Financial liabilities	(465,443)	(381,507)
	(271,031)	(309,123)

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

The approved range of interest rate cover is based on the projected debt levels for each currency and reduced for each future year. There were no interest rate hedges at 30 June 2023 (2022: no interest rate hedges).

The Group classifies interest rate swaps as cash flow hedges and recognises them at fair value in the Statement of Financial Position. The Group accounts for fixed rate financial assets and liabilities at fair value. At 30 June 2023, Group debt totalling \$4,132,000 (2022: \$4,055,000) was subject to a fixed rate instrument and arrangements. The interest rate on the debt has been fixed at 2.29% through to October 2025. No reasonably possible change in prevailing interest rate arrangements on this debt would have a significant impact on the Income Statement in the current year.

Foreign exchange risk

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

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

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

	2023				2022			
	NZD \$'000	EUR \$'000	GBP \$'000	USD \$'000	NZD \$'000	EUR \$'000	GBP \$'000	USD \$'000
Cash and cash equivalents	377	26	11,049	101	206	264	292	97
Trade receivables	1,187	–	–	–	649	–	–	–
Secured bank loans	(135,900)	–	–	–	(101,010)	–	–	–
Trade payables	(2,943)	–	–	–	(1,940)	–	–	–
Gross balance sheet exposure	(137,279)	26	11,049	101	(102,095)	264	292	97
Forward exchange contracts	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
Net exposure	(137,279)	26	11,049	101	(102,095)	264	292	97

Sensitivity analysis

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

Hedging of net investment in foreign subsidiaries


The Group's NZD denominated bank loan is designated as a hedge of the foreign currency exposure to the Group's net investment in its subsidiaries in New Zealand. The carrying amount of the loan at 30 June 2023 was \$135,900,000 (2022: \$101,010,000). A foreign exchange loss of \$2,172,000 (2022: gain of \$3,500,000) was recognised in equity on translation of the loan to AUD.

Financial instruments fair value determination method grading

Valuation methods for financial instruments carried at fair value are defined as follows:

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

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



SECTION 5 Group composition

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

5.1 BUSINESS COMBINATIONS



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

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

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

The Group measures any non-controlling interest at its proportionate interest of the fair value of identifiable net assets of the acquiree. Transaction costs incurred by the Group in connection with a business combination, such as due diligence fees, legal fees and other professional costs, are expensed as incurred.

Business combinations in the year ended 30 June 2023

The Group acquired the following business during the year:

- Limes Hotel, Brisbane – effective 12 September 2022, Kvarken Pty Limited, a wholly-owned subsidiary, acquired the freehold and existing business of a hotel property situated in Fortitude Valley, Brisbane. The purchase price was \$5,500,000, including goodwill of \$1,922,000 and the Group has provisionally recognised the fair values of the identifiable assets and liabilities relating to the acquisition. The hotel is currently being operated by the Group under the Independent Collection; and
- Rydges Latimer Holdings Limited – effective 30 September 2022, Noahs Hotels (N.Z.) Limited (“Noahs”), a wholly-owned subsidiary, acquired an additional 15% of Rydges Latimer Holdings Limited (“Latimer”) for an acquisition cost of NZ\$6,332,000 (A\$5,544,000) taking the total ownership interest in Latimer to 85%. Details regarding the prior year acquisition were disclosed within its 30 June 2022 consolidated financial report and additional details have been provided below. The Group expects to acquire the remaining 15% (and attain 100% ownership) in September 2023.

Business combinations in the year ended 30 June 2022

The Group acquired the following business during the year:

Rydges Latimer Holdings Limited

Effective 30 September 2021, Noahs acquired an additional 54% of Latimer taking the total ownership interest in Latimer to 70%. Prior to the acquisition, the Group had owned a 16% interest in Latimer that had been acquired in August 2017 (refer also to Note 5.3). In addition:

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

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

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

AASB 3 *Business Combinations* requires that the existing interest in Latimer be remeasured to its fair value, and the standard allows a period of 12 months for the remeasure process to occur. The Group completed the process during the half year ending 31 December 2022.

The Group has recognised the fair value of the following identifiable assets and liabilities relating to this acquisition as follows:

	Fair value at acquisition date	
	Final accounting \$'000	Preliminary accounting \$'000
Net consideration for the equity increase in Latimer to 70%	13,614	13,614
Deferred consideration for the remaining 30% interest	7,563	7,563
Less: cash acquired	(1,030)	(1,030)
Fair value of previously held 16% interest in Latimer	4,951	4,951
	25,098	25,098
Assets and liabilities acquired		
Property, plant and equipment	55,394	32,467
Loans and borrowings	(21,735)	(21,735)
Other assets and liabilities	(1,319)	(1,319)
Deferred tax balance	262	262
Non-controlling interest loan	(11,702)	(11,702)
Total net value of identifiable assets and liabilities acquired	20,900	(2,027)
Goodwill on acquisition	4,198	27,125

The preliminary accounting was used for 30 June 2022 Business Combination purposes and was updated during the post acquisition period. The impact of finalising the acquisition accounting on the comparative income statement was not considered material and comparative balances were therefore not restated. The comparative balance sheet for 30 June 2022 were restated as noted above.

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

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

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

5.2 SUBSIDIARIES

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

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

Subsidiaries	Note	Ownership interest	
		2023 %	2022 %
Albury Hotel Property Unit Trust		100	100
Amalgamated Cinema Holdings Limited	(c)	100	100
Amalgamated Holdings Superannuation Fund Pty Limited		100	100
Ancona Investments Pty Limited		100	100
Atura Adelaide Airport Unit Trust		100	100
Atura Holdings Pty Limited		100	100
Atura Hotels and Resorts Pty Limited		100	100
Bay City Cinemas Limited	(c)	100	100
Birch, Carroll & Coyle Limited		100	100
BLN Hotels Property Unit Trust		100	100
Bryson Centre Unit Trust		100	100
Bryson Hotel Property Unit Trust		100	100
Bryson Hotel Pty Limited		100	100
Canberra Theatres Limited		100	100
CMS Cinema Management Services GmbH & Co. KG	(a)(e)	100	100
CMS Cinema Verwaltungs GmbH	(a)(e)	100	100
Edge Digital Cinema Pty Limited		100	100
Edge Digital Technology Pty Limited		100	100
Edge Investments BV	(a)(d)	100	100
Elsternwick Properties Pty Limited		100	100
Event Cinema Entertainment Pty Limited		100	100
Event Cinemas (Australia) Pty Limited		100	100
Event Cinemas Limited	(c)	100	100
Event Cinemas Nominees Limited	(c)	100	100
Event Cinemas (NZ) Limited	(c)	100	100
Event Cinemas Queen Street Nominees Limited	(c)	100	100
Event Hotels and Resorts Pty Limited		100	100
Event Hotels (NZ) Limited	(c)	100	100
EVT Administration Pty Limited		100	100
Filmpalast am ZKM Karlsruhe Beteiligungs GmbH	(a)(e)	100	100
Filmpalast Konstanz Beteiligungs GmbH	(a)(e)	100	100
First Cinema Management BV	(a)(d)	100	100
2015 First Holding GmbH	(a)(e)	100	100
Flaggsfeld Vermögensverwaltungsgesellschaft mbH	(a)(e)	100	100
458 to 468 George Street Development Pty Limited		100	100
458 to 468 George Street Development Trust		100	100
458 to 468 George Street Holding Pty Limited		100	100
458 to 468 George Street Holding Trust		100	100
Glenelg Theatres Pty Limited		100	100
Greater Entertainment Pty Limited		100	100
Greater Occasions Australia Pty Limited		100	100
Greater Union Betriebsmittel GmbH	(a)(e)	100	100

	Note	Ownership interest	
		2023 %	2022 %
Greater Union Filmpalast Cubix in Berlin GmbH	(a)(e)	100	100
Greater Union Filmpalast Dortmund GmbH & Co. KG	(a)(e)	100	100
Greater Union Filmpalast GmbH	(a)(e)	100	100
Greater Union Filmpalast in der Kulturbrauerei Berlin GmbH	(a)(e)	100	100
Greater Union Filmpalast in Hamburg GmbH	(a)(e)	100	100
Greater Union Filmpalast Rhein-Main GmbH	(a)(e)	100	100
Greater Union First Cinema BV and Co. KG	(a)(e)	100	100
Greater Union International BV	(a)(d)	100	100
Greater Union International GmbH	(a)(e)	100	100
Greater Union International Holdings Pty Limited		100	100
Greater Union Limited	(a)(b)	100	100
Greater Union Media & Event GmbH	(a)(e)	100	100
Greater Union Nominees Pty Limited		100	100
Greater Union Real Estate 24 GmbH	(a)(e)	100	100
Greater Union Real Estate 40 GmbH	(a)(e)	100	100
Greater Union Real Estate Mainz GmbH	(a)(e)	100	100
Greater Union Screen Entertainment Pty Limited		100	100
Greater Union Theaters Beteiligungs GmbH	(a)(e)	100	100
Greater Union Theaters Dritte GmbH & Co. KG	(a)(e)	100	100
Greater Union Theaters Dritte Verwaltungs GmbH	(a)(e)	100	100
Greater Union Theaters GmbH	(a)(e)	100	100
Greater Union Theaters Management Mainz GmbH	(a)(e)	100	100
Greater Union Theaters Verwaltungs GmbH	(a)(e)	100	100
Greater Union Theaters Zweite GmbH & Co. KG	(a)(e)	100	100
Greater Union Theaters Zweite Verwaltungs GmbH	(a)(e)	100	100
Greattheatre Pty Limited		100	100
GU Real Estate Mainz Management GmbH	(a)(e)	100	100
GUO Investments (WA) Pty Limited		100	100
Gutace Holdings Pty Limited		100	100
Haparanda Pty Limited		100	100
Haymarket's Tivoli Theatres Pty Limited		100	100
Jucy Snooze Limited	(c)	100	100
Jucy Snooze Property Trust		100	100
Lylo Operations Australia Pty Limited (formerly Jucy Snooze 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
Latimer Hotel Limited	(c)(f)	85	70
LyLo Property Holdings NZ Limited	(c)(g)	100	—
Mamasa Pty Limited		100	100
Multiplex Cinemas Bremen GmbH	(a)(e)	100	100
Multiplex Cinemas Frankfurt Mainzer Landstraße GmbH	(a)(e)	100	100
Multiplex Cinemas Gütersloh GmbH	(a)(e)	100	100
Multiplex Cinemas Magdeburg GmbH	(a)(e)	100	100
Multiplex Cinemas Oberhausen GmbH	(a)(e)	100	100

	Note	Ownership interest	
		2023 %	2022 %
Multiplex Cinemas Remscheid GmbH	(a)(e)	100	100
Neue Filmpalast GmbH & Co. KG	(a)(e)	100	100
Neue Filmpalast Management GmbH	(a)(e)	100	100
NFP Erste GmbH & Co. KG	(a)(e)	100	100
NFP Erste Verwaltungs GmbH	(a)(e)	100	100
Noahs Hotels (NZ) Limited	(c)	100	100
Noahs Limited		100	100
Northside Gardens Hotel Property Unit Trust		100	100
Northside Gardens Hotel Pty Limited		100	100
Pantami Pty Limited		100	100
P.R. Knight Limited	(c)(f)	85	70
203 Port Hacking Road Pty Limited		100	100
QT Gold Coast Pty Limited		100	100
QT Hotels and Resorts Pty Limited		100	100
QT Resort Port Douglas Pty Limited		100	100
RH Hotels Pty Limited		100	100
RQ Motels Pty Limited		100	100
Rydges Bankstown Pty Limited		100	100
Rydges Cronulla Pty Limited		100	100
Rydges Gladstone Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Property Unit Trust		100	100
Rydges Hobart Hotel Pty Limited		100	100
Rydges Hotels Limited		100	100
Rydges Hotels Property Unit Trust		100	100
Rydges HPT Pty Limited		100	100
Rydges Latimer Holdings Limited	(c)(f)	85	70
Rydges Property Holdings Pty Limited		100	100
Rydges Rotorua Hotel Limited	(c)	100	100
Rydges Townsville Hotel Property Unit Trust		100	100
Sonata Hotels Pty Limited		100	100
Southport Cinemas Pty Limited		100	100
Sunshine Cinemas Pty Limited		100	100
Tannahill Pty Limited		100	100
The Geelong Theatre Company Limited		100	100
The Greater Union Organisation Pty Limited		100	100
Thredbo Resort Centre Pty Limited		100	100
Tourism & Leisure Pty Limited		100	100
Vierte Kinoabspielstätten GmbH & Co. KG	(a)(e)	100	100
Vierte Kinoabspielstätten Verwaltungs GmbH	(a)(e)	100	100
Western Australia Cinemas Pty Limited		100	100
Zollverein Pty Limited		100	100
Zweite Kinoabspielstätten GmbH & Co. KG	(a)(e)	100	100
Zweite Kinoabspielstätten Verwaltungs GmbH	(a)(e)	100	100

Notes

- (a) These companies are audited by other member firms of KPMG International.
- (b) This company was incorporated in and carries on business in the United Kingdom.
- (c) These companies were incorporated in and carry on business in New Zealand.
- (d) These companies were incorporated in and carry on business in The Netherlands.
- (e) These companies were incorporated in and carry on business in Germany.
- (f) The Group increased its interest in Rydges Latimer Holdings Limited to 85% on 30 September 2022. The Group expects to acquire the remaining 15% (and attain 100% ownership) in September 2023.
- (g) LyLo Property Holdings NZ Limited was incorporated on 29 September 2022.

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

5.3 INTERESTS IN OTHER ENTITIES**Interests in equity accounted investees**

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

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

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

Joint arrangements

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

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

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

Investments in associates and joint ventures

Joint ventures
Associates

	2023 \$'000	2022 \$'000
	9,834	9,637
	50	47
	9,884	9,684

Joint ventures

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

Name	Principal activities	Country of incorporation	Note	Ownership interest		Investment carrying amount		Contribution to operating profit	
				2023 %	2022 %	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Browns Plains Cinemas Pty Limited	Operator of a multiscreen cinema complex	Australia	(a)	50	50	–	90	(90)	(190)
Filmpalast am ZKM Karlsruhe GmbH & Co. KG	Operator of a multiscreen cinema complex	Germany		50	50	4,098	3,951	(74)	789
Filmpalast Konstanz GmbH & Co. KG	Operator of a multiscreen cinema complex	Germany		50	50	1,154	764	322	(4)
Loganholme Cinemas Pty Limited	Operator of a multiscreen cinema complex	Australia		50	50	4,582	4,832	(343)	(365)
Red Carpet Cinema Communication GmbH & Co. KG	Event management	Germany	(b)	–	–	–	–	–	–
Rydges Latimer Holdings Limited	Hotel owner	New Zealand	(c)	85	70	–	–	–	–
						9,834	9,637	(185)	230

Notes

- (a) Browns Plains Cinemas Pty Limited owns 33% of the Browns Plains Multiplex Joint Venture. The Group also has a direct 33% share in the Browns Plains Multiplex Joint Venture which is accounted for as a joint operation. The Group's total effective interest in the Browns Plains Multiplex Joint Venture is 50%.
- (b) Red Carpet Cinema Communications GmbH & Co. KG was subject to a voluntary winding up on 9 March 2022.
- (c) On 30 September 2022 the Group increased its interest in Rydges Latimer Holdings Limited to 85%. From 30 September 2021, Rydges Latimer Holdings Limited and its subsidiary companies have been accounted for as part of the consolidated Group. The Group expects to acquire the remaining 15% (and attain 100% ownership) in September 2023.

The Group reviewed its investments in joint ventures for indicators of impairment at 30 June 2023. The Group considered each investment and, in the case of Browns Plains Cinemas Pty Limited and Loganholme Cinemas Pty Limited, the relationship and connection with other associated cash-generating assets. The Group determined that there was no requirement to book an impairment in relation to the carrying value of investments in joint ventures.

Dividends received from joint ventures for the year ended 30 June 2023 amount to \$nil (2022: \$510,000). The balance date of each of the Group's joint ventures is 30 June.

Associates

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

Name	Principal activities	Country of Incorporation	Ownership interest		Investment carrying amount		Contribution to operating profit	
			2023 %	2022 %	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cinesound Movietone Productions Pty Limited	Film owner and distributor	Australia	50	50	50	47	3	(56)
DeinKinoTicket GmbH	Operator of DeinKinoTicket website	Germany	24	24	-	-	-	-
Digital Cinema Integration Partners Pty Limited	Administration	Australia	48	48	-	-	-	-
Digital Cinema Integration Partners NZ Pty Limited	Administration	New Zealand	60	60	-	-	-	-
Movietimes Australia and New Zealand Pty Limited	Operator of Movietimes website	Australia	53	53	-	-	-	-
					50	47	3	(56)

Note

(a) The company is not consolidated as the Group does not have control.

The Group reviewed its investments in associates for indicators of impairment at 30 June 2023. The Group determined that there was no requirement to book an impairment in relation to the carrying value of investments in associates.

Dividends received from associates for the year ended 30 June 2023 amount to \$nil (2022: \$nil). The balance date of each of the Group's associates is 30 June.

Joint operations

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

Name	Principal activities	Country of operation	Ownership interest	
			2023 %	2022 %
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Australia	50	50
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Australia	33	33
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Australia	33	33
Rialto Joint Venture	Operator of multiscreen cinema complexes	New Zealand	50	50
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Australia	50	50

Note

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



SECTION 6

Employee benefits and related party transactions

This section explains the remuneration of executives and other employees, and transactions with related parties including directors. On the following pages, there are sections on share-based payments, director and executive disclosures and related party transactions.

6.1 SHARE-BASED PAYMENTS



The Group's share-based payment arrangements include performance rights issued under the Executive Performance Rights Plan pursuant to long-term incentive ("LTI") awards and the Recognition and Retention Incentives.

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

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

Performance rights are subject to performance hurdles. Performance rights are not recognised in the Statement of Financial Position, but are included within the weighted average number of shares issued as the denominator for determining diluted earnings per share. The Group measures the cost of the Executive Performance Rights Plan by reference to the fair value of the equity instruments at the date at which the instruments are granted. The fair value of performance rights granted is determined by an external valuer using the models and assumptions detailed below.

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

LTI awards

The establishment of the Executive Performance Rights Plan was approved by shareholders at the 2013 Annual General Meeting. Employees receiving awards under the Executive Performance Rights Plan are those of a senior level and above (including the CEO). During the year ended 30 June 2023, performance rights subject to the Executive Performance Rights Plan Rules were issued pursuant to the Group's LTI plan and the 2020 Recognition and Retention Incentive. Details regarding these incentive arrangements are set out below.

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

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

Recognition and Retention Incentives

Shareholders approved at the 2020 and 2021 AGMs a Recognition and Retention Incentive for the CEO, and incentives on similar terms have been granted to other key management personnel and senior executives under the 2020 and 2021 Recognition and Retention Incentives. These awards were an additional equity-based award designed to recognise the additional effort required from the CEO and other senior executives both during the COVID-19 response period and during the recovery period, and the importance of retaining the CEO and other senior executives during this critical period.

For the Retention and Recognition Incentive awards in 2020, 60% of the grant value vested in full following the release of the results for the year ended 30 June 2021, and was awarded in rights on 20 September 2021, and the remaining 40% of the grant value vested in full following the release of the results for the year ended 30 June 2022, and was awarded in rights on 20 September 2022.

Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2023. Any rights that remain unexercised two years thereafter will expire.

For the Retention and Recognition Incentive awards in 2021, 60% of the grant value vested in full following the release of the results for the year ended 30 June 2022, and was awarded in rights on 20 September 2022. The remainder will vest after the release of the results for the year ending 30 June 2023. Each right issued in satisfaction of the vested portion of the award may be exercised into one fully paid ordinary share in the Company (unless the Board determines to settle the exercise of rights in cash) after the release of the results for the year ending 30 June 2024. Any rights that remain unexercised two years thereafter will expire.

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

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

Type of right	Grant date	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
2023						
Performance rights	20 February 2020	461,895	—	(132,188)	(329,707)	—
Performance rights	18 February 2021	694,776	—	—	(34,232)	660,544
Performance rights ¹	20 September 2021	221,429	—	—	(6,013)	215,416
Performance rights	24 June 2022	446,461	—	—	(13,015)	433,446
Performance rights ²	20 September 2022	—	219,681	—	—	219,681
Performance rights	20 February 2023	—	567,692	—	(420)	567,272
		1,824,561	787,373	(132,188)	(383,387)	2,096,359
2022						
Performance rights	21 February 2019	390,354	—	—	(390,354)	—
Performance rights	20 February 2020	490,379	—	—	(28,484)	461,895
Performance rights	18 February 2021	744,357	—	—	(49,581)	694,776
Performance rights ¹	20 September 2021	—	227,856	—	(6,427)	221,429
Performance rights	24 June 2022	—	446,461	—	—	446,461
		1,625,090	674,317	—	(474,846)	1,824,561

- Performance rights granted on 20 September 2021 were issued pursuant to the vesting of the first tranche of the 2020 Recognition and Retention Incentive.
- Performance rights granted on 20 September 2022 were issued pursuant to the vesting of the second tranche of the 2020 Recognition and Retention Incentive and the first tranche of the 2021 Recognition and Retention Incentive.

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Executive Performance Rights Plan during the year ended 30 June 2023 was \$13.27 (2022: \$13.16) for those rights that have EPS hurdles. No performance rights were granted during the year ended 30 June 2023 with TSR hurdles (2022: nil). The fair value of each performance right is estimated on the date of grant using a Binomial tree model for those rights that have EPS hurdles, and a Monte Carlo simulation model for those rights that have TSR hurdles with the following weighted average assumptions used for each grant:

	Granted 20 February 2023	Granted 24 June 2022	Granted 18 February 2021	Granted 20 February 2020
Dividend yield (per annum)	2.14%	1.50%	1.99%	4.35%
Expected volatility	30.00%	39.24%	35.71%	20.00%
Risk-free rate (per annum)	3.54%	3.47%	0.21%	0.68%
Share price	\$14.02	\$13.62	\$10.53	\$12.40
Expected life	3 years	2 years	3 years	3 years

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

Share-based payment expense

Total share-based payment expense included within employee expenses for the year ended 30 June 2023 was a charge of \$5,926,000 (2022: \$1,424,000).

Superannuation

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

	2023 \$'000	2022 \$'000
Superannuation contributions recognised as an employee expense	20,104	14,493

6.2 DIRECTOR AND EXECUTIVE DISCLOSURES

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

Section of Remuneration Report	Directors' Report page reference
Non-executive director remuneration	29
CEO and other executive remuneration	30
Fixed annual remuneration	30
Variable remuneration – STI	30
Variable remuneration – LTI	31
Employment contracts for the CEO and other executive KMP	34
Directors' and executives' position and period of responsibility	35
Directors' and executives' remuneration	36
Performance rights holdings and transactions	38
Equity holdings and transactions	40

KMP remuneration

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

Employee benefits	2023 \$	2022 \$
Short term	6,826,456	3,858,819
Other long term	112,816	234,723
Equity compensation	2,508,489	2,183,509
Post employment	161,301	156,613
	9,609,062	6,433,664

Other transactions with the Company or its controlled entities

AG Rydge is a director of Carlton Investments Limited, and Carlton Investments Limited is a significant shareholder in the Company. Carlton Investments Limited rents office space from an entity controlled by the Company. Rent is charged to Carlton Investments Limited at a market rate and ordinary commercial terms. Rent and office service charges received during the year ended 30 June 2023 were \$23,363 (2022: \$23,363). The Company holds preference shares in Carlton Investments Limited. Dividends received during the year from preference shares held in Carlton Investments Limited were \$5,312 (2022: \$5,312).

AG Rydge paid rent, levies and other costs to Group entities during the year ended 30 June 2023 amounting to \$117,382 (2022: \$107,647). Rent is charged to AG Rydge at market rates and the arrangements are on ordinary commercial terms.

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

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

6.3 RELATED PARTIES



Relationships with associates

Transactions with associates included the receipt of property rental income from an associate of \$73,000 (2022: \$70,000). Costs paid on behalf of an associate totalled \$102,000 (2022: \$93,000) and these costs were not refundable (2022: \$nil) by that associate.

Refer also to Notes 3.1 and 5.3.

Relationships with joint ventures and joint operation partners

Refer to Note 5.3.

KMP

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



SECTION 7 Other information

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

7.1 CONTINGENT LIABILITIES



Personal injury and other claims

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

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

7.2 RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES



	2023 \$'000	2022 \$'000
Reconciliation of profit for the year to net cash provided by operating activities		
Profit for the year	106,529	53,322
Adjustments for:		
Depreciation and amortisation	184,594	185,758
Impairment adjustments	13,502	4,600
Profit on disposal of non-current assets	(63,516)	(24,610)
Fair value increment on investment properties	(100)	(30)
Equity accounted investment dividends	–	510
Share of equity accounted investees' net profit	182	(175)
Profit on acquisition of an associate	–	(660)
Share-based payments expense	6,025	1,331
Receivables impairment adjustment	4	955
Unrealised foreign exchange losses	(1,037)	69
Net cash provided by operating activities before change in assets and liabilities	246,183	221,070
Change in assets and liabilities adjusted for effects of consolidation of controlled entities acquired/disposed during the year:		
Decrease in trade and other receivables	7,366	24,337
Increase in inventories	(4,946)	(2,258)
Decrease/(increase) in prepayments and other current assets	1,456	(1,884)
Decrease/(increase) in deferred tax items	37,686	(25,731)
(Decrease)/increase in income taxes payable	(15,000)	31,031
(Decrease)/increase in trade and other payables	(23,557)	35,040
Increase in provisions	5,326	5,595
Decrease in other liabilities	(22)	(152)
Decrease in deferred revenue	(12,088)	(8,186)
(Decrease)/increase in financing costs payable	(650)	1,045
Net cash provided by operating activities	241,754	279,907

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.

7.3 AUDITORS' REMUNERATION

	2023 \$	2022 \$
Audit services:		
Auditors of the Group – KPMG Australia		
Audit and review of financial statements	1,479,062	1,340,076
Other assurance services	160,176	171,263
Overseas KPMG firms		
Audit and review of financial statements	566,378	374,680
Other assurance services	920,889	1,010,701
Total – Audit and other assurance services	3,126,505	2,896,720
Other services:		
Auditors of the Group – KPMG Australia		
Tax compliance and advice	265,648	127,798
Other services	348,513	385,437
	614,161	513,235
Overseas KPMG firms		
Tax compliance and advice	1,103,390	667,068
Total – Other services	1,717,551	1,180,303

Overseas KPMG firms – Other assurance services and Tax compliance and advice includes services required by German government authorities in relation to the finalisation of the various COVID-19 pandemic support and subsidy programs. The services in respect of the support and subsidy programs are expected to conclude in the year ending 30 June 2024, however the majority of the related costs have been incurred within the 30 June 2023 and 30 June 2022 years. Further information regarding the support and subsidy programs has been provided within Note 2.1 of these financial statements.

7.4 PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended, 30 June 2023, the parent entity of the Group was EVT Limited.

	2023 \$'000	2022 \$'000
Results of parent entity		
Profit for the year	190,152	85,089
Other comprehensive income for the year	2,571	686
Total comprehensive income/(expense) for the year	192,723	85,775
Financial position of parent entity at year end		
Current assets	1,328	1,576
Total assets	551,387	422,393
Current liabilities	7,556	35,834
Total liabilities	8,020	36,228
Net assets	543,367	386,165
Total equity of parent entity comprises:		
Share capital	219,126	219,126
Financial assets revaluation reserve	12,536	12,536
Share-based payments reserve	49,879	40,883
Retained earnings	261,826	113,620
Total equity	543,367	386,165
Parent entity contingencies		
<i>Controlled entities</i>		
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	57,584	56,906
Later than one year but not later than five years	102,277	116,044
Later than five years	94,243	110,466
	254,104	283,416
<i>Joint ventures and joint operations</i>		
The Company has guaranteed the obligations of some joint ventures and joint operations in respect of a number of operating lease commitments. Operating lease commitments of joint ventures and joint operations are due:		
Not later than one year	53,497	52,743
Later than one year but not later than five years	192,210	192,637
Later than five years	241,084	254,646
	486,791	500,026
	740,895	783,442

Parent entity guarantees**Subsidiaries**

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

Bank debt facilities

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

7.5 EVENTS SUBSEQUENT TO REPORTING DATE**Dividends**

For final dividends declared after 30 June 2023, refer to Note 4.2.

7.6 DEED OF CROSS GUARANTEE

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

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

The subsidiaries subject to the deed are:

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

A consolidated Income Statement, a consolidated Statement of Comprehensive Income and a consolidated Statement of Financial Position, comprising the Company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed, for the year ended, and as at, 30 June 2023 respectively are set out on the following pages:

Income Statement	2023 \$'000	2022 \$'000
Revenue	742,506	535,278
Other income	60,343	57,845
Net intercompany income	2,695	2,924
Expenses	(528,926)	(451,097)
Share of net loss from equity accounted associates and joint ventures	(430)	(612)
Depreciation, amortisation and impairments	(100,407)	(101,965)
Profit before net financing costs	175,781	42,373
Finance income	1,225	98
Finance costs	(34,677)	(33,845)
Net financing costs	(33,452)	(33,747)
Profit before tax	142,329	8,626
Income tax expense	(41,115)	(280)
Profit after tax	101,214	8,346
Statement of Comprehensive Income		
Profit for the year	101,214	8,346
Other comprehensive (expense)/income	(4,074)	1,573
Total comprehensive income for the year	97,140	9,919
Summary of movements in retained earnings		
Retained earnings at the beginning of the year	446,898	438,552
Profit for the year	101,214	8,346
Dividends paid	(41,945)	–
Retained earnings at the end of the year	506,167	446,898

Statement of Financial Position	2023 \$'000	2022 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	46,756	44,893
Trade and other receivables	28,470	25,332
Inventories	17,037	14,747
Prepayments and other current assets	7,589	7,257
Assets held for sale	3,165	14,126
Total current assets	103,017	106,355
Non-current assets		
Trade and other receivables	6,873	6,936
Loans to controlled entities	300,414	236,412
Other investments	78	78
Investments in controlled entities	80,001	71,227
Investments accounted for using the equity method	4,539	4,969
Property, plant and equipment	1,013,828	932,571
Right-of-use assets	441,989	480,864
Investment properties	6,400	6,300
Goodwill and other intangible assets	65,273	57,073
Deferred tax assets	16,873	52,438
Other non-current assets	483	469
Total non-current assets	1,936,751	1,849,337
Total assets	2,039,768	1,955,692
LIABILITIES		
Current liabilities		
Trade and other payables	67,864	80,072
Current tax liabilities	68,304	27,134
Provisions	4,528	21,438
Deferred revenue	22,895	87,186
Lease liabilities	78,431	68,123
Other current liabilities	1,792	1,629
Total current liabilities	243,814	285,582
Non-current liabilities		
Loans from controlled entities	74,636	55,740
Other loans and borrowings	447,983	364,829
Provisions	13,230	11,173
Deferred revenue	5,112	6,219
Lease liabilities	467,876	505,782
Other non-current liabilities	–	3,441
Total non-current liabilities	1,008,837	947,184
Total liabilities	1,252,651	1,232,766
Net assets	787,117	722,926
EQUITY		
Share capital	219,126	219,126
Reserves	61,824	56,902
Retained earnings	506,167	446,898
Total equity	787,117	722,926



Directors' declaration

1. In the opinion of the directors of EVT Limited:
 - (a) the consolidated financial statements and notes that are set out on pages 42 to 100 and the Remuneration Report in the Directors' Report set out on pages 29 to 40, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the Group entities identified in Note 7.6 to the financial statements will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
3. The directors have received the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Director Finance & Accounting for the year ended 30 June 2023.
4. The directors draw attention to Note 1.2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

JM Hastings
Director

Dated at Sydney this 28th day of August 2023



Independent Auditor's Report

To the shareholders of EVT Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of EVT Limited (the Company).

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

- giving a true and fair view of the **Group's** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2023;
- Income Statement, Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' Declaration.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Asset Valuation – Hotel and Cinema assets within Property, Plant and Equipment Assets and Lease Right of Use Assets (\$2,232,415k)	
Refer to Notes 3.3 and Note 3.9 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The valuation of Hotel and Cinema property, plant and equipment assets and lease right of use assets is considered a key audit matter due to:</p> <ul style="list-style-type: none"> • the significant value of the property, plant and equipment and lease right of use assets (being 92% of total assets); • the judgement required by us in assessing the significant assumptions used by the Group to determine the recoverable value of property, plant and equipment and lease right of use assets; • estimation uncertainty regarding future performance due to the continued disruption to the cinema release schedule and difficulty in accurately forecasting future admission numbers (Cinema assets); and • estimation uncertainty regarding future performance due to the current economic environment. <p>There are a number of judgements made by the Group and their external valuation experts when estimating the recoverable value of these assets. Some are more complex as they are dependent on assumptions about the future, such as revenue and EBITDA growth rates and discount rates. These forward-looking assumptions and the current market conditions increase the range of possible outcomes and the complexity for us to consider in the audit.</p> <p>The Group’s policy is to use a combination of external valuation experts and internal analysis to determine asset valuations. A majority of</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • assessing the methodology applied by the Group to perform the impairment indicator test for consistency with accounting standards and the Group’s policies; • meeting with management and those charged with governance to understand the ongoing industry risks and potential future impacts of these on the forecasts; • assessing the Group’s determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards • for Cinemas we: <ul style="list-style-type: none"> - assessed each CGU for indicators of impairment based on business performance. Where indicators of impairment exist, we obtained the Group’s recoverable amount value-in-use models and performed the following procedures; <ul style="list-style-type: none"> o assessed the mathematical accuracy of the value-in-use models prepared; o compared amounts in the value-in-use models to Board approved budgets; o assessed the basis for the cash flow forecasts by comparing the time period used in the forecasts to lease agreements; o assessed the accuracy of previous forecasts to inform our evaluation of forecasts incorporated in the model;

<p>owned hotel and cinema properties were externally valued at 30 June 2023.</p> <p>Internal analysis was prepared by the Group to assess for indicators of impairment to Cinema and Hotel CGUs. Where an indicator of impairment was present the Group calculated its recoverable value and compared this to its carrying amount. The recoverable amount was determined using an internally prepared value-in-use model if no external valuation had been performed.</p> <p>Internally prepared value-in-use modelling using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialist to supplement our senior audit team members in assessing this key audit matter.</p>	<ul style="list-style-type: none"> ○ checked the consistency of the growth rates to the Group’s plans and our experience regarding the feasibility of these in the industry in which they operate; ○ challenged the Group’s cash flow forecasts in the value-in-use models by adjusting the forecast cash flows. These adjustments were informed by our knowledge of the business and authoritative published studies of industry trends of growth rates as well as historical performance against forecasts; ○ worked with our valuation specialists to independently develop a discount rate range using publicly available market data for comparable entities and a EBITDA growth rate for longer term forecasts using inflation targets set by the Reserve Bank of Australia. <ul style="list-style-type: none"> ● For Hotels we: <ul style="list-style-type: none"> - assessed each CGU for indicators of impairment based on the 2023 external property valuations; - assessed the competence, scope and objectivity of the external valuers engaged by the Group; - used our valuation specialists to independently review a sample of external valuation reports to assess whether the valuation methodology and assumptions used are in line with the accounting standards and industry expectations; - assessed the sales prices achieved for current and prior year property disposals against the most recent external property valuations to inform our understanding of property valuation movements since the previous valuation; - performed a sensitivity analysis assuming a 10% decline in the most recent external valuation compared to the carrying amount; - where indicators of impairment exist we obtained the Group’s recoverable amount value in use models and performed procedures consistent with those noted
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	<p>above for Cinemas;</p> <ul style="list-style-type: none">• evaluating the disclosures in the financial report, including those made with respect to judgements and estimates, against our understanding obtained from our testing and the requirements of the Australian Accounting Standards.
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Other Information

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

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of EVT Limited for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 29 to 40 of the Directors' report for the year ended 30 June 2023.

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

KPMG

Cameron Slapp

Partner

Sydney

28 August 2023

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 25 August 2023)

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
Enbear Pty Limited	56,598,377*
Carlton Investments Limited	56,588,377
Perpetual Limited and its related bodies corporate	18,589,573

* Includes Carlton Investments Limited holding.

Voting rights

Ordinary shares

There were 6,537 holders of ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 7.8(a) of the Company's Constitution, are:

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

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

Distribution of shareholders

	Number of shareholders	Number of shares held
1 – 1,000	3,897	1,476,207
1,001 – 5,000	1,863	4,359,006
5,001 – 10,000	362	2,597,602
10,001 – 100,000	380	9,895,644
100,001 and over	35	142,999,250
	6,537	161,327,709

The number of shareholders holding less than a marketable parcel is 441.

Unquoted ordinary shares

There were no unquoted ordinary shares of the Company as at 25 August 2023.

Performance rights

As at 25 August 2023, there were 208 holders of a total of 2,208,662 Performance Rights granted under the Group's Executive Performance Rights Plan. The Performance Rights do not carry voting rights.

Twenty largest shareholders

The names of the 20 largest shareholders of the quoted shares are:

	Number of shares held	Percentage of capital held
Enbear Pty Limited	32,134,031	19.92%
HSBC Custody Nominees (Australia) Limited	28,347,739	17.57%
Eneber Investment Company Limited	19,777,772	12.26%
JP Morgan Nominees Australia Pty Limited	13,846,795	8.58%
Citicorp Nominees Pty Limited	11,239,678	6.97%
Alphoeb Pty Limited	6,027,315	3.74%
The Manly Hotels Pty Limited	5,732,812	3.55%
Carlton Hotel Limited	5,276,103	3.27%
Mr Alan Graham Rydge	4,431,663	2.75%
Argo Investments Limited	2,850,000	1.77%
BNP Paribas Noms Pty Ltd <DRP>	2,508,911	1.56%
UBS Nominees Pty Ltd	1,775,486	1.10%
Mutual Trust Pty Ltd	1,500,000	0.93%
T N Phillips Investments Pty Ltd	1,346,000	0.83%
National Nominees Limited	1,035,238	0.64%
Mirrabooka Investments Limited	757,104	0.47%
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	721,387	0.45%
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	583,692	0.36%
Mr David Christopher Seargeant	453,490	0.28%
Prudential Nominees Pty Ltd	300,000	0.19%
	140,645,216	87.19%

On-market buy-back

There is no current on-market buy-back.

Securities exchange

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

OTHER INFORMATION

Annual General Meeting

The Annual General Meeting will be held at 10:00am (Sydney time) on Friday 20 October 2023 at:

Event Cinemas
505 – 525 George Street
Sydney NSW 2000.

Shareholders and proxyholders may also attend and participate in the Meeting online at <https://meetnow.global/M44PLA2>. Shareholders and proxyholders who participate in the Meeting online will be able to watch the Meeting, cast an online vote, and ask questions and make comments online in real time.

Registered office

478 George Street
Sydney NSW 2000

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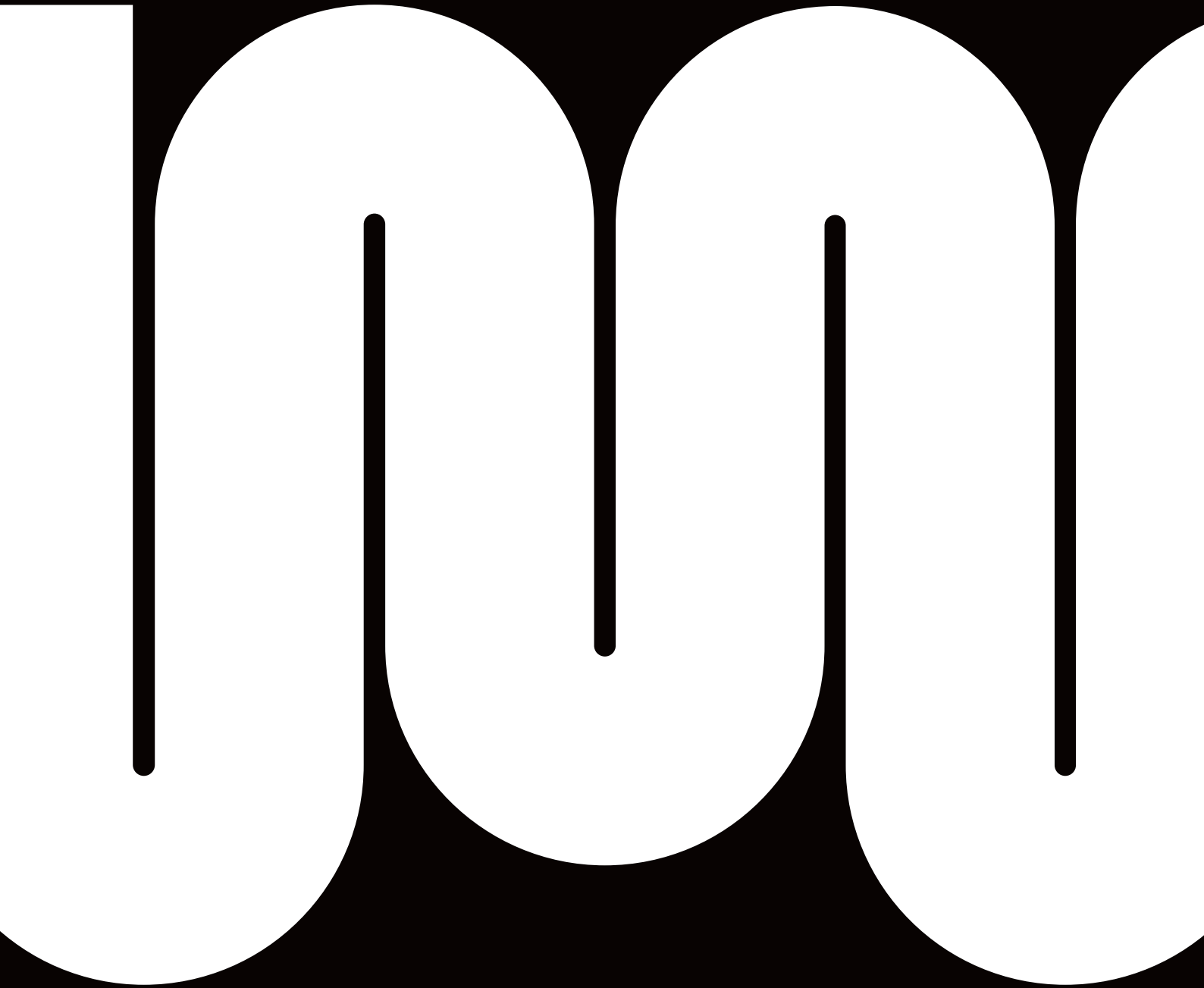
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