ARDENT
LEISURE

Ardent Leisure Group Limited

Annual Financial Report
for the year ended 28 June 2022

The financial report was authorised for issue by the Directors of Ardent Leisure Group Limited (ABN 51 628 881 603) on 24 August 2022. The Directors have the power to amend and reissue the financial report.

Message from the Chairman

Dear Shareholders,

I am pleased to present to you the Annual Report of Ardent Leisure Group Limited for the year ended 28 June 2022.

The FY22 year was another significant year in the Ardent Leisure journey, with the Group agreeing to sell its main undertaking, the US-based chain of 51 Main Event family entertainment centres, to NASDAQ listed Dave & Buster's for US$835 million on a cash-free debt-free basis. The transaction (which completed on 30 June 2022 shortly following year end) was overwhelming supported by Ardent shareholders and reflected the significant value creation achieved by Ardent and the Main Event management team particularly over the past four years. On behalf of my fellow Directors, I would again like to thank the Main Event management team for their significant contribution over recent years to achieve this result.

Pleasingly for shareholders, the Main Event sale allowed Ardent to make a significant distribution to shareholders of 95 cents per share in the form of a return of capital and special dividend which were both paid on 13 July 2022. It has also allowed the Company to retain a substantial amount of capital to direct towards the continued recovery of, and investment in, its Theme Parks & Attractions business.

Whilst the Theme Parks & Attractions business was heavily impacted by the prolonged border closures during the first half of the year, the subsequent easing of restrictions and the tireless work of management to successfully launch the Steel Taipan rollercoaster in December 2021 and optimise a number of special events and activations resulted in increased demand in both local and interstate markets during the second half of FY22 and has seen the business achieve some of its best trading results in recent years.

Both the Board and management have a positive outlook for the business which is well positioned to benefit from further potential upside in the tourism sector, underpinned by the reopening of Australia's economy and its international borders, along with some exciting projects in the pipeline. We now have the financial ability and capacity to ensure that the recovery and investment program and recent positive change in trajectory seen in the Theme Parks & Attractions business are fully leveraged for further success.

The Company is now solely focused on maximising the performance of its Theme Parks & Attractions business and, as an endorsement of this direction, has today announced that Theme Parks CEO Greg Yong will also lead the Ardent Leisure Group in the role of Group CEO.

On behalf of the Board, I would like to express my deep gratitude to our team members as they continue to demonstrate resilience and work hard through challenging times together. I would also like to thank our shareholders and other stakeholders for their ongoing support of the Group.

Dr Gary Weiss AM
Chairman
Ardent Leisure Group Limited

Annual Financial Report

Directors' Report

The Directors of Ardent Leisure Group Limited (Company) present their report together with the consolidated financial report of the Company and its controlled entities (collectively, the Group) for the year ended 28 June 2022 (FY22).

Ardent Leisure Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Suite 601, Level 6, 83 Mount Street, North Sydney, NSW 2060.

1. Directors

The following persons have held office as Directors of the Company during the period and up to the date of this report unless otherwise stated:

Gary Weiss AM;
David Haslingden;
Randy Garfield;
Brad Richmond; and
Erin Wallace (appointed 1 January 2022).

2. Principal activities

The Group's principal activity is to invest in and operate leisure and entertainment businesses. During the current and prior years, these activities were carried out in Australia and the Unites States of America. Following the sale of the Main Event business after the reporting date, the Group's future focus will be on its remaining Australian Theme Parks & Attractions business. Other than the sale of Main Event, there have been no other significant changes in the nature of the activities of the Group.

3. Dividends and capital distributions

On 30 June 2022, the Directors of the Group determined to pay an unfranked special dividend of $234.7 million (or 48.9301 cents per share) and a return of capital of $221.0 million (or 46.0699 cents per share) (together, the 'Distribution'), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to $455.7 million was paid on 13 July 2022. A provision has not been recognised in the financial statements at 28 June 2022 as the Distribution had not been declared at the reporting date.

4. Operating and financial review

Overview

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

Sale of Main Event business

On 6 April 2022, the Group announced that, together with RedBird Capital Partners (the Group's co-investor in Main Event), it had entered into a binding sale agreement and plan of merger with Dave & Buster's Entertainment Inc for the sale of the entire Main Event business for total gross cash consideration of US$835 million (excluding purchase price adjustments and selling costs) plus up to US$14.8 million deferred and contingent consideration (the 'Transaction').

Completion of the Transaction occurred after the reporting date, on 30 June 2022. Prior to completion, the Group received a pre-sale dividend of US$20.4 million (net of US$3.6 million US federal withholding tax) and, on completion, the Group received cash proceeds of US$453.9 million for its share of the business. Additional post-completion proceeds of approximately US$11.4 million (subject to finalisation of working capital adjustments) are expected to be received within 90-120 days of completion.

The results of the Main Event business have been presented as a discontinued operation at 28 June 2022 and associated assets and liabilities have been classified as held-for-sale. The sale will be accounted for, and the gain reflected, in the FY23 financial statements. It is not possible to disclose details of the gain arising from the sale in these financial statements as the assessment of working capital adjustments and deferred contingent consideration is yet to be finalised.

Contents
Directors' Report
Consolidated Financial Statements
Notes
Appendices

4. Operating and financial review (continued)

Acquisition of The Summit family entertainment centres

On 3 March 2022, the Group announced that Main Event had completed the acquisition of three family entertainment centres in Colorado operating as 'The Summit'. The three centres, located within the Denver and Colorado Springs markets, provided Main Event with an immediate penetration into one of the business' target trade areas, along with its existing centre located in the Denver market.

The total purchase price (inclusive of working capital adjustments) was US$75.4 million. This was funded from existing available liquidity within Main Event of US$25.2 million and the sale and leaseback of land and buildings relating to these centres, which yielded proceeds of US$50.2 million.

Shareholder class action

As reported in prior periods, on 18 June 2020, the Company was served with a representative shareholder class action arising from the 2016 Dreamworld tragedy. The claim alleges contraventions of the *Corporations Act 2001 (Cth)*. The Company has indicated since the action was commenced, and continues to maintain, that it considers the proceedings to be without merit and is vigorously defending them, and therefore does not provide any estimate of potential liability (if any at all). The Company maintains appropriate insurances to respond to litigation and the majority of associated costs.

A small number of civil claims relating to the 2016 Dreamworld tragedy have yet to be finalised. They are in the process of being dealt with by the Company's liability insurer. The statutory time period for bringing any further civil claims has passed.

Contents

Directors' Report

Consolidated Financial Statements

Notes

Appendices

Directors' Report

4. Operating and financial review (continued)

Group results

The performance of the Group, as represented by the aggregated results of its operations for the period from 30 June 2021 to 28 June 2022 (364 days), was as follows:

30 June 2021 to 28 June 2022	Theme Parks & Attractions $'000	Corporate $'000	Continuing operations $'000	Discontinued operations Main Event $'000	Total $'000
Segment revenue	**49,459**	**-**	**49,459**	**588,100**	**637,559**
Operating EBITDA	**(14,447)**	**(8,088)**	**(22,535)**	**199,205**	**176,670**
Costs associated with the sale of Main Event	-	(32,895)	(32,895)	(98,254)	(131,149)
Segment EBITDA	**(14,447)**	**(40,983)**	**(55,430)**	**100,951**	**45,521**
Depreciation and amortisation	(8,091)	(74)	(8,165)	(42,210)	(50,375)
Amortisation of lease assets	(94)	(76)	(170)	(20,316)	(20,486)
Segment EBIT	**(22,632)**	**(41,133)**	**(63,765)**	**38,425**	**(25,340)**
Borrowing costs			(1,781)	(32,812)	(34,593)
Lease liability interest expense			(18)	(39,616)	(39,634)
Interest income			31	56	87
Loss before tax			**(65,533)**	**(33,947)**	**(99,480)**
Income tax benefit/(expense)			4,062	(2,013)	2,049
Net loss after tax			**(61,471)**	**(35,960)**	**(97,431)**
The segment EBITDA above has been impacted by the following specific items:					
Reversal of impairment of property, plant and equipment and lease-right-of-use assets	-	-	-	8,184	8,184
Early termination of leases	-	-	-	925	925
Pre-opening expenses	-	-	-	(6,300)	(6,300)
Dreamworld incident insurance recoveries, net of costs	516	-	516	-	516
Summit business acquisition costs	-	-	-	(185)	(185)
Main Event LTI plan valuation expense	-	-	-	(83,392)	(83,392)
RedBird option valuation expense	-	-	-	(7,547)	(7,547)
Main Event sale costs	-	-	-	(7,315)	(7,315)
Unrealised derivative losses on hedging of Main Event sale proceeds	-	(32,895)	(32,895)	-	(32,895)
Restructuring and other non-recurring items	-	-	-	(299)	(299)
Lease payments no longer recognised in EBITDA under AASB 16 *Leases*	110	78	188	50,202	50,390
Net loss on disposal of assets	(94)	-	(94)	(64)	(158)
	532	**(32,817)**	**(32,285)**	**(45,791)**	**(78,076)**
The net loss after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases*	(108)	(80)	(188)	(59,932)	(60,120)
Tax losses for which deferred tax asset not recognised	(7,968)	(3,512)	(11,480)	(4,037)	(15,517)
Tax deductible temporary differences for which deferred tax asset not recognised	316	(204)	112	-	112
Tax impact of specific items listed above	(127)	9,869	9,742	20,668	30,410
	(7,887)	**6,073**	**(1,814)**	**(43,301)**	**(45,115)**

4. Operating and financial review (continued)

Group results (continued)

The performance of the Group, as represented by the aggregated results of its operations for the prior period from 1 July 2020 to 29 June 2021 (364 days), was as follows:

1 July 2020 to 29 June 2021	Theme Parks & Attractions $'000	Corporate $'000	Continuing operations $'000	Discontinued operations Main Event $'000	Total $'000
Segment revenue	**36,012**	**-**	**36,012**	**354,655**	**390,667**
Segment EBITDA	**(11,097)**	**(5,927)**	**(17,024)**	**84,302**	**67,278**
Depreciation and amortisation	(7,710)	(306)	(8,016)	(52,720)	(60,736)
Amortisation of lease assets	(64)	(110)	(174)	(24,837)	(25,011)
Segment EBIT	**(18,871)**	**(6,343)**	**(25,214)**	**6,745**	**(18,469)**
Borrowing costs			(1,707)	(33,056)	(34,763)
Lease liability interest expense			(4)	(34,346)	(34,350)
Interest income			37	-	37
Loss before tax			**(26,888)**	**(60,657)**	**(87,545)**
Income tax (expense)/benefit			(8)	620	612
Net loss after tax			**(26,896)**	**(60,037)**	**(86,933)**
The segment EBITDA above has been impacted by the following specific items:					
Net impairment of property, plant and equipment and lease right-of-use assets	-	-	-	(4,089)	(4,089)
Early termination of leases	-	-	-	(1,308)	(1,308)
Pre-opening expenses	-	-	-	(578)	(578)
Dreamworld incident costs, net of insurance recoveries	(850)	-	(850)	-	(850)
Restructuring and other non-recurring items	-	50	50	(4,168)	(4,118)
Main Event LTI plan valuation expense	-	-	-	(2,314)	(2,314)
RedBird option valuation expense	-	-	-	(682)	(682)
Lease payments no longer recognised in EBITDA under AASB 16 *Leases*	85	156	241	47,710	47,951
Net loss on disposal of assets	(11)	(30)	(41)	(272)	(313)
	(776)	**176**	**(600)**	**34,299**	**33,699**
The net loss after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases*	(65)	(113)	(178)	(59,183)	(59,361)
Tax losses for which deferred tax asset not recognised	(5,654)	(1,955)	(7,609)	(10,086)	(17,695)
Tax deductible temporary differences for which deferred tax asset not recognised	649	(49)	600	-	600
Tax impact of specific items listed above	252	(19)	233	5,226	5,459
	(4,818)	**(2,136)**	**(6,954)**	**(64,043)**	**(70,997)**

The Group reported a net loss after tax of $97.4 million for the year ended 28 June 2022, compared to a net loss of $86.9 million in the prior year. The increased loss is largely due to the current year being impacted by several one-off significant expenses, including a number of material costs associated with the sale of the Main Event business. These were largely timing related, being recognised in the current year ahead of the sale which completed after the reporting date. Notwithstanding these large one-off costs, there were strong trading performances in both businesses despite the ongoing impacts of the pandemic.

Total segment revenue for the Group of $637.6 million (excluding other income from government grants/subsidies and insurance recoveries) increased by $246.9 million in the year. This was above FY19 pre-COVID revenues of $483.3 million, driven primarily by continued strong recovery momentum in Main Event as well as improved visitation in the Australian Theme Parks & Attractions business.

Directors' Report

4. Operating and financial review (continued)

Group results (continued)

As noted in the table above, the Group's results were impacted by a number of significant items. Excluding these significant items, the Group reported EBITDA of $123.6 million, up $90.0 million on the prior year.

The year-on-year performance of the Group was driven primarily by the following factors:

- Increased revenue and Operating EBITDA in Main Event due to strong constant centre performance (exceeding pre-COVID levels), incremental revenue from four new centres that were opened in FY22 and three Summit centres acquired in March 2022 and recovery of Corporate/ Events business. The improved performance was also impacted by the lapping of a second wave of the pandemic and winter storms in the prior year, which resulted in the closure of several centres in FY21;
- Improved trading performance in Theme Parks & Attractions due to increased attendances, driven by higher pass sales and successful events activations, particularly in the second half of the year, combined with the business cycling the temporary closure of its sites in the prior year due to COVID-19;
- A $3.8 million reduction in restructuring and other non-recurring items due to the prior year being impacted by additional RedBird transaction costs, write-off of US site exploration costs as well as COVID-19 related costs;
- A $0.9 million credit in the current year relating to the early termination of Main Event leases (FY21: $1.3 million expense);
- $0.5 million net insurance recoveries in relation to the Dreamworld incident and subsequent shareholder class action, compared to a $0.9 million expense in the prior year;
- An $8.2 million reversal of impairment on property, plant and equipment and lease right-of-use assets relating to two Main Event centres resulting from an impairment assessment of Main Event's assets which was carried out immediately prior to these assets being classified as held-for-sale. This is compared to a $4.1 million impairment of lease right-of-use assets relating to a Main Event centre reported in the prior year;
- A reduction of $10.4 million in depreciation and amortisation and $4.5 million in amortisation of lease right-of-use assets as these expenses ceased being recorded in accordance with accounting standards when Main Event assets were classified as assets held for sale in early April 2022 and;
- A $1.4 million increase in tax benefit due to:
  - Higher tax benefit arising in the current year due to the larger reported pre-tax losses in FY22; and
  - A $1.7 million reduction in tax expense associated with Australian and US tax losses and deductible temporary differences for which deferred tax assets have not been recognised. The recoverability of these losses and temporary differences against future taxable income is not currently considered probable under AASB 112 *Income Taxes*

These factors were partially offset by:

- A $32.9 million unrealised loss on derivatives relating to the deal-contingent foreign exchange forward contracts put in place to hedge the Main Event sale proceeds, due to a devaluation of the Australian dollar against the US dollar (FY21: Nil);
- An expense of $83.4 million for revaluation of the Main Event LTI plan liability (FY21: $2.3 million) and $7.5 million for revaluation of the Redbird option liability (FY21: $0.7 million), reflecting the significant incremental equity value of Main Event which was expected to be, and was, realised on the sale of the business subsequent to the reporting date;
- $7.3 million costs associated with the sale of Main Event, which include consulting and other services provided by legal, tax and independent experts;
- $0.2 million costs associated with the acquisition of three Colorado-based Summit centres by Main Event in March 2022;
- A $5.7 million uplift in pre-opening expenses, with four new Main Event centres opened during the current year compared to one new centre in the prior year;
- An $8.7 million reduction in net benefit from government support funding received by the Australian businesses due to the Australian Federal Government's JobKeeper wage subsidy programme ending in March 2021; and
- An increase of $5.3 million in lease interest mainly due to new and acquired centres in Main Event.

4. Operating and financial review (continued)

Theme Parks & Attractions

The performance of Theme Parks & Attractions is summarised as follows:

	2022 $'000	2021 $'000	Change %
Total revenue	49,459	36,012	37.3
EBRITDA[2]	**(13,751)**	**(10,438)**	**(31.7)**
Property costs	(696)	(659)	(5.6)
EBITDA	**(14,447)**	**(11,097)**	**(30.2)**
Depreciation and amortisation	(8,185)	(7,774)	(5.3)
EBIT	**(22,632)**	**(18,871)**	**(19.9)**
Attendance	880,833	743,860	18.4
Per capita spend ($)	56.15	48.41	16.0

(1) Earnings before property costs (predominantly land taxes and council rates), interest, tax, depreciation and amortisation

The Theme Parks business, consisting of Dreamworld, WhiteWater World and SkyPoint, reported trading revenue of $49.5 million for the year, up 37.3% on the prior year. This was mainly due to higher pass sales and attendances in the current period, combined with the cycling of the temporary closure of SkyPoint and Dreamworld/ WhiteWater World in the prior year due to COVID-19 (sites reopened on 10 July 2020 and 16 September 2020, respectively).

Continuing international and domestic border restrictions, as well as snap lockdowns, adversely impacted visitation during the first half of the year. Following the reopening of Queensland borders in early December 2021, interstate travel became possible but continued to be disrupted by the fast-spreading Omicron variant and Queensland government travel and COVID-19 testing restrictions which led to some consumer hesitancy to travel.

Since these restrictions eased, the business has shown positive signs of recovery, with stronger visitation during the peak school holiday periods in January and April 2022. This has resulted in FY22 total visitation being 18.4% up on the prior year and the value of annual passes sold in the current year exceeding the prior year by approximately 44%.

In addition to the annual Winterfest and Happy Halloween events which saw record attendance levels, the business executed several new activations to drive repeat visitation, including the Spring County Fair, Dreamworld Street Food Festival and Moonlight Night Markets. The business also recorded its best Easter holiday trading performance in recent years.

The division recorded an EBITDA loss of $14.4 million, compared to a loss of $11.1 million in the prior year. The business received a $2.0 million Major Tourism Experience Hardship grant during FY22, a decrease compared to $10.5 million of net benefits from government subsidies and grants (mostly JobKeeper) in the prior year. Excluding these one-off grants and subsidies, EBITDA improved by $5.2 million compared to the prior year.

The Steel Taipan multi-launch rollercoaster which was successfully opened in December 2021 continues to be one of the main attractions for Dreamworld and has been well received by the guests. The business is optimistic that the recovery in domestic and international tourism, as well as various guest initiatives implemented by management will continue to attract visitation to the venues and drive continued recovery momentum.

Main Event

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

	2022 US$'000	2021 US$'000	Change %
Total revenue	426,181	266,871	59.7
EBRITDA[1]	**154,798**	**76,832**	**101.5**
Property costs	(10,600)	(12,518)	15.3
Operating EBITDA	**144,198**	**64,314**	**124.2**
Costs associated with the sale of Main Event [2]	(68,971)	-	n/a
EBITDA	**75,227**	**64,314**	**17.0**
Depreciation and amortisation	(45,965)	(57,895)	**20.6**
EBIT	**29,262**	**6,419**	**355.9**

(1) Earnings before property costs (predominantly land taxes and maintenance costs), interest, tax, depreciation and amortisation.

(2) One-off costs associated with the sale of Main Event, including transaction costs, valuation expenses relating the Main Event LTI plan and RedBird option and unrealised derivative losses on hedging of US dollar sale proceeds.

Directors' Report

4. Operating and financial review (continued)

Main Event (continued)

	Revenue 2022 US$'000	Revenue 2021 US$'000	Change %	EBRITDA(1) 2022 US$'000	EBRITDA 2021 US$'000	Change %
Constant centres(2)	302,527	214,497	41.0	145,517	100,316	45.1
Non-constant centres	96,075	52,374	83.4	45,100	22,537	100.1
New centres opened/acquired in FY22	27,579	-	n/a	12,899	-	n/a
Corporate and regional office expenses/sales and marketing				(49,389)	(36,905)	(33.8)
Other specific items				671	(9,116)	107.4
Total	**426,181**	**266,871**	**59.7**	**154,798**	**76,832**	**101.5**

(1) EBRITDA for FY22 is shown excluding $69.0 million of costs associated with the Main Event sale to enable like-for-like comparison of performance to the prior year.

(2) Constant centres comprise 33 centres.

Main Event reported revenue for the year of US$426.2 million, which was 59.7% higher than the prior year. This was driven by ongoing strong performance in both constant and non-constant centres, as well as incremental revenue from seven newly opened and acquired centres. In Australian dollar terms, Main Event revenue increased by 65.8% compared to the prior year, reflecting favourable movements in foreign exchange rates.

The first eight months of the prior year were significantly impacted by soft trading performances due to the second wave of the pandemic in the US in November/December 2020 and winter storms in February 2021 which resulted in closure of several sites. However, the business recovered strongly from March 2021 onwards, benefitting from strong consumer demand and successful execution of several strategic initiatives including an improved guest experience, technology and entertainment innovation, and effective marketing. As a result, total and walk-in constant centre revenues for FY22 have exceeded pre-COVID levels.

During the year, four new Main Event centres were opened and performed above expectations. In addition, in March 2022, the business acquired three stand-alone 'Summit' family entertainment centres located within the Denver and Colorado Springs markets. These new sites brought the number of centres to 51 across 17 States as at 28 June 2022 (29 June 2021: 44 centres across 16 States).

At a trading level, Main Event recorded an Operating EBITDA of US$144.2 million, representing an increase of 124.2% compared to the prior year. This strong operational performance was, however, partly offset by US$69.0 million of one-off costs associated with the sale of Main Event, including transaction costs and valuation expenses relating to the Main Event LTI plan and RedBird option.

In addition to the one-off sale-related expenses, the current and prior year EBITDA results were also impacted by a number of other specific items including lease termination costs, pre-opening costs, loss on disposal of assets, non-recurring restructuring expenses, impairment/reversal of impairment of assets and lease payments no longer recognised in EBITDA under AASB 16 Leases. Including the above costs, the business reported a statutory EBITDA of US$75.2 million (2021: US$64.3 million).

On 6 April 2022, the Group announced that, together with RedBird Capital Partners, it had entered into a binding sale agreement and plan of merger with Dave & Buster's Entertainment Inc for the sale of Main Event on a cash-free debt-free basis for total gross cash consideration of US$835 million (excluding purchase price adjustments and selling costs) plus up to US$14.8 million deferred and contingent consideration. Completion of the Transaction occurred on 30 June 2022.

Strategic focus

Following completion of the sale of Main Event, the Group is solely focused on its Australian Theme Parks & Attractions business.

(i) Theme Parks

The key focus is on driving attendance back to historic levels through a combination of "smart" capital investment, an event pipeline, developing new and unique attractions and food, retail and events products, all of which provide opportunities to promote and target repeat visitation.

Investments are targeted to drive visitation and must be economically responsible. This includes plans to install major new attractions at Dreamworld to increase visitation and drive average per capita spend.

The wellbeing of Dreamworld's staff also remains a key focus, with a number of wellness, support and training programs in place to assist and develop individual team members.

The Group sees potential for considerable value in the excess land that surrounds the Dreamworld site. The park currently occupies just over 50% of the owned land and the process to ascertain the best use of this land and optimise value for shareholders is ongoing.

5. Significant changes in the state of affairs

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

6. Interests in the Group

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

	2022	2021
Shares on issue at the beginning of the year	479,706,016	479,706,016
Shares on issue at the end of the year	**479,706,016**	**479,706,016**

7. Information on Directors

Gary Weiss AM
Non-Executive Chairman

Appointed:
Ardent Leisure Group Limited – 18 September 2018

Age: 69

Dr Gary Weiss is currently the Executive Director of Ariadne Australia Limited. He is Chairman of Estia Health Limited and Cromwell Property Group and is a Non-Executive Director of Thorney Opportunities Limited and Hearts and Minds Investments Limited.

Gary was appointed a Member (AM) of the Order of Australia in 2019 and is also a Commissioner of the Australian Rugby League Commission.

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

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

Gary is Chair of the Safety & Risk Review Committee and a member of the Audit & Risk Committee and Remuneration & Nomination Committee.

Former listed directorships in the last three years:
Ridley Corporation Limited (21 June 2010 to 26 August 2020)
The Straits Trading Company Limited (1 June 2014 to 30 September 2020)

Interest in shares:
45,844,317

David Haslingden
Non-Executive Director

Appointed:
Ardent Leisure Group Limited – 18 September 2018

Age: 61

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

David is a director and major shareholder of RACAT Group, a company that owns and operates several media and mobile games companies in Australia and overseas. He is also Chairman of the Australian Geographic Society.

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

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

Former listed directorships in the last three years:
None

Interest in shares:
523,980

Directors' Report

7. Information on Directors (continued)

Randy Garfield
Non-Executive Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 70

During his 50 year travel industry career, Randy Garfield spent over 30 years working in senior executive roles specialising in global marketing and sales, sponsorship development and sales operations.

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

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

Randy's current directorships include Rocky Mountaineer, Destination Canada, Saudi Tourism Authority and Family Travel Association.

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

Randy is a member of the Safety & Risk Review Committee and Audit & Risk Committee.

Former listed directorships in the last three years:
None

Interest in shares:
55,000

Brad Richmond
Non-Executive Director

Appointed:

Ardent Leisure Group Limited – 18 September 2018

Age: 63

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

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

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

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

Former listed directorships in the last three years:
None

Interest in shares:
820,403

7. Information on Directors (continued)

Erin Wallace
Non-Executive Director

Appointed:

Ardent Leisure Group Limited – 1 January 2022

Age: 62

Erin Wallace brings to the Board extensive experience as a senior executive in operations management, the hospitality and theme park industries and business process improvement.

Erin is the former Chief Operating Officer at Great Wolf Resorts, Inc., a role she held from 2016 through 2019. In this role she was responsible for leading more than 9,000 employees at 18 lodges throughout the United States. Great Wolf Resorts, Inc. is America's largest family of indoor water park resorts and has over seven million guests a year.

Before joining Great Wolf Resorts, Inc., Erin was the Chief Operating Office of Learning Care Group, Inc. from February 2015 to August 2016, where she led more than 16,000 employees in delivering operational excellence to the families served at more than 900 schools throughout its umbrella of five brands.

Prior to that, Erin's 30 year career at the Walt Disney Company spanned many roles in Theme Parks and Resorts concluding with Executive Vice President of Operations Strategy, Planning, Revenue Management and Decision Sciences, encompassing all of Disney Parks' domestic and international sites. After joining Disney as an industrial engineer in 1985, Erin's roles included Senior vice President of Walt Disney World Operations where she oversaw the largest and most popular resort destination in the world, Vice President of Walt Disney World's Magic Kingdom and General Manager for Disney's Animal Kingdom and Disney's All-Star Resort.

Erin is a Distinguished Alumni at the University of Florida where she graduated with honours and a BSIE, and an MBA from The Crummer School of Business at Rollins College.

Erin is a current Director and Chair of the Governance Committee at FirstService (FSV) and is a Trustee of Rollins College.

Former listed directorships in the last three years:
None

Interest in shares:
None

8. Company Secretary

The Group's Company Secretary is Chris Todd. Chris was appointed to the position of Company Secretary on 20 January 2021 and has acted as Group General Counsel since March 2014.

Chris holds a Bachelor of Laws and a Bachelor of Commerce from the University of Queensland and has over 20 years' experience as a lawyer, both in private practice and in-house roles.

9. Meetings of Directors

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

	Full meetings of Directors		Meetings of Committees: Audit & Risk		Meetings of Committees: Remuneration & Nomination		Meetings of Committees: Safety & Risk Review	
	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]	E[1]	A[2]
Gary Weiss AM	8	8	4	4	2	2	4	4
David Haslingden	8	8	**	**	2	2	4	3
Randy Garfield	8	8	4	4	**	**	4	4
Brad Richmond	8	8	4	4	2	2	**	**
Erin Wallace	5	5	**	**	**	**	**	**

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

Directors' Report

10. Remuneration report

Introduction from the Chair of the Remuneration & Nomination Committee

The Directors of Ardent Leisure Group Limited present the FY22 Remuneration Report, which outlines the Group's approach to remuneration of its Directors and Executive Key Management Personnel (KMP).

Review of FY22 performance

After challenging prior periods due to COVID-19, the Group was pleased to start this year with optimism amid encouraging signs of recovery in both businesses.

The strong momentum in the Main Event business, which started in March 2021, continued throughout the current year with the business consistently performing above pre-COVID levels. The strong recovery of the business, growth in constant centre performance and addition of seven new centres (including the three Summit sites acquired in March 2022), helped drive record revenues and significant incremental value.

Over the past four years, Main Event expanded its centre footprint by over 30% and more than doubled its EBITDA. The sale of this business on 30 June 2022 realised significant value for the Group's shareholders, who voted overwhelmingly in support of the transaction.

In Australia, the Theme Parks & Attractions business continued to be impacted by the pandemic, particularly in the first half. However, following the reopening of Queensland borders, easing of restrictions and the opening of the new Steel Taipan rollercoaster in December 2021, the business has seen growth in local and interstate markets. This, combined with several successful event activations, has helped drive strong pass sales and positive guest sentiment.

Remuneration outcomes for FY22

In recognition of the significant outperformance of Main Event against agreed financial KPIs and strategic, safety, employee engagement and guest satisfaction objectives during the year, the Board of the US based holding company of Main Event awarded stretch bonus payments to Chris Morris and Darin Harper for FY22. The Ardent Leisure Board supported these stretch bonus payments.

In addition, LTI awards for Mr Morris and Mr Harper vested in full upon the sale of the Main Event business on 30 June 2022 in accordance with the Main Event LTI Plan terms and conditions and Mr Morris' and Mr Harper's contractual entitlements as outlined in the 2021 remuneration report. The quantum of the LTI payments was calculated by reference to the pre agreed Plan formula, with no further Board discretion applied in determining the outcomes. The payments reflect and reward the significant value creation that has been achieved by the Main Event management team for the benefit of the Main Event shareholders (being Ardent Leisure and RedBird Capital) and ultimately all of the Ardent Leisure shareholders.

On completion of this transaction, the equity value of Main Event was estimated to be US$738.6 million, representing an appreciation in value of US$408.6 million, or 123.8% over the LTI Grant Date Valuation of US$330.0 million as at the date that RedBird Capital invested in the business. This has contributed towards a 40.6% appreciation in the Group's share price over the last financial year.

The aggregate payments to all LTI plan participants upon closing of the transaction was disclosed in the Notice of Meeting dated 30 May 2022, seeking shareholder approval for the sale of Main Event. This approval was obtained resoundingly at the 29 June 2022 EGM, with 99.7% of votes in favour of the proposed transaction.

In relation to the Theme Parks business, the Board agreed to a bonus payment to Greg Yong for FY22 in recognition of substantial achievement of agreed financial KPIs and full achievement of strategic initiatives encompassing, regulatory compliance, risk management, new park development and public relations.

Board and Committee changes

In January 2022, Erin Wallace joined the Board as an Independent Non-Executive Director.

Erin has extensive experience as a senior executive in operations management and the hospitality and theme park industries. Almost 30 years of this experience was gained at The Walt Disney Company across various roles, including as Executive Vice President of Operations Strategy, Planning and Revenue Management, working with all of Disney Parks' domestic and international sites.

Ms. Wallace was most recently the Chief Operating Officer at Great Wolf Resorts, Inc., which operates North America's largest family of indoor water park resorts.

Erin's experience and expertise in the leisure and out-of-home entertainment sector is considered particularly invaluable for our Theme Parks & Attractions business in Australia as it focuses on its recovery and a return to historical earnings.

No changes were made during the year to the composition of the three Board Committees. However, considering the recent disposal of the Main Event business, the Board will review the optimal composition of these Committees.

Looking towards the future

Following the sale of Main Event, Ardent Leisure is now solely focused on its Theme Parks & Attractions business and is well positioned to benefit from the ongoing recovery of the Australian tourism economy.

With no debt and a strong cash position, we are now well positioned to support continued investment in new major rides/attractions, to pursue opportunities for unlocking value in the parks' surplus land and to accelerate of growth in the business.

10. Remuneration report (continued)

Introduction from the Chair of the Remuneration & Nomination Committee (continued)

Looking towards the future (continued)

The business has an experienced management team with proven capability to execute on its recovery and investment strategy. Significant progress on safety, business transformation and revenue generation initiatives over recent years has begun to bear fruit, with encouraging sales in the second half of FY22.

Looking ahead to FY23, while there remains some ongoing uncertainty regarding the pandemic and global economic conditions, recent trends in the business have been pleasing and the Board is optimistic that the momentum of improvement will continue into next year.

The sale of Main Event provided the opportunity to restructure the remaining Australian long term incentive scheme to make it more suitable to Australian market practices and the Board's long-term strategy.

Consequently, following a recent review by the Remuneration Committee of the cash-settled LTI Plan for Theme Parks executives that has been in place since 2019, the Board has resolved in FY23 to replace that plan with an equity based plan with effect from the commencement of FY23. The new LTI Plan is more reflective of current market practice, and we believe will appropriately incentivise executives to deliver consistent growth in revenue, thereby aligning their interests with those of the business and Ardent Leisure shareholders. The key elements of the new Theme Parks LTI Plan are set out in section 10(c)(iv) of this Remuneration Report.

The Board remains committed to ensuring that the Group will emerge a stronger and more efficient organisation that continues to provide our team members with a safe working environment and our guests with safe and memorable family entertainment experiences.

On behalf of the Board, I would like to acknowledge and thank our management and team members for their continuing hard work and dedication during the past year.

David Haslingden
Chair, Remuneration & Nomination Committee

Directors' Report

10. Remuneration report (continued)

The remuneration report for the Group for the year ended 28 June 2022 is set out as follows:

Contents **Page No.**

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

(a) Who is covered by this report

Key Management Personnel (KMP) are defined in AASB 124 *Related Party Disclosures* as those having authority and responsibility for planning, directing and controlling the activities of the Group. For the year ended 28 June 2022, the KMP for the Group comprised the following:

Position	Name	Primary location of employment
Executive KMP		
President and CEO – Main Event	Chris Morris	US-based
Group Chief Financial Officer	Darin Harper	US-based
CEO – Theme Parks & Attractions	Greg Yong	Australian-based
Non-Executive Directors		
Chairman	Gary Weiss AM	Australian-based
Lead Independent director	David Haslingden	Australian-based
Independent director	Randy Garfield	US-based
Independent director	Brad Richmond	US-based
Independent director	Erin Wallace (appointed 1 January 2022)	US-based

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

Upon completion of the sale of Main Event on 30 June 2022, Chris Morris and Darin Harper ceased to be key management personnel of Ardent Leisure.

10. Remuneration report (continued)

(b) Remuneration governance

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

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

The Group did not engage any consultants to provide remuneration recommendations in relation to any of the above services during the year.

(c) Remuneration framework

(i) Remuneration structure

The executive remuneration framework in place during the year ended 28 June 2022 has three components:

Annual base salary	
A mix of cash salary, employer superannuation contributions (Australian employees only) and other non-financial benefits.	Total fixed remuneration (TFR) reflects the executive's role, duties and responsibilities, their level of performance and the complexities of their role and business. Base salaries are reviewed annually to ensure that they remain competitive with the external market, however no Executive KMP is entitled to a guaranteed pay increase.
Short term incentive (STI)	
One-year performance period award paid in cash for individual and business performance.	An annual cash bonus determined by performance against financial targets, advancement of strategic initiatives and/or personal key performance indicators (KPIs).
Long term incentive (LTI)	
One-time cash award for long term performance of the businesses.	A one-time cash reward linked to the future appreciation in Equity Value of the Main Event business, or Enterprise Value of the Theme Parks & Attractions business, over and above threshold amounts. These plans are designed to drive profitable business growth and deliver strong returns on capital invested. Awards were initially granted to executives under both plans in FY19. However, as part of the investment into Main Event by private equity partner RedBird Capital in FY21 (at a time when the business was substantially impacted by COVID-19) negotiated amendments to the Main Event LTI Plan were required to ensure that the incentivisation of management to drive performance through (and beyond) the pandemic more closely aligned with the investment return requirements of RedBird Capital. The Board has resolved since the end of the period to replace the cash-based plan with an equity-based plan with effect from the commencement of FY23. The key elements of the new Theme Parks LTI Plan are set out in section 10(c)(iv) of this Remuneration Report. It will replace the old LTI Plan and all interests in that plan (including those that would have vested in FY22) will extinguish.

Directors' Report

10. Remuneration report (continued)

(c) Remuneration framework (continued)

(ii) Remuneration mix – FY22

Executive KMP	Annual base salary	Cash STI	Cash LTI opportunity
Chris Morris President and CEO – Main Event	US$750,000	Target 100% of TFR Stretch 240% of TFR Target Weighted: 100% financial KPIs (1)	The LTI opportunity for Executive KMP is a one-time grant which is subject to the achievement of appreciation in the Equity Value of the Main Event business or Enterprise Value of the Theme Parks & Attractions business over a threshold amount. Payment arises on the occurrence of a future realisation event. Further details on the LTI opportunity can be found in Section 10(c)(iii) below. LTI award percentages, being the rate of participation in value accretion as set out above were as follows in FY22: Chris Morris: 3.723% 4.654% surplus component (2) Darin Harper: 1.837% 2.296% surplus component (2) Greg Yong: 1.000% (3) During the year, Mr Harper remained a participant in the Group's legacy equity-settled Long Term Incentive Plan (LTIP), however no further grants have been made to him under this plan since 2017. His last remaining tranche of performance rights under the Plan failed to vest and lapsed in September 2021.
Darin Harper Group CFO	US$400,000 As part of his base salary above, Mr Harper received US$60,000 per annum for performing the role of Group CFO	Target 50% of TFR Stretch 120% of TFR Target Weighted: 100% financial KPIs (1)	
Greg Yong CEO Theme Parks & Attractions	$551,874 (incl. super)	Target 100% of TFR Target Weighted: 60% financial KPIs (4) 40% personal KPIs	

(1) Financial KPIs applicable to Mr Morris and Mr Harper were based on performance against agreed targets for (i) Adjusted EBITDA (60% weighting) and (ii) constant centre revenue growth (40% weighting). In addition, a multiplier in the range 0.80x to 1.20x is applied to the Main Event financial KPI performance ratings based on achievement of safety, strategic advancement, employee engagement and guest satisfaction objectives.

Adjusted EBITDA comprises EBITDA net of cash rent and excludes earnings from the acquired Summit locations as well as a number of significant non-recurring and non-cash items such as pre-opening expenses, RedBird Option and LTI plan valuation expenses, Main Event sale costs and unrealised derivative gains/losses.

Target STI awards for FY22 were based on achieving Adjusted EBITDA of at least US$57.2 million (FY21 actual: US$38.5 million), constant centre revenue growth of at least 1.1% over pre-COVID levels and a multiplier of 1.00x. Stretch STI awards were based on achieving Adjusted EBITDA of more than US$80.0 million, constant centre revenue growth of more than 12.0% over pre-COVID levels and a multiplier of 1.20x.

(2) If the value received by Main Event's investors (the Group and Redbird) on the occurrence of a Realisation Event is greater than 2.5 times the Grant Date Threshold Amount, the LTI award percentages for the surplus component are 25% higher. The sale of Main Event on 30 June 2022 did not result in any surplus component awards.

(3) Mr Yong was already a participant in the Theme Parks & Attractions LTI Plan prior to assuming the role of CEO in April 2021. In light of the cessation of the cash-settled plan and its replacement with a new equity-based LTI Plan to commence for FY23 (as set out in section 10(c)(iv) of this Report) the Board will determine Mr Yong's entitlement under the new LTI plan having regard to market practice for both the quantum of award and the remuneration mix.

(4) Financial KPIs applicable to Mr Yong for FY22 were based on performance against agreed EBITDA, expenses and capital expenditure budgets for the year.

10. Remuneration report (continued)

(c) Remuneration framework (continued)

(ii) Remuneration mix – FY22 (continued)

Short-term incentive

Who can participate?	Executive KMP are able to participate in the STI, however participation and payment of any STI remain at the Board's discretion.
When is the STI paid?	If performance targets are achieved, STI awards are payable in cash normally following the release of the Group's audited annual financial results. Due to the sale of Main Event on 30 June 2022, STI awards for FY22 were paid to Main Event executives on 28 June 2022.
What performance measures are used?	Key performance indicators are split into financial and personal measure categories. The actual split for each participant may vary and is generally weighted more to the financial KPIs. Financial KPIs are linked to achievement of earnings and revenue targets including, but not limited to, EBITDA and constant centre sales (Main Event) and EBITDA, Expenses and Capital Expenditure (Theme Parks & Attractions). Personal KPIs are generally not financial in nature and are set to support execution of improvements and initiatives in such functions as health and safety, employee and guest engagement, compliance, business development and strategic initiatives.

(iii) Long term incentive arrangements

The material terms of the long term incentive arrangements for Main Event and Theme Parks & Attractions that were in place for the year ended 28 June 2022 are set out in the respective plan documents and applied to all grants made, including those to Executive KMP. The Main Event LTI Plan has fully vested and the Theme Parks LTI Plan has recently been replaced.

Details in relation to the former LTI Plans are outlined below. It is noted that with the sale of Main Event and the replacement of the Australian plan with a new equity-based plan, the old plans described below will have no application to the Group in FY23 or beyond. The new arrangements are described in the following section:

What were the LTI Plans?	The LTI Plans were incentive plans designed to attract, motivate and retain key employees. They provided participating executives with a one-time grant to earn a cash incentive based on the future appreciation in the Equity Value of the Main Event business or Enterprise Value of the Theme Parks & Attractions business, above Threshold Hurdles.
Do the LTI Plans apply beyond FY22?	The Main Event LTI Plan vested in full upon the sale of the Main Event business. A new equity-based LTI Plan has been adopted for Theme Parks with effect from the commencement of FY23 and replaces the former cash based plan in full. It is described in detail in section 10(c)(iv) below and has the same objective of attracting, motivating and retaining employees.
What were the Threshold Hurdles?	The Threshold Hurdles were the cumulative and annually compounded application of the Hurdle Rates to Grant Date Valuations of the Main Event and Theme Parks & Attractions businesses.
What were the Grant Date Valuations?	US$330.0 million Equity Value for Main Event $124.3 million Enterprise Value for Theme Parks & Attractions
What were the Hurdle Rates?	10% per annum for Main Event. 8.0% per annum for Theme Parks & Attractions.
How did the LTI Plans drive performance?	The plans were designed to align key employees' incentive structure with shareholders by encouraging and promoting desired behaviours that focus on creating sustainable value over the long term.

Directors' Report

10. Remuneration report (continued)

(c) Remuneration framework (continued)

(iii) Long term incentive arrangements (continued)

Who participated in the LTI Plans?	Employees of Main Event and Theme Parks & Attractions who were determined to be instrumental in driving the long-term growth of the business were eligible to participate at the discretion of management and the Board. Each participating employee was granted an LTI award percentage with total LTI pool caps of 12.0% for Main Event and 6.0% for Theme Parks & Attractions. KMP award percentages are disclosed in section 10(c)(ii) above.
How were the LTI Plans settled?	The LTI Plans were cash-based plans. In the case of the vested Main Event LTI plan, cash payments were made to participants following completion of the sale.
What were the vesting conditions?	The vested entitlement for the Plans accumulated evenly over a period of five years for Main Event and four years for the Theme Parks & Attractions. In the case of the Main Event LTI Plan, the LTI awards immediately vested in full upon the sale of Main Event on 30 June 2022, being a Realisation/Trigger Event (as described below) for those participants that remained employed by the businesses at the date of the sale.
What were the Realisation/Trigger Events?	The Realisation/Trigger Events broadly referred to the earlier of: (a) an acquisition of more than 50% of Main Event, or 75% of the Theme Parks & Attractions business, as the case may be; or (b) the IPO of the Theme Parks & Attractions business; or (c) the seventh anniversary of the LTI award grant date of Main Event or Theme Parks & Attractions, as the case may be.
What differences were there between the Main Event and Theme Parks & Attractions Plans?	If the Threshold Hurdle was met, Participants in the Main Event plan were entitled to share in the value differential between the Grant Date Valuation and the Threshold Hurdle.
What were the payment conditions?	If the participant remained employed, the vested portion of the LTI award was paid out upon a change of control, an IPO (Theme Parks & Attractions) or seventh anniversary of the LTI award grant date (Main Event and Theme Parks & Attractions).
What happened if an employee left their employment?	In the event of a participant's employment being terminated as a result of an Approved Separation, the participant remained eligible to receive a pro-rata portion of the LTI award representing the amount that had vested at the time of separation. An 'Approved Separation' meant a participant's termination of employment with Main Event for any reason other than for cause. A resignation by an employee was not an Approved Separation. In the case of the Theme Parks & Attractions plan, if an employee left and the Realisation Event occurred more than two years after the Approved Separation, all awards would have lapsed without payment.

(iv) New long term incentive arrangements from FY23

Following a recent review by the Remuneration Committee of the cash-settled LTI Plan for Theme Parks executives that has been in place since 2019, the Board has adopted a new equity-based LTI plan with effect from the commencement of FY23.

The new LTI Plan seeks to balance and align the interests of individual executives and Ardent Leisure shareholders by adopting a dual hurdle framework which measures performance against both internal revenue growth targets as well as total shareholder return (TSR) performance relative to consumer discretionary market peers.

Contents
Directors' Report
Consolidated Financial Statements
Notes
Appendices

10. Remuneration report (continued)

(c) Remuneration framework (continued)

(iv) New long term incentive arrangements from FY23 (continued)

The key elements of the new Theme Parks LTI Plan comprise:

- The annual issue of performance rights to key Theme Parks management for nil consideration;
- Performance rights will be split into two tranches, with the first tranche being tested over a three year performance period and the second tranche tested over a four year performance period;
- Dual TSR and operating revenue hurdles will apply to each tranche, with each hurdle carrying a 50% weighting;
- In relation to the TSR hurdle, each tranche will be benchmarked over the applicable performance period against the S&P ASX200 Consumer Discretionary Index (XDJ)(Index), which has been selected as the most applicable comparator. The threshold performance level for 50% vesting is to meet the index and the target level for 100% vesting is outperformance of the index by 10%. If the index is outperformed by more than 10%, a stretch opportunity of up to 110% vesting will apply on a pro rata basis, with the full 110% vesting reached if the index is outperformed by 20% or more; and
- In relation to the operating revenue hurdle, each tranche will be measured over the applicable performance period by reference to the operating revenue compound annual growth rate (CAGR). The threshold performance level for 50% vesting being an operating revenue CAGR of 20% or more and the target level for 100% vesting being an operating revenue CAGR of 25%. If the operating revenue CAGR is greater than 25% a stretch opportunity of up to 110% vesting will apply on a pro rata basis, with the full 110% vesting reached if operating revenue CAGR is 35% or more.

The table below summarises the targets and vesting implications.

Performance targets	TSR Hurdle	Operating Revenue CAGR
Threshold performance for 50% Vesting	Meet Index	20% or more
Target performance for 100% Vesting	Outperform Index by 10% or more	25% or more
Stretch performance for 110% Vesting	Outperform Index by 20% or more	35% or more

The actual award is determined on a pro rata basis for performance between the above performance targets, for example an outperformance of TSR against the index of 5% would result in 75% vesting for that tranche of performance rights.

Executives participating in the former cash based LTI Plan will relinquish those rights in consideration of now participating in the new equity based LTI Plan. As consideration for doing so, the Board has determined in relation to the initial FY23 grant of LTI performance rights to adopt shorter two and three year performance periods in respect of the two tranches of performance rights. The first tranche of 25% will be measured over a two year performance period and the second tranche of 75% will be measured over a three year performance period. From FY24 onwards, the award testing and vesting profile will return to two equal 50% tranches of performance rights vesting over three and four years respectively.

EPS was considered as a performance hurdle, however, given that the Theme Parks business is currently loss-making, and the Company's current focus on returning the business to profitability, a revenue measure was determined as being more appropriate in the near term. The Board intends to adopt an earnings measure such as EPS CAGR in the future when the business returns to profitability.

Directors' Report

10. Remuneration report (continued)

(d) Remuneration outcomes for executives

This section sets out the actual remuneration outcomes realised by Executive KMP and the statutory remuneration disclosures for FY22 and FY21.

(i) STI outcomes in respect of FY22 performance

In respect of FY22 and FY21 performance, the percentage of Target STI that was awarded to the executives and the percentage that was forfeited are set out below. Actual payments are made to individuals normally following the release of audited results. Due to the sale of Main Event on 30 June 2022, STI awards for FY22 were paid to Main Event executives on 28 June 2022.

Name	Financial year	Target STI awarded	Target STI forfeited	STI outcome
Chris Morris	FY22	230%(1)	-	US$1,725,000
	FY21	150%	-	US$900,000
Darin Harper	FY22	230%(1)	-	US$460,000
	FY21	150%	-	US$270,000
Greg Yong[1]	FY22	90%	10%	$496,686
	FY21	80%	20%	$44,000 (2)
John Osborne	FY22	n/a	n/a	n/a
	FY21	80% (3)	20%	$440,000

(1) FY22 STI awards to Mr Morris and Mr Harper reflect the achievement of Adjusted EBITDA and constant centre revenue growth performance which was significantly above the Stretch financial KPI targets set out in section 10(c)(ii) above and the application of a 1.15x multiplier to the financial KPI performance ratings based on their achievement of agreed safety, strategic advancement, employee engagement and guest satisfaction objectives.

(2) Mr Yong became KMP on 21 April 2021 upon assuming the role of Chief Executive Officer, Theme Parks & Attractions. His STI outcome in FY21 related to the part of that year that he was KMP.

(3) The STI bonus awarded to Mr Osborne in FY21 was based on 80% of his annualised salary for the year.

(ii) Actual remuneration outcomes

The table below sets out the total remuneration which was paid or payable to Executive KMP in respect of the years ended 28 June 2022 and 29 June 2021. The 'LTI vested' remuneration element reflects the value of LTI awards which vested in the year and are payable to executive KMP. These values are different to the information in Section 10(d)(iv) below, which include, for equity-based payments, the accounting value of equity expensed in the year, rather than the actual benefit payable.

Name	Financial year	Salary (including superannuation)	STI bonus on an accrued basis	LTI vested	Total realised pay in respect of the financial year
Chris Morris(1)	FY22	US$750,000	US$1,725,000 (1)	US$19,199,753 (2)	US$21,674,753
	FY21	US$600,000	US$900,000	-	US$1,500,000
Darin Harper(1)	FY22	US$400,000	US$460,000 (1)	US$9,476,090 (2)	US$10,336,090
	FY21	US$360,000	US$270,000	-	US$630,000
Greg Yong(2)(4)	FY22	$552,774	$496,686 (3)	-	$1,049,460
	FY21	$107,940	$44,000	-	$151,940
John Osborne(3)(4)(5)	FY22	n/a	n/a	n/a	n/a
	FY21	$498,372	$440,000	-	$938,372

(1) FY22 STI payments for Mr Morris and Mr Harper reflect the significant outperformance of Main Event against agreed financial KPIs and strategic, safety, employee engagement and guest satisfaction objectives during the year.

(2) The Main Event LTI awards for Mr Morris and Mr Harper vested upon the sale of the Main Event business on 30 June 2022. On completion of this transaction, the equity value of Main Event was estimated to be US$738.6 million, representing an appreciation in value of US$408.6 million, or 123.8% over the LTI Grant Date Valuation of US$330.0 million. The vested LTI awards for Mr Morris and Mr Harper reflect their contracted rights of participation in the substantial increase in value of the Main Event business which was achieved and realised for the Group on the sale of the business, with no further Board discretion applied in determining the outcomes.

Notwithstanding that payment of these awards was made shortly after the 28 June 2022 balance date, given that the conditions to completion of the sale had been substantially satisfied and significant 'in favour' proxy votes received by 28 June 2022, an estimate of the final amounts earned by the KMP was accrued and are disclosed as part of FY22 remuneration.

(3) The FY22 STI payment for Mr Yong reflects the substantial achievement of agreed financial KPIs and full achievement of strategic initiatives encompassing, regulatory compliance, risk management, new park development and public relations.

(4) Mr Yong became KMP on 21 April 2021 upon assuming the role of Chief Executive Officer, Theme Parks & Attractions. His disclosed salary (inclusive of superannuation) and bonus for FY21 relates to the part of the financial year that he was KMP.

(5) Mr Osborne ceased employment, and ceased to be KMP, on 21 April 2021. His disclosed salary (inclusive of superannuation) and bonus for FY21 relates to the part of the financial year that he was KMP.

10. Remuneration report (continued)

(d) Remuneration outcomes for executives (continued)

(iii) Severance payments Executive KMP

There were no severance payments to Executive KMP in the year.

(iv) Details of remuneration – Executive Key Management Personnel

Details of the remuneration of Executive KMP of the Group for FY22 are set out in the table below. The table sets out the total cash benefits paid or payable to the executives in respect of the relevant year and, under the heading "Equity-based payments", shows a component of the fair value of the performance rights. The fair value of the performance rights is recognised over the vesting period as an employee benefit expense.

		Short term benefits			Post-employment benefits				
		Base Salary	Cash bonus	Annual leave [1]	Super-annuation	Total remuneration excluding equity-based payments	Equity-based payments	Total remuneration	Equity-based payments
		$	$	$	$	$	$	$	% of total
Chris Morris [2]	FY22	1,035,137	2,380,815	10,750	-	3,426,702	25,436,004 [3]	28,862,706	88.13%
CEO – Main Event	FY21	802,658	1,203,987	(6,175)	-	2,000,470	1,030,489	3,030,959	34.00%
Darin Harper [2]	FY22	552,073	634,884	4,459	-	1,191,416	12,578,051 [3]	13,769,467	91.35%
Group Chief Financial Officer	FY21	481,595	361,196	-	-	842,791	430,831	1,273,622	33.83%
Greg Yong [3]	FY22	529,206	496,686	40,639	23,568	1,090,099	-	1,090,099	-
CEO – Theme Parks & Attractions	FY21	104,237	44,000	20,019	3,703	171,959	-	171,956	-
John Osborne [4]	FY22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Former CEO – Theme Parks & Attractions	FY21	476,678	440,000	54,139	21,694	992,511	-	992,511	-
	FY22	**2,116,416**	**3,512,385**	**55,848**	**23,568**	**5,708,217**	**38,014,055**	**43,722,272**	**86.94%**
	FY21	**1,865,168**	**2,049,183**	**67,983**	**25,397**	**4,007,731**	**1,461,320**	**5,469,051**	**26.72%**

(1) Annual leave amounts represent the increase/(decrease) in the liability for accumulated annual leave during the year.

(2) Remuneration for US-based KMP is converted from US dollars to Australian dollars at the average exchange rate of 0.7245 (2021: 0.7475).

(3) FY22 equity-based payments for Mr Morris and Mr Harper reflect their contracted entitlements under the Main Event LTI Plan arising from the substantial increase in value of Main Event which has been achieved and realised for the Group on the sale of this business on 30 June 2022.

(4) Mr Yong became KMP on 21 April 2021 upon assuming the role of Chief Executive Officer, Theme Parks & Attractions. His disclosed remuneration for FY21 reflects the part of the financial year that he was KMP.

(5) Mr Osborne ceased employment, and ceased to be KMP, on 21 April 2021. His disclosed remuneration for Fy21 reflects the part of the year that Mr Osborne was KMP.

Equity-based payments included in the table above reflect the amounts recognised in the Income Statement of the Group in accordance AASB 2 *Share Based Payment* and are determined based on the movement in the fair value of the awards between reporting dates. These values are different to the information presented in Section 10(d)(ii) above, which reflects the cash value of LTI awards which vested in the year.

Contents
Directors' Report
Consolidated Financial Statements
Notes
Appendices

Directors' Report

10. Remuneration report (continued)

(e) Service agreements of Key Management Personnel

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

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

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

(f) Non-Executive Director fees

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

Non-Executive Directors are paid solely by way of Directors' fees and Non-Executive Directors do not participate in equity nor cash-based incentive schemes. Non-Executive Directors bring a depth of experience and knowledge to their roles and are a key component in the effective operation of the Board. The maximum total aggregate level of Directors' fees payable by the Group is $1,200,000 per annum and there is no proposal to increase the aggregate fee cap in FY23.

Board fees payable to Non-Executive Directors (inclusive of superannuation) are as follows:

Position		FY22	FY21
Board Chair		$205,000	$205,000
Other Non-Executive Director	- Australia-based	$120,000	$120,000
	- US-based	$136,000	$136,000
Audit and Risk Committee	- Chair	$20,000	$20,000
	- Member	$15,000	$15,000
Other Committee	- Chair	$12,500	$12,500
	- Member	$7,500	$7,500

10. Remuneration report (continued)

(f) Non-Executive Director fees (continued)

Details of the actual fees delivered to Non-Executive Directors of the Company for FY22 and FY21 are set out below:

		Salary $	Superannuation $	Total $
Gary Weiss AM	FY22	218,182	21,818	240,000
	FY21	218,037	20,713	238,750
David Haslingden	FY22	127,273	12,727	140,000
	FY21	127,854	12,146	140,000
Randy Garfield	FY22	158,500	-	158,500
	FY21	156,000	-	156,000
Brad Richmond	FY22	163,500	-	163,500
	FY21	163,500	-	163,500
Erin Wallace	FY22	68,000	-	68,000
	FY21	n/a	n/a	n/a
	FY22	**735,455**	**34,545**	**770,000**
	FY21	**665,391**	**32,859**	**698,250**

(g) Additional statutory disclosures

(i) Directors' interests in shares

Changes to Directors' interests in shares of Ardent Leisure Group Limited during the year are set out below:

	Number of shares in Ardent Leisure Group Limited			
	Opening balance	Acquired	Disposed	Closing balance
Gary Weiss AM	45,844,317	-	-	45,844,317
David Haslingden	523,980	-	-	523,980
Brad Richmond	751,550	68,853	-	820,403
Randy Garfield	30,000	25,000	-	55,000
	47,149,847	**93,853**	**-**	**47,243,700**

(ii) Minimum share holdings

Non-Executive Directors are expected to maintain a shareholding in the Company that increases over their tenure.

(iii) Executive KMP interests in shares

Changes to the interests of Executive KMP in shares of Ardent Leisure Group Limited during the year are set out below:

	Number of shares in Ardent Leisure Group Limited			
	Opening balance	On becoming KMP	On leaving the Group	Closing balance
Darin Harper	138,558	-	-	138,558
Greg Yong	64,692	-	-	64,692
	203,250	**-**	**-**	**203,250**

During the prior year, certain Main Event executives purchased preferred shares in a subsidiary of the Group, Main Event's US holding company, Ardent Leisure US Holding Inc (ALUSH). Changes to the interests of Executive KMP in shares of ALUSH during the year are set out below. Upon completion of the Main Event sale transaction on 30 June 2022, the Group and each of Mr Morris and Mr Harper ceased to hold any shares in ALUSH.

	Number of shares in Ardent Leisure US Holding Inc			
	Opening balance	Acquired	Disposed	Closing balance
Chris Morris	750	-	-	750
Darin Harper	200	-	-	200
	950	**-**	**-**	**950**

Directors' Report

10. Remuneration report (continued)

(g) Additional statutory disclosures (continued)

(iv) Valuation of awards under the Main Event and Dreamworld cash-settled LTI plans

Main Event LTI Plan

Awards issued under the Main Event LTI plan have been accounted as cash-settled share-based payments under AASB 2 *Share-based payment,* as the amounts payable under the plan were based on the equity value of Main Event Entertainment Inc.

Under AASB 2, awards under this plan have been measured at fair value at each reporting date. In the prior year, the fair value of awards was determined using a Black-Scholes option pricing model which utilised the following key factors:

Main Event LTI Plan

Grant date	28 January 2021
First Vesting date (1)(2)	28 January 2021
Second Vesting date (2)	31 December 2021
Third Vesting date (2)	31 December 2022
Fourth Vesting date (2)	31 December 2023
Fifth Vesting date (2)	31 December 2024
Payment date (2)	28 January 2028
Grant date Equity Valuation of Main Event	US$330.0 million
Average risk-free rate	0.02%
Dividend yield	0.0%
Volatility	68.3%

(1) The first vesting date of 28 January 2021 reflected vested service credit provided to employees who were participants of the previous Main Event LTI Plan (replaced by this plan).

(2) Vesting and payment dates presented were those applicable if the plan had run for the full seven-year term. However, as noted in Section 10(c)(iii) above, vesting and payment could be accelerated if there was an earlier Trigger Event, such as a change of control of Main Event.

Theme Parks & Attractions LTI Plan

Awards issued under the Theme Parks & Attractions LTI plan that applied up until the end of the period are accounted for as long-term remuneration under AASB 119 *Employee Benefits* as the amounts paid under the plan (if any) are based on the Enterprise Value of the Theme Parks & Attractions business and assets, rather than an equity value. Amounts potentially payable under the Plan are determined based on an estimate of the future Enterprise Value of the business compared to the plan Threshold Hurdle at the most likely realisation event, being the seventh anniversary of the plan.

(v) Ardent legacy Equity-settled LTIP plan

The table below sets out the number of performance rights that were granted, lapsed and vested during the financial year and that are yet to vest in respect of the Group's legacy equity-settled LTIP plan:

	Year granted	Tranche	Financial years in which performance rights may vest Year	Number	Value of performance rights at grant $	Number lapsed	Value of performance rights at lapse $	Maximum value yet to vest $
Equity settled								
Darin Harper	2017	T3	2022	35,678	30,308	35,678	-	-
Total				**35,678**	**30,308**	**35,678**	**-**	**-**

For performance rights issued under this plan, the grant date is generally the date of issue of the offer letters to executives. Although the grant date may vary from year to year, the testing period (subject to any hurdles) remains constant with the vesting date being 24 hours immediately following the announcement of the Group's full year financial results.

(vi) Loans and other transactions with KMP

There were no loans made to KMP during the financial year, as disclosed in Note 35(e) to the financial statements. Refer to Note 35(f) to the financial statements for details of other transactions with KMP during the financial year.

Contents
Directors' Report
Consolidated Financial Statements
Notes
Appendices

11. Non-audit services

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

Details of the amounts paid to the auditor (Ernst & Young) for audit and non-audit services provided during the year are disclosed in Note 33 to the financial statements.

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

The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 33 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

12. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 28.

13. Events occurring after reporting date

On 30 June 2022, the Group, in conjunction with RedBird Capital Partners, completed the sale of Main Event for total gross cash consideration of US$835 million (excluding purchase price adjustments and selling costs) plus up to US$14.8 million deferred and contingent consideration. Further details are set out in section 4 above.

Following the sale, the Directors of the Group determined to pay an unfranked special dividend of $234.7 million (or 48.9301 cents per share) and a return of capital of $221.0 million (or 46.0699 cents per share), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to $455.7 million was paid on 13 July 2022.

Since the end of the financial year, the Directors of the Company are not aware of any other matters or circumstances not otherwise dealt with in this report or the financial report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the year ended 28 June 2022.

14. Likely developments and expected results of operations

The threats posed by the COVID-19 pandemic to date have been far reaching, with most countries imposing severe travel restrictions and social distancing measures. For Ardent, the economic impact has been significant and there remains some continuing uncertainty regarding the ongoing impacts of the pandemic, associated border and trading restrictions and the timeframe for recovery.

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

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

15. Indemnification and insurance of officers and auditor

Under the Company's Constitution, the Company indemnifies:

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

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

16. Environmental regulations

(a) Governance

The Group's operations are not subject to any *'particular and significant environmental regulations'* (such as the need to hold a material environmental licence or approval) and the Group does not currently have any *'material exposure to environmental risks'*.

Directors' Report

16. Environmental regulations (continued)

(a) Governance (continued)

However, given the broad application of environmental legislation and the fact that the Group's operations in both Australia and the United States of America concern physical real estate sites which may affect the environment (or be affected by environmental factors), the identification, assessment and management of risks associated with environmental matters form part of the Group's risk management framework overseen by the Board.

(b) Theme Parks & Attractions – Australia

Certain aspects of the operations of the Dreamworld and WhiteWater World theme parks are subject to legislative requirements in respect of the environmental impacts of their operating activities. In particular:

- The *Environmental Protection Act 1994* (Qld) regulates all activities where a contaminant may be released into the environment and/or there is a potential for environmental harm or nuisance (including in respect of development on land);
- Dreamworld holds the necessary regulatory authorisations for the storage and use of flammable/combustible goods and the storage of hazardous chemicals;
- Dreamworld is subject to local council regulations regarding noise emissions and the staging of night-time events and functions;
- Dreamworld's Life Sciences department is subject to the *Biosecurity Act 2015* (Cth) and maintains an exhibition permit under the *Exhibited Animals Act 2015* (Qld); and
- Dreamworld holds the requisite licences relating to water conservation and irrigation.

At this time there are no known issues of non-compliance with any environmental regulations regarding the Group's theme park operations and there are no outstanding regulatory notices.

(c) Main Event – United States of America

The Main Event business was disposed of on 30 June 2022. The following commentary relates to the reporting year.

Main Event is subject to various Federal, State and local environmental requirements in the United States of America that govern both its day-to-day operations as well as the development of new centres.

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

The extent of regulation regarding the use of environmentally friendly building products and the design of environmentally efficient buildings varies significantly across the various States and municipalities within which Main Event operates. Where required by law, such regulations are followed. Additionally, Main Event procurement practices seek out energy efficient appliances, lighting and RTUs to reduce energy consumption.

With respect to operating activities at Main Event, environmental laws and regulations govern, among other things:

- The discharge of pollutants into the air and water;
- The presence, handling, release and disposal of, and exposure to, hazardous substances;
- The reduction of greenhouse gases;
- Waste disposal (i.e. recycling programs); and
- Electrical and water consumption.

At this time, there are no known issues of non-compliance with any environmental regulations regarding the Main Event operations and there are no outstanding regulatory notices.

With respect to our supply chain we are seeing that major suppliers are now showing greater transparency on the environmental and sustainability initiatives being embedded into their operations.

16. Environmental regulations (continued)

(d) Climate change

Management within each of the Group's businesses continue to monitor climate change risks, including the transition to a lower carbon economy and the physical impacts of climate change on their respective operations (including matters such as water scarcity, alternative energy sources and energy costs). At the same time, management is focused on opportunities presented by climate change such as resource efficiencies, improvements in technology and alternate power sources.

The Board acknowledges the demand of investors, creditors and other participants in the financial markets for decision-useful, climate-related information and, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures, aims to develop meaningful disclosure of climate related risks and opportunities.

The Board maintains oversight of climate change risks and opportunities through its regular engagement with management of both businesses at regular Board and Audit & Risk Committee meetings.

17. Rounding of amounts to the nearest thousand dollars

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

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

Gary Weiss AM
Chairman

Brad Richmond
Director

Sydney
24 August 2022

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Ardent Leisure Group Limited

As lead auditor for the audit of Ardent Leisure Group Limited for the financial year ended 28 June 2022, I declare to the best of my knowledge and belief, there have been:

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

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

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

John Robinson
Partner
24 August 2022

Income Statement
for the year ended 28 June 2022

	Note	2022 $'000	2021 $'000
Income			
Revenue from operating activities	3	49,459	36,012
Net gain from derivative financial instruments		-	24
Interest income		31	37
Other income	4	3,219	19,925
Total income		**52,709**	**55,998**
Expenses			
Purchases of finished goods		9,133	6,952
Salary and employee benefits		37,802	37,959
Finance costs	5	1,799	1,711
Property expenses		710	701
Depreciation and amortisation		8,335	8,190
Loss on disposal of assets		94	41
Advertising and promotions		5,594	5,444
Repairs and maintenance		5,725	5,037
Dreamworld incident costs		684	5,103
Unrealised derivative losses on hedging of Main Event sale proceeds		32,895	-
Other expenses	6	15,471	11,746
Total expenses		**118,242**	**82,884**
Loss before tax (benefit)/expense		**(65,533)**	**(26,886)**
Income tax (benefit)/expense	7(a)	(4,062)	9
Loss from continuing operations		**(61,471)**	**(26,895)**
Loss from discontinued operations	31	(35,960)	(60,038)
Loss for the year		**(97,431)**	**(86,933)**
Attributable to:			
Ordinary shareholders		**(97,431)**	**(86,933)**

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

Total basic and diluted losses per share (cents)	9	(20.31)	(18.12)
Basic and diluted losses per share (cents) from continuing operations	9	(12.81)	(5.61)

Statement of Comprehensive Income
for the year ended 28 June 2022

	Note	2022 $'000	2021 $'000
Loss for the year		(97,431)	(86,933)
Other comprehensive (loss)/income for the year			
Items that may be reclassified to profit and loss:			
Foreign exchange translation difference	18	3,173	(11,810)
Items that will not be reclassified to profit and loss:			
Loss on revaluation of investment held at fair value	18	-	(1,290)
Other comprehensive income/(loss) for the year, net of tax		**3,173**	**(13,100)**
Total comprehensive loss for the year, net of tax		**(94,258)**	**(100,033)**
Attributable to:			
Ordinary shareholders		(94,258)	(100,033)
Total comprehensive loss for the year, net of tax		**(94,258)**	**(100,033)**
Total comprehensive loss for the year, net of tax attributable to shareholders, arises from:			
Continuing operations		(61,471)	(28,185)
Discontinued operations		(32,787)	(71,848)
Total comprehensive loss for the year, net of tax		**(94,258)**	**(100,033)**

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

Balance Sheet
as at 28 June 2022

	Note	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	8(b)	40,765	114,962
Receivables	11	734	4,840
Inventories	12	2,384	6,333
Other	13	1,782	4,464
		45,665	**130,599**
Assets classified as held for sale	31	956,785	-
Total current assets		**1,002,450**	**130,599**
Non-current assets			
Property, plant and equipment	15	114,942	408,511
Right-of-use assets	21(a)	361	286,712
Investment held at fair value		-	1,358
Derivative financial instruments	22	-	29
Livestock		115	187
Intangible assets	16	2,554	74,553
Deferred tax assets	7(f)	13,439	4,656
Total non-current assets		**131,411**	**776,006**
Total assets		**1,133,861**	**906,605**
Current liabilities			
Payables	14	23,621	88,652
Derivative financial instruments	22	32,895	-
Interest bearing liabilities	20	21,120	23,507
Current tax liabilities		2,500	2,717
Provisions	29(b)	1,737	4,302
Other		2	2,386
		81,875	**121,564**
Liabilities directly associated with assets classified as held for sale	31	954,187	-
Total current liabilities		**1,036,062**	**121,564**
Non-current liabilities			
Payables	14	594	-
Derivative financial instruments	22	-	2,434
Interest bearing liabilities	20	24,590	601,194
Provisions	29(b)	487	2,827
Non-current tax liabilities		8,459	8,902
Total non-current liabilities		**34,130**	**615,357**
Total liabilities		**1,070,192**	**736,921**
Net assets		**63,669**	**169,684**
Equity			
Contributed equity	17	777,124	777,124
Reserves	18	(112,190)	(116,281)
Accumulated losses	19	(628,746)	(530,500)
Total equity		36,188	130,343
Non-controlling interests	20(c), 20(d)	27,481	39,341
Total equity		**63,669**	**169,684**

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

Statement of Changes in Equity
for the year ended 28 June 2022

	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Total equity at 30 June 2020		777,124	(102,863)	(443,567)	39,190	269,884
Loss for the year		-	-	(86,933)	-	(86,933)
Other comprehensive loss for the year		-	(13,100)	-	-	(13,100)
Total comprehensive loss for the year		**-**	**(13,100)**	**(86,933)**	**-**	**(100,033)**
Transactions with owners in their capacity as owners:						
Equity-based payments	18	-	(318)	-	-	(318)
Issuance of preferred stock in subsidiary		-	-	-	151	151
Total equity at 29 June 2021		**777,124**	**(116,281)**	**(530,500)**	**39,341**	**169,684**
Loss for the year		-	-	(97,431)	-	(97,431)
Other comprehensive income for the year	18	-	3,173	-	-	3,173
Total comprehensive loss for the year		**-**	**3,173**	**(97,431)**	**-**	**(94,258)**
Transactions with owners in their capacity as owners:						
Equity-based payments	18	-	103	-	-	103
Dividend paid to non-controlling interests		-	-	-	(11,860)	(11,860)
Transfer from reserve	18, 19	-	815	(815)	-	-
Total equity at 28 June 2022		**777,124**	**(112,190)**	**(628,746)**	**27,481**	**63,669**

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

Statement of Cash Flows
for the year ended 28 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		644,494	433,930
Payments to suppliers and employees		(451,549)	(346,028)
Property expenses paid		(15,416)	(17,451)
Interest received		31	37
Government grants received		2,049	19,668
Payments for construction of Main Event centres		(30,910)	(4,001)
Reimbursements received for construction of Main Event centres		23,228	1,154
US withholding tax paid		(4,721)	-
Insurance recoveries		2,026	7,777
Income tax paid		(1,396)	(1,176)
Net cash flows from operating activities	8(a)	**167,836**	**93,910**
Cash flows from investing activities			
Payments for property, plant and equipment		(106,580)	(37,207)
Payments for intangible assets		(10,656)	(6,464)
Payment for purchase of business net of cash acquired		(28,657)	-
Proceeds from sale of plant and equipment		182	91
Proceeds from the sale of investment held for sale		858	-
Payments for investment held at fair value		(2,459)	-
Net cash flows used in investing activities		**(147,312)**	**(43,580)**
Cash flows from financing activities			
Proceeds from loans		50,661	32,112
Repayments of loans		(21,990)	(55,065)
Proceeds from issuance of preferred stock in subsidiary, net of transaction costs	21(c)	-	1,068
Payment of principal portion of lease liabilities		(13,112)	(12,491)
Lease interest paid		(37,241)	(37,366)
Loan interest paid		(17,540)	(15,869)
Dividends paid to non-controlling interests		(11,860)	-
Net cash flows used in financing activities		**(51,082)**	**(87,611)**
Net decrease in cash and cash equivalents		(30,558)	(37,281)
Cash and cash equivalents at the beginning of the year		114,962	161,617
Effect of exchange rate changes on cash and cash equivalents		6,219	(9,374)
Cash and cash equivalents at the end of the year	8(b), 31(d)	**90,623**	**114,962**

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

Notes to the Financial Statements
for the year ended 28 June 2022

1. Basis of preparation

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

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

The significant policies which have been adopted in the preparation of these consolidated financial statements for the year ended 28 June 2022 are set out in the accompanying notes. These policies have been consistently applied to the years presented, unless otherwise stated.

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

(a) Historical cost convention

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

(b) Compliance with IFRS as issued by the IASB

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

(c) Principles of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

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

(d) Foreign currency translation

Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

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

Transactions and balances

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

Foreign operations

Assets and liabilities of foreign controlled entities are translated at exchange rates ruling at reporting date while income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign controlled entities are taken directly to the foreign currency translation reserve. On consolidation, exchange differences on loans denominated in foreign currencies, where the loan is considered part of the net investment in that foreign operation, are taken directly to the foreign currency translation reserve. At 28 June 2022, the spot rate used was A$1.00 = US$0.6928 (2021: A$1.00 = US$0.7563). The average spot rate during the year ended 28 June 2022 was A$1.00 = US$0.7245 (2021: A$1.00 = US$0.7475).

(e) Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies. Other than the estimation of fair values described in Notes 16, 22, 24, 29 and 34 and assumptions related to deferred tax assets and liabilities, impairment testing of assets and determination of lease periods and incremental borrowing rates, no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the financial statements in the next annual reporting period.

(f) Reclassification of comparative information

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

1. Basis of preparation (continued)

(g) Going concern

COVID-19 has continued to impact the operations of the Group during the year. While Main Event performed well throughout the period, the Theme Parks & Attractions business experienced more subdued trading conditions, particularly in the first half. However, following the reopening of Queensland borders, easing of restrictions and the launch of the new Steel Taipan rollercoaster in December 2021, the business has rebounded well, experiencing growth in local and interstate markets. This, combined with several successful activations, has helped drive strong pass sales and positive guest sentiment.

Management has continued to work hard to preserve liquidity within the Australian business, maximising opportunities within the parks' local and interstate markets and maintaining a strong focus on management of discretionary costs. Efforts to actively engage with local, state and federal governments and external advisors to identify additional sources of funding and/or financial support have also continued.

Sale of Main Event

On 30 June 2022, the Group, together with RedBird Capital Partners, completed the sale of the Main Event business. Prior to completion, the Group received a pre-sale dividend of US$20.4 million (net of US$3.6 million US federal withholding tax) and, on completion, the Group received cash proceeds of US$453.9 million for its share of the business. Additional post-completion proceeds of approximately US$11.4 million (subject to finalisation of working capital adjustments) are expected to be received within 90-120 days of completion.

Following the sale of Main Event, the Group repaid all of its debt facilities and returned $455.7 million of proceeds to shareholders in the form of a special dividend and a return of capital. Following receipt of the post-completion proceeds noted above, the Group expects to retain approximately $153.3 million from the Main Event sale to support the ongoing recovery, growth and development of the Theme Parks & Attractions business.

Deficiency of net current assets

Notwithstanding the above, at 28 June 2022 the Group had a deficiency of net current assets of $33.6 million. This was predominantly due to the following:

- Liabilities of $32.9 million arising from the fair value measurement of derivative financial instruments used to hedge the Main Event sale proceeds; and
- Current interest-bearing liabilities relating to the QTC loan facility of $21.0 million.

These liabilities have been fully extinguished shortly after the reporting date on completion of the Main Event sale.

Going concern assessment

The above analysis, together with management's forecasts which reflect the improving performance of the Theme Parks & Attractions business and significant cash reserves retained from the sale of Main Event, continue to support the going concern assumption.

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group for accounting periods beginning on or after 29 June 2022 but which the Group has not yet adopted. The Group's assessment of the impact of those new standards, amendments and interpretations which may have an impact is set out below:

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Due to the sale of Main Event and repayment and termination of all debt facilities subsequent to the reporting date, the amendments are not expected to have a material impact on the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

Notes to the Financial Statements
for the year ended 28 June 2022

1. Basis of preparation (continued)

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

Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued amendments to IAS 16, which prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Notes to the Financial Statements
for the year ended 28 June 2022

1. Basis of preparation (continued)

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(i) New and amended standards adopted by the Group

The new or amended accounting standards and interpretations which became effective for the reporting period commencing on 30 June 2021 are set out below:

- Amendments to AASB 9, AASB 139, AASB 7 and AASB 16 *Interest Rate Benchmark Reform – Phase 2*; and
- Amendments to AASB 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of new and amended standards and interpretations has not resulted in a material change to the financial performance or position of the Group.

(j) Rounding

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

2. Segment information

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

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

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

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

Business segments

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

(i) Main Event

This segment operates solely in the United States of America and comprises 51 Main Event sites in Texas, Arizona, Georgia, Illinois, Kentucky, Missouri, New Mexico, Ohio, Oklahoma, Kansas, Florida, Tennessee, Maryland, Delaware, Colorado, Alabama and Louisiana.

This business was sold on 30 June 2022.

(ii) Theme Parks & Attractions

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

Notes to the Financial Statements
for the year ended 28 June 2022

2. Segment information (continued)

30 June 2021 to 28 June 2022	Theme Parks & Attractions $'000	Corporate $'000	Continuing operations $'000	Discontinued operations Main Event	Total $'000
Segment revenue	**49,459**	**-**	**49,459**	**588,100**	**637,559**
Operating EBITDA	**(14,447)**	**(8,088)**	**(22,535)**	**199,205**	**176,670**
Costs associated with the sale of Main Event	-	(32,895)	(32,895)	(98,254)	(131,149)
Segment EBITDA	**(14,447)**	**(40,983)**	**(55,430)**	**100,951**	**45,521**
Depreciation and amortisation	(8,091)	(74)	(8,165)	(42,210)	(50,375)
Amortisation of lease assets	(94)	(76)	(170)	(20,316)	(20,486)
Segment EBIT	**(22,632)**	**(41,133)**	**(63,765)**	**38,425**	**(25,340)**
Borrowing costs			(1,781)	(32,812)	(34,593)
Lease liability interest expense			(18)	(39,616)	(39,634)
Interest income			31	56	87
Loss before tax			**(65,533)**	**(33,947)**	**(99,480)**
Income tax benefit/(expense)			4,062	(2,013)	2,049
Net loss after tax			**(61,471)**	**(35,960)**	**(97,431)**
The segment EBITDA above has been impacted by the following specific items:					
Reversal of impairment of property, plant and equipment and lease-right-of-use assets	-	-	-	8,184	8,184
Early termination of leases	-	-	-	925	925
Pre-opening expenses	-	-	-	(6,300)	(6,300)
Dreamworld incident insurance recoveries, net of costs	516	-	516	-	516
Summit business acquisition costs	-	-	-	(185)	(185)
Main Event LTI plan valuation expense	-	-	-	(83,392)	(83,392)
RedBird option valuation expense	-	-	-	(7,547)	(7,547)
Main Event sale costs	-	-	-	(7,315)	(7,315)
Unrealised derivative losses on hedging of Main Event sale proceeds	-	(32,895)	(32,895)	-	(32,895)
Restructuring and other non-recurring items	-	-	-	(299)	(299)
Lease payments no longer recognised in EBITDA under AASB 16 *Leases*	110	78	188	50,202	50,390
Net loss on disposal of assets	(94)	-	(94)	(64)	(158)
	532	**(32,817)**	**(32,285)**	**(45,791)**	**(78,076)**
The net loss after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases*	(108)	(80)	(188)	(59,932)	(60,120)
Tax losses for which deferred tax asset not recognised	(7,968)	(3,512)	(11,480)	(4,037)	(15,517)
Tax deductible temporary differences for which deferred tax asset not recognised	316	(204)	112	-	112
Tax impact of specific items listed above	(127)	9,870	9,743	20,668	30,410
	(7,887)	**6,074**	**(1,814)**	**(43,301)**	**(45,115)**
Total assets	131,819	45,257	177,076	956,785	1,133,861
Acquisitions of property, plant and equipment and intangible assets	10,864	-	10,864	102,789	113,653

2. Segment information (continued)

30 June 2020 to 29 June 2021	Theme Parks & Attractions $'000	Corporate $'000	Continuing operations $'000	Discontinued operations Main Event	Total $'000
Segment revenue	**36,012**	**-**	**36,012**	**354,655**	**390,667**
Segment EBITDA	**(11,097)**	**(5,927)**	**(17,024)**	**84,302**	**67,278**
Depreciation and amortisation	(7,710)	(306)	(8,016)	(52,720)	(60,736)
Amortisation of lease assets	(64)	(110)	(174)	(24,837)	(25,011)
Segment EBIT	**(18,871)**	**(6,343)**	**(25,214)**	**6,745**	**(18,469)**
Borrowing costs			(1,707)	(33,056)	(34,763)
Lease liability interest expense			(4)	(34,346)	(34,350)
Interest income			37	-	37
Loss before tax			**(26,888)**	**(60,657)**	**(87,545)**
Income tax (expense)/benefit			(8)	620	612
Net loss after tax			**(26,896)**	**(60,037)**	**(86,933)**
The segment EBITDA above has been impacted by the following specific items:					
Net impairment of property, plant and equipment and lease right-of-use assets	-	-	-	(4,089)	(4,089)
Early termination of leases	-	-	-	(1,308)	(1,308)
Pre-opening expenses	-	-	-	(578)	(578)
Dreamworld incident costs, net of insurance recoveries	(850)	-	(850)	-	(850)
Restructuring and other non-recurring items	-	50	50	(4,168)	(4,118)
Main Event LTI plan valuation expense	-	-	-	(2,314)	(2,314)
RedBird option valuation expense	-	-	-	(682)	(682)
Lease payments no longer recognised in EBITDA under AASB 16 *Leases*	85	156	241	47,710	47,951
Net loss on disposal of assets	(11)	(30)	(41)	(272)	(313)
	(776)	**176**	**(600)**	**34,299**	**33,699**
The net loss after tax above has also been impacted by the following specific items:					
Lease asset amortisation and lease interest expense recognised under AASB 16 *Leases*	(65)	(113)	(178)	(59,183)	(59,361)
Tax losses for which deferred tax asset not recognised	(5,654)	(1,955)	(7,609)	(10,086)	(17,695)
Tax deductible temporary differences for which deferred tax asset not recognised	649	(49)	600	-	600
Tax impact of specific items listed above	252	(19)	233	5,226	5,459
	(4,818)	**(2,136)**	**(6,954)**	**(64,043)**	**(70,997)**
Total assets	126,168	17,221	143,389	763,216	906,605
Acquisitions of property, plant and equipment and intangible assets	21,657	-	21,657	28,052	49,709

Notes to the Financial Statements
for the year ended 28 June 2022

3. Revenue from operating activities

Revenue by type	2022 $'000	2021 $'000
Revenue from services	28,910	20,738
Revenue from sale of goods	20,549	15,274
Revenue from operating activities	**49,459**	**36,012**

Revenue by geographical market	2022 $'000	2021 $'000
Australia	49,459	36,012
	49,459	**36,012**

Timing of revenue recognition	2022 $'000	2021 $'000
Goods and services transferred at a point in time	35,782	25,897
Services transferred over time	13,677	10,115
	49,459	**36,012**

(a) Accounting policy

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

Rendering of services

Revenue from rendering of services is recognised when performance obligations to the customers have been satisfied.

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

Revenue relating to theme park annual/season passes is recognised on a straight-line basis over the period that the pass allows access to the parks. The closure of the parks in the prior year due to COVID-19 resulted in pass holders being unable to access the parks from 23 March 2020 to 16 September 2020. Accordingly, pass revenue was not recognised during the closure period and was subsequently recognised over the remaining extended validity period of the affected passes post reopening.

Sale of goods

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

(b) Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at end of year is as follows:

	2022 $'000	2021 $'000
Within one year	12,073	7,332
More than one year	89	169
	12,162	**7,501**

Set out below is the amount of revenue recognised from:

	2022 $'000	2021 $'000
Amounts included in deferred revenue at the beginning of the year	6,979	5,091
Performance obligations recognised in previous years	-	-

4. Other income

	2022 $'000	2021 $'000
Government subsidies & grants(1)	2,019	15,506
Insurance recoveries	1,181	4,262
Other	19	157
	3,219	**19,925**

(1) Government subsidies in the prior year include an amount of $13.9 million relating to the Australian federal Government's JobKeeper wage subsidy.

(a) Accounting policy

Government subsidies and grants are recognised where there is reasonable assurance that the subsidy or grant will be received, and all attached conditions will be complied with. When the subsidy or grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the subsidy or grant relates to an asset, it reduces the carrying amount of the asset. The subsidy or grant is then recognised in profit and loss over the useful life of the depreciable asset by way of a reduced depreciable charge.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Insurance recoveries income is recognised when receipt of proceeds is considered virtually certain.

Notes to the Financial Statements
for the year ended 28 June 2022

5. Finance costs

	Note	2022 $'000	2021 $'000
Interest on loans		2,224	934
Interest on leases		18	4
Net (remission of interest)/interest on tax liabilities		(443)	773
		1,799	**1,711**

(a) Accounting policy

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

Finance costs include interest on short term and long term borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, the interest expense on lease liabilities and preferred dividends payable by a subsidiary where the underlying preferred shares are classified as debt under AASB 132 *Financial Instruments*.

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

The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year.

6. Other expenses

	2022 $'000	2021 $'000
Audit fees	415	381
Consulting fees	610	762
Consumables	823	806
Electricity	1,070	1,262
Insurance	7,162	4,473
Legal fees	141	114
Merchant fees	539	485
Printing, stationery and postage	149	149
Taxation fees	21	7
Telecommunications	48	43
Travel costs	58	27
Training	447	419
Other administrative costs	2,336	1,864
Utilities	777	457
Other	875	497
	15,471	**11,746**

7. Taxation

(a) Income tax (benefit)/expense

	Note	2022 $'000	2021 $'000
Current tax		7,635	(434)
Deferred tax		(8,783)	(353)
(Over)/under provided in prior year		(901)	176
		(2,049)	**(611)**
Income tax (benefit)/expense is attributable to:			
(Loss)/profit from continuing operations		(4,062)	9
Profit from discontinued operations	31(c)	2,013	(620)
		(2,049)	**(611)**
Deferred income tax benefit included in income tax benefit comprises			
(Increase)/decrease in deferred tax assets	7(f)	(30,964)	5,451
Increase/(decrease) in deferred tax liabilities	7(h)	22,181	(5,804)
		(8,783)	**(353)**

Notes to the Financial Statements
for the year ended 28 June 2022

7. Taxation (continued)

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

	Note	2022 $'000	2021 $'000
Loss from continuing operations before income tax benefit		(65,533)	(26,886)
Loss from discontinued operations before income tax benefit	31	(33,947)	(60,657)
Prima facie loss before tax		**(99,480)**	**(87,543)**
Tax at the Australian tax rate of 30% (2021: 30%)		(29,844)	(26,263)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:			
Entertainment		1	59
Sundry items		2,812	473
Dreamworld incident fine		-	1,080
RedBird preferred stock dividend		4,615	3,780
RedBird option unrealised valuation loss		2,387	-
Employee benefits		2	(95)
Tax deductible temporary differences for which deferred tax asset not recognised		(112)	(600)
Tax losses for which deferred tax asset not recognised		15,517	17,695
US withholding tax expense		4,721	-
Foreign exchange conversion differences		253	(207)
US State taxes		(1,218)	(692)
Research and development and other credits		(970)	(605)
Difference in overseas tax rates		688	4,588
(Over)/under provided in prior year		(901)	176
Income tax benefit		**(2,049)**	**(611)**

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

	Note	2022 $'000	2021 $'000
Revaluation of investment held at fair value	18	-	553
		-	**553**

(d) Unrecognised temporary differences

	2022 $'000	2021 $'000
Deductible temporary differences for which no deferred tax asset has been recognised:		
Australia - Property, plant and equipment	49,651	50,621
Total temporary differences	**49,651**	**50,621**
Potential Australian tax benefit at 30%	14,895	15,186
Total potential tax benefit	**14,895**	**15,186**

(e) Tax consolidation legislation

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation and entered into tax sharing and tax funding agreements with the entities in the tax consolidated group. The tax sharing agreement limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Ardent Leisure Group Limited.

7. Taxation (continued)

(e) Tax consolidation legislation (continued)

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

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

(f) Deferred tax assets

	Note	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:			
Employee benefits		1,131	5,147
Provisions and accruals		782	4,259
Inventory diminution		-	134
Deferred revenue		1,811	1,465
Unrealised loss on derivatives		9,558	-
Lease liabilities		109	85,215
Tax losses		-	16,152
Other		228	2,250
Deferred tax assets		**13,619**	**114,622**
Set-off of deferred tax balances pursuant to set-off provisions			
Australia	7(h)	(180)	(117)
United States	7(h)	-	(109,849)
Net deferred tax assets		**13,439**	**4,656**
Movements			
Balance at the beginning of the year		114,622	130,953
Foreign exchange differences		10,244	(11,433)
Credited to financial asset revaluation reserve	18	-	553
Credited/(debited) to the Income Statement	7(a)	30,964	(5,451)
Reclassified as assets held for sale		(142,211)	-
Balance at the end of the year		**13,619**	**114,622**
Deferred tax assets to be recovered within 12 months		11,472	6,219
Deferred tax assets to be recovered after more than 12 months		2,147	108,403
		13,619	**114,622**

(g) Unrecognised tax losses

	2022 $'000	2021 $'000
Unused US tax losses for which deferred tax asset not recognised	102,388	85,891
Unused Australian tax losses for which deferred tax asset not recognised	122,789	91,446
Total losses	**225,177**	**177,337**
Potential US tax benefit at 21%	21,501	18,037
Potential Australian tax benefit at 30%	36,837	27,434
Total potential tax benefit	**58,338**	**45,471**

Notes to the Financial Statements
for the year ended 28 June 2022

7. Taxation (continued)

(h) Deferred tax liabilities

	Note	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:			
Prepayments		34	491
Accrued revenue and other		-	32
Property, plant and equipment		146	37,953
Right-of-use assets		-	71,490
Deferred tax liabilities		**180**	**109,966**
Set-off deferred tax balances pursuant to set-off provisions			
Australia	7(f)	(180)	(117)
United States	7(f)	-	(109,849)
Net deferred tax liabilities		**-**	**-**
Movements			
Balance at the beginning of the year		109,966	127,221
Foreign exchange differences		10,244	(11,451)
Debited/(credited) to the Income Statement	7(a)	22,181	(5,804)
Reclassified as liabilities directly associated with assets held for sale		(142,211)	-
Balance at the end of the year		**180**	**109,966**
Deferred tax liabilities to be settled within 12 months		34	523
Deferred tax liabilities to be settled after more than 12 months		146	109,443
		180	**109,966**

(i) Review of prior period taxation arrangements

As noted in the June 2020 annual report, a settlement was reached in October 2019 with the ATO under which the Group is required to make further tax payments in respect of prior periods totalling $15.9 million. Of this, $10.0 million (2021: $10.0 million) is payable on deferred settlement terms commencing September 2022, for which a liability was recognised in the June 2022 financial statements. The ATO has taken security over the freehold and business assets of SkyPoint until such time as the tax liability is fully repaid.

On 1 July 2022, the Group paid the total amount owing to the ATO, using net proceeds from the sale of Main Event. The ATO subsequently released security over the freehold and business assets of SkyPoint, effective 1 July 2022.

7. Taxation (continued)

(j) Accounting policy

Tax

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

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

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

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

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

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

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

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

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

Goods and services tax (GST)

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

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

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

Notes to the Financial Statements
for the year ended 28 June 2022

8. Cash flow information

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

	2022 $'000	2021 $'000
Loss for the year	(97,431)	(86,933)
Non-cash items		
Depreciation of property, plant and equipment	45,688	55,673
Amortisation	25,171	30,074
Reversal of impairment	(8,184)	(524)
Impairment of right-of-use assets	-	4,613
Equity-based payments	83,678	(307)
Expected credit losses on receivables	513	235
Inventory provision decrease/(increase)	119	(5)
Loss on sale of property, plant and equipment	158	313
Valuation gain on financial asset held at fair value	(56)	-
Classified as financing activities		
Finance costs	74,227	69,112
Classified as investing activities		
Unrealised net loss on derivative financial instruments	39,939	109
Changes in asset and liabilities:		
Decrease/(increase) in assets:		
Receivables	(9,040)	206
Inventories	(3,017)	1,530
Deferred tax assets	(8,783)	81
Other assets	(1,591)	(1,309)
Increase/(decrease) in liabilities:		
Payables and other liabilities	25,096	20,785
Provisions	732	2,125
Current tax liabilities	617	(1,459)
Deferred tax liabilities	-	(409)
Net cash flows from operating activities	**167,836**	**93,910**

8. Cash flow information (continued)

(b) Cash and cash equivalents

Cash and cash equivalents at 28 June 2022 comprise the following:

	2022 $'000	2021 $'000
Cash at banks and on hand	38,334	108,638
Short term deposits	-	4,098
Restricted cash	2,431	2,226
	40,765	**114,962**

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. Restricted cash includes deposits held as security for ancillary merchant, hedging and bank guarantee facilities.

Under the terms of the Group's financing facilities, cash and debt held by the Australian and US businesses during the year have been subject to 'ring fencing' provisions whereby each business has not been able to access cash or debt facilities held by the other. The cash available to the respective businesses at 28 June 2022 is as follows:

	Note	2022 $'000	2021 $'000
Theme Parks & Attractions and Corporate (Australian business)		40,765	18,067
Main Event (US business) – Discontinued Operation	31(d)	49,858	96,895
		90,623	**114,962**

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

(c) Accounting policy

Interest income

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

(d) Changes in interest bearing liabilities arising from financing activities

	2022 $'000	2021 $'000
Interest bearing liabilities		
Opening interest bearing liabilities	624,701	691,156
Changes from financing cash flows	(8,022)	(72,506)
Reclassified as liabilities directly associated with assets classified as held for sale	(699,904)	-
Effect of changes in foreign currency rates	5,639	(63,721)
Changes in lease liabilities	108,249	54,291
Other	15,047	15,481
Closing interest bearing liabilities	**45,710**	**624,701**
Derivative financial instruments		
Opening derivatives liability	2,405	2,511
Reclassified as liabilities directly associated with assets classified as held for sale	(2,405)	-
Changes in fair value	-	(106)
Closing derivatives net liability	**-**	**2,405**
Total financial liabilities	**45,710**	**627,106**

Notes to the Financial Statements
for the year ended 28 June 2022

9. Losses per share

	2022	2021
Basic losses per share (cents) from continuing operations	(12.81)	(5.61)
Basic losses per share (cents) from discontinued operations	(7.50)	(12.51)
Total basic losses per share (cents)	**(20.31)**	**(18.12)**
Diluted losses per share (cents) from continuing operations	(12.81)	(5.61)
Diluted losses per share (cents) from discontinued operations	(7.50)	(12.51)
Total diluted losses per share (cents)	**(20.31)**	**(18.12)**
Losses used in the calculation of basic and diluted earnings per share ($'000)	(97,431)	(86,933)
Weighted average number of shares on issue used in the calculation of basic losses per share ('000)	479,706	479,706
Weighted average number of shares held by employees under employee equity plans (refer to Note 34) ('000)[1]	92	9
Weighted average number of shares on issue used in the calculation of diluted earnings per share ('000)	479,706	479,706

(1) In accordance with AASB 133 *Earnings per share*, these are not included in the calculation of diluted earnings per share, as they are anti-dilutive.

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

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

10. Distributions and dividends paid and payable

On 30 June 2022, the Directors of the Group determined to pay an unfranked special dividend of $234.7 million (or 48.9301 cents per share) and a return of capital of $221.0 million (or 46.0699 cents per share) (together, the 'Distribution'), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to $455.7 million was paid on 13 July 2022. A provision has not been recognised in the financial statements at 28 June 2022 as the Distribution had not been declared at the reporting date.

(a) Franking credits

The tax consolidated group has franking credits arising from the payment of tax in prior periods of $1,501,307 (2021: $1,501,307).

11. Receivables

	2022 $'000	2021 $'000
Trade receivables	770	1,492
Allowance for expected credit losses	(36)	(20)
Amounts receivable under US construction contracts	-	3,368
	734	**4,840**

The Group has recognised an expense of $30,203 in respect of expected credit losses (ECLs) during the year ended 28 June 2022 (2021: $3,770). The expense has been included in other expenses in the Income Statement.

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

(a) Accounting policy

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

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

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

11. Receivables (continued)

(a) Accounting policy (continued)

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

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

12. Inventories

	2022 $'000	2021 $'000
Goods held for resale	2,446	6,514
Provision for diminution	(62)	(181)
	2,384	**6,333**

The expense relating to the write-downs of inventories during the year ended 28 June 2022 was $62,465 (2021: $128,432).

(a) Accounting policy

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

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

13. Other assets

	2022 $'000	2021 $'000
Prepayments	1,777	4,162
Accrued revenue	5	302
	1,782	**4,464**

14. Payables

	2022 $'000	2021 $'000
Current		
Interest payable	-	3,429
GST payable	213	-
Trade creditors	2,483	11,197
Employee benefits	4,231	27,206
Deferred revenue	11,510	16,070
Property tax payable	-	5,910
Capital expenditure	1,292	6,395
Other payables	3,892	18,445
Total current	**23,621**	**88,652**
Non-current		
Other payables	594	-
Total non-current	**594**	**-**
Total payables	**24,215**	**88,652**

Notes to the Financial Statements
for the year ended 28 June 2022

14. Payables (continued)

(a) Accounting policy

Payables

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

Employee benefits

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

15. Property, plant and equipment

Segment	Cost 2022 $'000	Accumulated depreciation & impairments 2022 $'000	Consolidated book value 2022 $'000	Cost 2021 $'000	Accumulated depreciation & impairments 2021 $'000	Consolidated book value 2021 $'000
Theme Parks & Attractions	310,207	(195,304)	114,903	309,623	(197,922)	111,701
Main Event	-	-	-	593,128	(296,417)	296,711
Other	4,133	(4,094)	39	4,133	(4,034)	99
Total	**314,340**	**(199,398)**	**114,942**	**906,884**	**(498,373)**	**408,511**

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

	Land and buildings $'000	Major rides and attractions $'000	Plant and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
2022							
Carrying amount at the beginning of the year	236,309	20,711	105,352	2,734	17	43,388	408,511
Additions	2,416	389	12,053	341	66	56,433	71,698
Acquired through business combination	67,092	-	10,375	-	-	-	77,467
Transfer from intangible assets	-	-	-	-	-	1	1
Transfer from construction in progress	41,034	23,768	2,682	344	-	(67,828)	-
Disposals	(66,917)	(12)	(34)	-	-	-	(66,963)
Depreciation	(5,576)	(3,057)	(35,871)	(662)	(5)	-	(45,171)
Foreign exchange movements	1,618	-	1,324	-	-	(444)	2,498
Reversal of impairment	4,488	-	2,322	-	-	-	6,810
Transfer to assets reclassified as held for sale	(219,269)	-	(92,947)	-	-	(27,693)	(339,909)
Carrying amount at the end of the year	**61,195**	**41,799**	**5,256**	**2,757**	**78**	**3,857**	**114,942**

15. Property, plant and equipment (continued)

	Land and buildings $'000	Major rides and attractions $'000	Plant and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Construction in progress $'000	Total $'000
2021							
Carrying amount at the beginning of the year	255,545	16,716	147,535	2,625	43	31,277	453,741
Additions	3,906	209	9,716	180	-	28,825	42,836
Transfer from construction in progress	2,352	6,123	6,701	854	-	(16,030)	-
Transfer (to)/from intangible assets	-	-	-	(1)	-	12	11
Disposals	(991)	-	374	(129)	1	(67)	(812)
Depreciation	(6,209)	(2,337)	(46,289)	(795)	(27)	-	(55,657)
Foreign exchange movements	(18,648)	-	(12,855)	-	-	(629)	(32,132)
Impairment	354	-	170	-	-	-	524
Carrying amount at the end of the year	**236,309**	**20,711**	**105,352**	**2,734**	**17**	**43,388**	**408,511**

(a) Accounting policy

Measurement basis for Theme Parks & Attractions land, buildings and major rides and attractions

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Impairment of assets

Under AASB 136 *Impairment of Assets*, property, plant and equipment and lease right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Assets classified as held for sale are excluded from the scope of AASB 136 and are accounted for under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. This applies to Main Event property, plant and equipment at 28 June 2022, refer to Note 31 for further details.

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

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

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

Notes to the Financial Statements
for the year ended 28 June 2022

15. Property, plant and equipment (continued)

(a) Accounting policy (continued)

Key impairment assumptions and sensitivities

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

Main Event	2022 $'000	2021 $'000
Pre-tax discount rate	16.3[(1)]	15.2%
Long term EBITDA growth rate	3.0[(1)]	3.0%

Dreamworld	2022 $'000	2021 $'000
Pre-tax discount rate	13.9%	13.6%
Long term EBITDA growth rate	2.5%	2.5%

SkyPoint	2022 $'000	2021 $'000
Pre-tax discount rate	14.6%	14.3%
Long term EBITDA growth rate	2.5%	2.5%

(1) The value-in-use assumptions for Main Event above relate to impairment testing which was carried out on 6 April 2022 in accordance with AASB 136, immediately prior to these assets being classified as held-for-sale. This resulted in a reversal of impairment at that date of $8.2 million (US$5.7 million). As noted above, since being classified as held-for-sale, Main Event assets were accounted for under AASB 5.

The assets at Dreamworld are recorded at their recoverable amount, net of cumulative impairments. While the directors consider the above assumptions to be reasonable, possible changes in these assumptions could result in further impairments or reversals of impairments. The sensitivity of Dreamworld assets' value-in-use to changes in key assumptions are as follows:

Dreamworld		Change in value-in-use $'000
Pre-tax discount rate	+0.5%	(4,789)
	-0.5%	5,001
10-year Average Annual EBTDA	+5%	3,407
	-5%	(3,407)
Long term EBITDA growth rate	+0.5%	3,576
	-0.5%	(3,275)

For SkyPoint assets, the Directors do not consider a change in any of the key assumptions which would cause the carrying amount to exceed their recoverable amount to be reasonably possible.

Depreciation

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

	2022	2021
Buildings	10 - 40 years	10 - 40 years
Land improvements	20 - 40 years	20 - 40 years
Major rides & attractions	5 - 40 years	5 - 40 years
Plant and equipment	3 - 25 years	3 - 25 years
Furniture, fittings & equipment	3 - 20 years	3 - 20 years
Motor vehicles	4 - 10 years	4 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

16. Intangible assets

	2022 $'000	2021 $'000
Goodwill at cost	-	68,284
Accumulated impairment	-	(12,880)
	-	**55,404**
Other intangibles at cost	7,181	36,942
Accumulated amortisation and impairment	(4,627)	(17,793)
	2,554	**19,149**
Total intangible assets	**2,554**	**74,553**

16. Intangible assets (continued)

	Note	2022 $'000	2021 $'000
Goodwill			
Opening net book amount		55,404	60,737
Additions	28(a)	23,901	-
Transfer to assets classified as held for sale		(79,872)	-
Foreign exchange movements		567	(5,333)
Closing net book amount		**-**	**55,404**
Other intangibles			
Opening net book amount		19,149	19,361
Additions		5,600	6,430
Transfer to assets classified as held for sale		(17,490)	-
Transfer to property, plant and equipment		(1)	(11)
Disposals		(206)	(18)
Amortisation		(4,632)	(5,063)
Foreign exchange movements		134	(1,550)
Closing net book amount		**2,554**	**19,149**
Total intangible assets		**2,554**	**74,553**

(a) Goodwill

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

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

	2022 $'000	2021 $'000
United States		
Main Event	-	55,404
	-	**55,404**

On 6 April 2022, the Group announced that, together with RedBird Capital Partners (the Group's co-investor in Main Event) it had entered into a binding sale agreement and plan of merger to dispose of Main Event. At this date, the assets (including goodwill) and liabilities of Main Event were reclassified as held-for-sale.

(i) Impairment tests for goodwill

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

Key assumptions used for value in use calculations

The table below shows the key assumptions used in the value in use calculations to test for impairment in the business segments to which a significant amount of goodwill was allocated under AASB 136 *Impairment of Assets*:

	Budget/forecast period EBITDA growth rate(1)		Long term EBITDA growth rate(2)		Post-tax discount rate(3)	
	2022 % per annum	2021 % per annum	2022 % per annum	2021 % per annum	2022 % per annum	2021 % per annum
Main Event	n/a(4)	15.25	n/a(4)	2.00	n/a(4)	15.75

(1) Compound annual growth rate over the five-year budget/forecast period.

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

(3) In performing the value in use calculation, the Group has applied a post-tax discount rate to discount the forecast future attributable post-tax cash flows. The pre-tax discount rate is 16.26% in 2021.

(4) Main Event goodwill was subject to impairment testing on 6 April 2022 in accordance with AASB 136, immediately prior to these assets being classified as held-for-sale. As a consequence of the proposed sale, the recoverable amount of Main Event goodwill was assessed with reference to the fair value less costs of disposal of Main Event assets rather than value-in-use. The impairment testing performed did not give rise to any impairment to goodwill. Since being classified as held-for-sale, Main Event's assets have been accounted for under AASB 5.

In prior years' impairment testing, the period over which management projected the CGU cash flows was five years. The discount rates used were post tax and reflected specific risks relating to the country in which the CGU operated.

Notes to the Financial Statements
for the year ended 28 June 2022

16. Intangible assets (continued)

(a) Goodwill (continued)

(i) Impairment tests for goodwill (continued)

Key assumptions used for value in use calculations (continued)

The recoverable amount of a CGU was determined based on value in use calculations. These calculations used cash flow projections based on the FY22-FY26 financial year budgets/forecasts. Cash flows beyond the budget period were extrapolated using the growth rates stated above. The growth rate did not exceed the long term average growth rate for the business in which the CGU operated.

Sensitivity to changes in assumptions

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

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

(b) Accounting policy

Software

Software is amortised on a straight-line basis over the period during which the benefits are expected to be received, which is between 5 – 8 years (2021: 5 – 8 years).

Goodwill

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

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

Impairment of assets

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

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

Assets classified as held for sale are excluded from the scope of AASB 136 and are accounted for under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. This applies to Main Event goodwill at 28 June 2022, refer to Note 31 for further details.

Other intangibles

Other intangibles including the Safety Case and licence to operate for amusement parks are amortised on a straight-line basis over the period during which the benefits are expected to be received, which is five years.

Notes to the Financial Statements
for the year ended 28 June 2022

17. Contributed equity

No. of shares	Details	Date of income entitlement	2022 $'000	2021 $'000
479,706,016	Shares on issue at beginning of the year	29 Jun 2021	777,124	777,124
479,706,016	**Shares on issue at end of the year**	**28 Jun 2022**	**777,124**	**777,124**

18. Reserves

	Note	2022 $'000	2021 $'000
Foreign currency translation reserve			
Opening balance		(12,378)	(568)
Translation of foreign operations		3,173	(11,810)
Closing balance		**(9,205)**	**(12,378)**
Equity-based payment reserve			
Opening balance		(8,522)	(8,204)
Option expense		103	(318)
Closing balance		**(8,419)**	**(8,522)**
Financial asset revaluation reserve			
Opening balance		(1,290)	-
Transfer to accumulated losses on disposal of financial asset	19	815	-
Revaluation - investment held at fair value		-	(1,843)
Tax impact of revaluation		-	553
Closing balance		**(475)**	**(1,290)**
Corporate restructure reserve			
Opening balance		(94,091)	(94,091)
Closing balance		**(94,091)**	**(94,091)**
Total reserves		**(112,190)**	**(116,281)**

Foreign currency translation reserve

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

Equity-based payment reserve

The equity-based payment reserve is used to recognise the fair value of performance rights issued to employees under the Group's equity-based DSTI and LTIP plans.

Corporate restructure reserve

Under the corporate restructure in December 2018, Ardent Leisure Group Limited shares were issued to security holders in exchange for their stapled securities. Ardent Leisure Group Limited share capital was measured at fair value at the date of the transaction, being the market capitalisation of the previous stapled Ardent Leisure Group at the date of implementation ($777.1 million). The difference between the contributed equity of Ardent Leisure Group Limited and the pre-restructure contributed equity of the stapled Ardent Leisure Group at the date of the transaction was recognised as a corporate restructure reserve.

19. Accumulated losses

	Note	2022 $'000	2021 $'000
Opening balance		(530,500)	(443,567)
Loss for the year		(97,431)	(86,933)
Transfer from financial asset revaluation reserve	18	(815)	-
Closing balance		**(628,746)**	**(530,500)**

Notes to the Financial Statements
for the year ended 28 June 2022

20. Interest bearing liabilities

	2022 $'000	2021 $'000
Current		
US Term debt	-	1,865
Lease liabilities	123	21,642
Queensland Government loan[1]	20,997	-
Total current	**21,120**	**23,507**
Non-current		
US Term debt & revolving credit	-	181,022
Less: unamortised loan costs	-	(5,306)
Queensland Government loan	24,679	13,753
Less: unamortised loan costs	(329)	(584)
RedBird preferred stock	-	75,692
Less: unamortised borrowing costs	-	(6,923)
Series B preferred stock	-	1,198
Lease liabilities	240	342,342
Total non-current	**24,590**	**601,194**
Total interest bearing liabilities	**45,710**	**624,701**

(1) Under the terms of the Queensland Government loan, if the Australian entities of the Group have Excess Cash (freely available cash above an agreed level) at the end of each quarter, there is a requirement for the Group to apply such Excess Cash in reducing the loan within 30 days. This requirement was triggered in June 2022 and $21.0 million drawn debt was payable in July 2022. This has resulted in this debt being classified as a current liability at 28 June 2022. Notwithstanding, amounts repaid under these provisions may be redrawn in future periods.

(a) US term debt and revolving credit facilities

At 28 June 2022, the US term debt and revolving credit facilities have been reclassified as liabilities directly associated with assets classified as held-for-sale. Refer Note 31.

Notwithstanding the reclassification at 28 June 2022, the Group's US subsidiary, Main Event Entertainment, Inc. (Main Event) had access to a US$136.9 million (2021: US$138.3 million) term loan facility, comprising a US$122.3 million (2021: US$123.5 million) drawn term loan and a US$14.6 million (2021: US$14.8 million) delayed draw term loan, as well as a US$25.0 million (2021: US$25.2 million) revolving credit facility (collectively, the Facility). The facility was secured and guaranteed by Main Event and was non-recourse to the other assets of the Group.

The term debt facilities required principal repayments equal to 1.0% of the original principal amounts drawn on these facilities each year.

The terms of the facility ordinarily imposed a net leverage covenant on Main Event, being the ratio of net debt to EBITDA adjusted for unrealised and certain non-cash and other one-off items (adjusted EBITDA) as well as a minimum cash holding requirement.

All of Main Event's debt facilities had a variable interest rate, which were partially fixed during the year using interest rate swaps and caps. The weighted average interest rates payable on the loans at 28 June 2022, including the impact of the interest rate caps in place at 28 June 2022, was 7.56% per annum (2021: 7.50% per annum) for USD denominated debt.

As at 28 June 2022, Main Event had unrestricted access to the following credit facilities:

	2022 $'000	2021 $'000
Main Event US$ term debt	197,614	182,887
Amount used	(197,614)	(182,887)
Amount unused	**-**	**-**
Main Event US$ revolving credit facility	36,085	33,056
Amount used	-	-
Amount unused	**36,085**	**33,056**
Total facilities	233,699	215,943
Total amount used	(197,614)	(182,887)
Total amount unused	**36,085**	**33,056**

(b) Queensland Government loan

In the prior year, the Group secured a financial assistance package for its Theme Parks & Attractions division under the Queensland Government's COVID-19 Industry Support Package and Queensland Tourism Icons Program 2020.

The package totalling $69.9 million comprises a three-year secured loan facility of $63.7 million (which includes capitalised interest and fees) and grants of $6.2 million which can be used to fund working capital and approved capital expenditure. The loan facility was effective from 15 October 2020 and is mutually exclusive from the debt facility which was in place for the Group's US Main Event business during the year.

The weighted average interest rate payable on the Queensland Government loan at 28 June 2022 was 4.28% per annum (2021: 4.09% per annum).

As at 28 June 2022, the Australian business has access to the following credit facilities:

	2022 $'000	2021 $'000
Queensland Government loan facility	63,662	63,662
Amount used	(45,676)	(13,753)
Amount unused	**17,986**	**49,909**

On 1 July 2022, the Group fully repaid the outstanding loan balance of $49.9 million to the Queensland Government, using net proceeds from the sale of Main Event.

20. Interest bearing liabilities (continued)

(c) RedBird preferred stock

On 15 June 2020, the Group entered into a partnership transaction with a US-based private investment firm, RedBird Capital Partners (RedBird) under which RedBird invested US$80.0 million via Series A Preferred Stock into Main Event's US parent entity, Ardent Leisure US Holding Inc (ALUSH).

The preferred stock entitled RedBird to a 10.0% per annum preferred coupon on the US$80.0 million invested, which was not paid in cash but accumulated and compounded semi-annually. RedBird was also entitled to participate in common stock dividends of ALUSH and residual net assets in the event of its liquidation.

In conjunction with the transaction, RedBird was granted an option to acquire additional equity in ALUSH which would have enabled it to move to a 51% controlling interest, exercisable between 30 June 2022 and 30 June 2024.

In accordance with the requirements of AASB 132 *Financial Instruments*, this investment was classified as a compound financial instrument and split into the following components:

	Note	2022 $'000	2021 $'000
Interest bearing liability		-	68,769
Equity (minority interest in the Group)		27,186	39,046
Derivative option liability	22	-	2,434

At 28 June 2022, the interest bearing liability and derivative option liability components of the RedBird preferred stock have been reclassified as liabilities associated with assets classified as held-for-sale. Refer Note 31.

(d) ALUSH Series B preferred stock

On 16 March 2021, key executives of Main Event Entertainment, Inc (Main Event) purchased 1,100 shares of newly issued Series B Preferred Stock in ALUSH for US$1.1 million. The stock entitled each investor a preferential dividend of 10% per annum, which was not paid in cash but accumulated and compounded semi-annually. Investors were also entitled to participate in common stock dividends of ALUSH and residual net assets in the event of its liquidation. Series B Preferred Stock would have converted into common stock when RedBird's Series A Preferred Stock converted to common stock.

In accordance with requirements of AASB 132 *Financial Instruments*, this investment was classified as a compound financial instrument and split into the following components:

	2022 $'000	2021 $'000
Interest bearing liability	-	1,198
Equity (minority interest in the Group)	295	295

At 28 June 2022, the interest liability component of the ALUSH Series B preferred stock has been reclassified as liabilities associated with assets classified as held for sale. Refer Note 31.

(e) Total secured liabilities and assets pledged as security

The carrying amounts of Main Event assets pledged as security for the US term debt and revolving credit facilities are as follows:

	2022 $'000	2021 $'000
Current assets	74,778	63,124
Non-current assets	797,843	599,594
Total assets	**872,621**	**662,718**

The carrying amounts of Theme Park assets pledged as security for the Queensland Government loan facility are as follows:

	2022 $'000	2021 $'000
Current assets	46,165	22,212
Non-current assets	117,972	116,521
Total assets	**164,137**	**138,733**

(f) Accounting policy

Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowing using the effective interest rate method.

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

Notes to the Financial Statements
for the year ended 28 June 2022

21. Leases

(a) Amounts recognised in the balance sheet

June 2022 Right-of-use assets	Buildings $'000	Equipment $'000	Vehicles $'000	Total $'000
At 29 June 2021	286,218	490	4	286,712
Additions	73,336	34	134	73,504
Amortisation	(19,989)	(289)	(17)	(20,295)
Modifications to lease terms	5,195	-	-	5,195
Reversal of impairment	1,374	-	-	1,374
Classified as held for sale	(350,006)	(246)	-	(350,252)
Variable lease payment adjustments	792	-	-	792
Foreign exchange movements	3,320	11	-	3,331
At 28 June 2022	**240**	**-**	**121**	**361**

June 2021 Right-of-use assets	Buildings $'000	Equipment $'000	Vehicles $'000	Total $'000
At 1 July 2020	326,402	654	2	327,058
Additions	18,390	92	-	18,482
Amortisation	(24,666)	(342)	(3)	(25,011)
Modifications to lease terms	(366)	147	5	(214)
Leases terminated	(20)	-	-	(20)
Variable lease payment adjustments	1,762	-	-	1,762
Foreign exchange movements	(30,671)	(61)	-	(30,732)
Impairment	(4,613)	-	-	(4,613)
At 29 June 2021	**286,218**	**490**	**4**	**286,712**

June 2022 Lease liabilities	Buildings $'000	Equipment $'000	Vehicles $'000	Total $'000
At 29 June 2021	363,433	550	1	363,984
Additions	73,336	34	134	73,504
Interest expenses	28,720	35	3	28,758
Modifications to lease terms	5,195	-	-	5,195
Classified as held for sale	(438,247)	(288)	-	(438,535)
Variable lease payment adjustments	792	-	-	792
Lease payments	(36,823)	(343)	(23)	(37,189)
Foreign exchange movements	3,842	12	-	3,854
At 28 June 2022	**248**	**-**	**115**	**363**

June 2021 Lease liabilities	Buildings $'000	Equipment $'000	Vehicles $'000	Total $'000
At 1 July 2020	396,238	701	2	396,941
Additions	18,390	92	-	18,482
Interest expenses	34,287	63	-	34,350
Modifications to lease terms	(448)	147	5	(296)
Leases terminated	(16)	-	-	(16)
Variable lease payment adjustments	1,771	-	-	1,771
Lease payments	(49,464)	(387)	(6)	(49,857)
Foreign exchange movements	(37,325)	(66)	-	(37,391)
At 29 June 2021	**363,433**	**550**	**1**	**363,984**

Lease liabilities are presented in the balance sheet as follows:

Interest bearing liabilities	Note	June 2022 $'000	June 2021 $'000
Current	20	123	21,642
Non-current	20	240	342,342
		363	**363,984**

21. Leases (continued)

(b) Additional profit or loss and cashflow information

The Group recognised rent expenses from variable lease payments of $615,129 for the year ended 28 June 2022 (2021: $296,584).

Cash flows in respect of leases in current period are $50.4 million (2021: $49.9 million). For interest expense in relation to leasing labilities, refer to finance costs (Note 5).

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Total $'000
Within five years	241,003
More than five years	520,264
	761,267

(c) Accounting policy

For new contracts entered into, the Group considers whether the contract is, or contains a lease. A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assess whether, throughout the period of use, it has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all identified lease contracts in which it is a lessee.

(i) Lease liabilities

At the commencement date of the lease, the Group recognises a lease liability measured at present value of lease payments to be made over the lease term.

Lease payments include:

- Fixed payments (including reasonably certain extension options), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period on which the event or condition that triggers the payment occurs.

Cash payments for the principal and interest portion of lease liabilities are classified as financing activities within the statement of cashflows. Cash payments for variable lease payments not measured in lease liability are presented within the operating activities.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Subsequent to initial measurement, lease liabilities increase to reflect the accretion of interest on the balance outstanding and are reduced for lease payments made. The finance cost for interest on the lease is charged to profit or loss over the lease period.

The lease liability is remeasured to reflect any reassessment or modification of lease term or changes in the in-substance fixed payments. When the lease liability is remeasured, a corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has not elected to apply the short-term lease and the low-value assets lease practical expedients. These leases are included in the measurement of lease liability.

(ii) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received or make good costs to be incurred at the end of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of- use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment and, where required, impairment testing is performed in conjunction with property, plant and equipment (refer to Note 15(a)).

Notes to the Financial Statements
for the year ended 28 June 2022

21. Leases (continued)

(c) Accounting policy (continued)

(iii) Significant judgement in determining the lease term of contracts

The Group determines the lease term as the non-cancellable period of the lease, together with any periods covered by options to extend the lease if the Group is reasonably certain to exercise those options. The Group has the option, under some of its leases to extend the lease for additional terms of 5-15 years. Management uses its judgement and experience to determine whether or not an option would be reasonably certain to be exercised on a lease by lease basis. In doing so, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the renewal option.

The Main Event business has projected a 20-year operating cycle for each entertainment centre, with further consideration of specific facts and performance of individual centres in determining the respective lease terms of each of its property leases. Leases for equipment and vehicles do not generally contain renewal option periods.

22. Derivative financial instruments

	2022 $'000	2021 $'000
Non-current assets		
Interest rate caps	-	29
	-	**29**
Current liabilities		
Forward foreign exchange contracts	32,895	-
	32,895	**-**
Non-current liabilities		
RedBird call option (refer Note 20(c))	-	2,434
	-	**2,434**

(a) Forward foreign exchange contracts

The Group has entered into deal-contingent forward foreign exchange contracts to provide certainty over proceeds from the sale of Main Event under which the Group has contracted to sell US$485 million if and when the Main Event sale completes. The contracts allow the Group to sell the US dollars at a weighted average rate of 0.7265 on or before 1 September 2022. Completion between 1 September 2022 and the contract expiry date of 6 April 2023 are subject to weighted average rates of between 0.7265 and 0.7299.

The Group elected not to apply hedge accounting for its forward foreign exchange contracts. Accordingly changes in fair value of these contracts were recorded in the Income Statement. Notwithstanding the accounting outcome, the Group considered that these derivative contracts were appropriate and effective in offsetting the economic foreign exchange exposures of the Group.

(b) Interest rate swaps and interest rate caps

During the year, the Group had an interest rate cap agreement in place under which it could limit its interest expense on an initial notional principal amount of US$70.0 million. This notional principal amount reduced to US$55.0 million in April 2021 and to US$40.0 million in April 2022. It will further reduce to US$20.0 million in April 2023, with the agreement terminating in April 2024.

The Group elected not to apply hedge accounting for its interest rate swap and cap agreements. Accordingly, changes in fair value of these swaps and caps were recorded in the Income Statement within loss from discontinued operations. Notwithstanding the accounting outcome, the Company considered that these derivative contracts were appropriate and effective in offsetting adverse economic interest rate exposures of the Group during the year.

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

	2022 $'000	2021 $'000
Less than 1 year	28,868	19,833
1 - 2 years	28,868	26,445
2 - 3 years	-	26,445
	57,736	**72,723**

(c) Accounting policy

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

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

22. Derivative financial instruments (continued)

(c) Accounting policy (continued)

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months. They are classified as current assets or liabilities when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Derivatives that do not qualify for hedge accounting

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

Cash flow hedges

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

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

23. Capital and financial risk management

(a) Capital risk management

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

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

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

The Group has a long-term target gearing ratio of 30% to 35% of net debt to net debt plus equity.

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

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

(b) Financial risk management

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

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

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

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

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

(c) Market risk

(i) Foreign exchange risk

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

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

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

Notes to the Financial Statements
for the year ended 28 June 2022

23. Capital and financial risk management (continued)

(c) Market risk (continued)

(i) Foreign exchange risk (continued)

Foreign investment

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

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

	Australian dollars		US dollars	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Assets				
Cash and cash equivalents	40,765	18,067	-	96,895
Receivables, inventories and other current assets	4,900	4,146	-	8,123
Derivative financial instruments	-	29	-	-
Construction in progress inventories	-	-	-	3,368
Investment held at fair value	-	1,358	-	-
Property, plant and equipment	114,942	111,800	-	296,711
Intangible assets	2,554	6,151	-	68,402
Right-of-use assets	361	145	-	286,567
Other non-current assets	13,554	4,814	-	29
	177,076	**146,510**	**-**	**760,095**
Assets classified as held for sale	3,621	-	953,164	-
Total assets	**180,697**	**146,510**	**953,164**	**760,095**
Liabilities				
Current payables and other current liabilities	27,860	27,481	-	70,576
Derivative financial instruments	32,895	-	-	2,434
Interest bearing liabilities	45,710	13,316	-	611,385
Non-current payables and other non-current liabilities	9,540	9,540	-	2,189
	116,005	**50,337**	**-**	**686,584**
Liabilities directly associated with assets classified as held for sale	-	-	954,187	-
Total liabilities	**116,005**	**50,337**	**954,187**	**686,584**
Net assets/(liabilities)	**64,692**	**96,173**	**(1,023)**	**73,511**
Notional value of derivatives[1]	-	-	(700,058)	-
Net exposure to foreign exchange movements	**-**	**-**	**(701,081)**	**73,511**

(1) The notional value of derivatives presented relates to deal contingent forward contracts which the Group entered into to hedge the expected proceeds on completion of the sale of Main Event. Refer to Note 22(a) for further details.

23. Capital and financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign exchange rate sensitivity

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

	Profit movement		Total equity movement	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
AUD:USD - increase 10%	-	-	63,735	(6,683)
AUD:USD - decrease 10%	-	-	(77,898)	8,168

Foreign income

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

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

(iii) Interest rate risk

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

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

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

	Australian interest		US interest	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Floating rates				
Cash and cash equivalents	40,765	18,067	49,858	96,895
Interest bearing liabilities	(45,676)	(13,753)	(197,614)	(182,887)
	(4,911)	**4,314**	**(147,756)**	**(85,992)**
Interest rate swaps and interest rate caps	-	-	57,737	72,722
Net interest rate exposure	**(4,911)**	**4,314**	**(90,019)**	**(13,270)**

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

Notes to the Financial Statements
for the year ended 28 June 2022

23. Capital and financial risk management (continued)

(c) Market risk (continued)

(iv) Interest rate sensitivity

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

	Profit movement		Total equity movement	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
100bp increase in AUD rate	(102)	43	(102)	43
100bp decrease in AUD rate	102	(43)	102	(43)
100bp increase in USD rate	(843)	(133)	(843)	(133)
100bp decrease in USD rate	843	133	843	133

At reporting date, the Group has fixed or capped 23.73% (2021: 36.98%) of its floating interest exposure.

(d) Liquidity risk

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

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

2022	Book value $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	Over 5 years $'000	Total $'000
Payables	113,519	112,925	-	-	-	-	-	112,925
Lease liabilities	472,455	56,742	63,717	64,349	64,366	64,687	537,768	851,629
Term debt	197,614	17,141	16,985	205,044	-	-	-	239,170
Preferred shares of subsidiaries	99,443	-	-	-	-	228,630	-	228,630
Queensland Government loan	24,679	2,595	46,542	-	-	-	-	49,137
Current and non-current tax liabilities	10,959	2,500	2,500	2,500	5,921	-	-	13,421
Forward foreign exchange contracts	32,895	32,895	-	-	-	-	-	32,895
Total undiscounted financial liabilities	**951,564**	**224,798**	**129,744**	**271,893**	**70,287**	**293,317**	**537,768**	**1,527,807**

2021	Book value $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	3 to 4 years $'000	4 to 5 years $'000	Over 5 years $'000	Total $'000
Payables	88,652	88,652	-	-	-	-	-	88,652
Lease liabilities	363,984	54,863	49,232	49,483	49,960	49,872	408,553	661,963
Term debt	182,887	15,544	15,592	15,451	187,744	-	-	234,331
Preferred shares of subsidiaries	76,890	-	-	-	-	-	209,433	209,433
Queensland Government loan	13,753	562	754	14,005	-	-	-	15,321
Current and non-current tax liabilities	11,619	2,500	2,500	2,500	2,500	3,652	-	13,652
Total undiscounted financial liabilities	**737,785**	**162,121**	**68,078**	**81,439**	**240,204**	**53,524**	**617,986**	**1,223,352**

23. Capital and financial risk management (continued)

(e) Credit risk

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

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

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

Credit risk adjustments relating to receivables have been applied in line with the policy set out in Note 11. No fair value adjustment has been made to derivative financial assets or cash investments, with the impact of credit risk being assessed as minimal. The Group's maximum exposure to credit risk is noted in the table below.

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

	Note	2022 $'000	2020 $'000
Cash and cash equivalents		40,765	114,962
Receivables - Australia		734	692
Receivables - US	31(d)	12,809	4,148
Derivative financial instruments		576	29
		54,884	**119,831**

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

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

	Past due but not impaired				Impaired	Total
	Less than 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	$'000	$'000
2022						
Receivables - Australia	705	27	2	-	36	770
Receivables - US	11,769	892	95	53	-	12,809
	12,474	**919**	**97**	**53**	**36**	**13,579**
2021						
Receivables - Australia	640	39	(1)	14	20	712
Receivables - US	3,998	118	31	2	-	4,149
	4,638	**157**	**30**	**16**	**20**	**4,860**

Based on a review of receivables by management, a provision of $35,973 (2021: $19,500) has been made against receivables with a gross balance of $35,973 (2021: $19,500).

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

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

Notes to the Financial Statements
for the year ended 28 June 2022

24. Fair value measurement

(a) Fair value hierarchy

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

- Derivative financial instruments;
- Investment held for sale; and
- Investment held at fair value by Main Event (classified as held-for-sale. Refer Note 31).

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

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

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

2022	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets measured at fair value:					
Investment held at fair value	31(d)	-	-	3,084	3,084
Derivative financial instruments	31(d)	-	576	-	576
Liabilities measured at fair value:					
Derivative financial instruments	22	-	32,895	-	32,895
RedBird share purchase option	31(d)	-	-	10,677	10,677
Liabilities for which fair values are disclosed:					
Interest bearing liabilities	24(c)	-	243,290	-	243,290
RedBird preferred shares	24(c)	-	-	93,154	93,154
ALUSH Series B preferred stock	24(c)	-	-	1,475	1,475

2021	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets measured at fair value:					
Investment held at fair value		-	-	1,358	1,358
Derivative financial instruments	22	-	29	-	29
Liabilities measured at fair value:					
RedBird share purchase option	22	-	-	2,434	2,434
Liabilities for which fair values are disclosed:					
Interest bearing liabilities	24(c)	-	196,640	-	196,640
RedBird preferred shares	24(c)	-	-	75,692	75,692
ALUSH Series B preferred stock	24(c)	-	-	1,198	1,198

There has been no transfer between level 1, level 2 and level 3 during the year.

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

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 28 June 2022.

24. Fair value measurement (continued)

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

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

Specific valuation techniques used to value financial instruments include:

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

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

(i) Fair value measurements using significant unobservable inputs

Redbird share purchase option

An equity option gives the holder the right to buy or sell the equity at a predefined strike rate at specified date(s) as stipulated in the option agreement. The present value of an option equals the sum of its intrinsic value and time value. The intrinsic value of the option is its current exercise value as determined by its strike price and current spot price. The time value represents the likelihood of the intrinsic value increasing and is sensitive to the volatility of the price of the underlying asset, risk free interest rates, and time to expiry of the option.

In prior years, management applied a stochastic approach using a Monte-Carlo simulation model to value the RedBird share purchase option. In the current year, the fair value was determined with reference to the expected incremental proceeds which were payable to RedBird upon cancellation of the option which occurred on completion of the sale of Main Event.

Redbird preferred shares

The initial carrying value of the liability component was determined by discounting the contractual stream of future cash flows (coupon of 10% and principal of US$80 million) to the present value, at the rate of interest at inception (18.62%) applicable to instruments of comparable credit status and within similar industries, with similar terms.

The equity component was measured as the residual after taking account of the option and fair value of debt.

ALUSH Series B preferred stock

The initial carrying value of the liability component was determined by discounting the contractual stream of future cash flows (coupon of 10% and principal of US$1.1 million) to the present value, at the rate of interest at inception (14.35%) applicable to instruments of comparable credit status and within similar industries, with similar terms.

The equity component was measured as the residual after taking account of the fair value of debt.

Notes to the Financial Statements
for the year ended 28 June 2022

24. Fair value measurement (continued)

(c) Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the Balance Sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to the current market rates or the instruments are short term in nature. Differences were identified for the following instruments at 28 June 2022:

	Carrying amount 2022 $'000	Fair value 2022 $'000	Discount rate 2022 %	Carrying amount 2021 $'000	Fair value 2021 $'000	Discount rate 2021 %
US term debt and revolving credit facility	197,614	197,998	7.56	182,887	183,203	7.50
Queensland Government loan	45,676	45,699	5.82	13,753	13,753	4.96
RedBird preferred shares	93,154	97,900	18.62	75,692	75,638	18.62
ALUSH Series B preferred stock	1,475	1,649	14.35	1,198	1,201	14.35

In determining the fair values above, the principal amounts payable have been discounted at rates which reflect the price that market participants would use when transferring the financial instruments, assuming that market participants act in their economic best interest. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including the Group's own credit risk.

(d) Accounting policy

Fair value estimation

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

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

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

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

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

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

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

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

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

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

25. Contingent liabilities

As reported in prior periods, on 18 June 2020, the Company was served with a representative shareholder class action arising from the 2016 Dreamworld tragedy. The claim alleges contraventions of the *Corporations Act 2001* (Cth). The Company has indicated since the action was commenced, and continues to maintain, that it considers the proceedings to be without merit and is vigorously defending them, and therefore does not provide any estimate of potential liability (if any at all). The Company maintains appropriate insurances to respond to litigation and the majority of associated costs.

A small number of civil claims relating to the 2016 Dreamworld tragedy have yet to be finalised. They are in the process of being dealt with by the Company's liability insurer. The statutory time period for bringing any further civil claims has passed.

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

26. Capital commitments

(a) Capital commitments

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

	2022 $'000	2021 $'000
Property, plant and equipment		
Payable:		
Within one year	400	4,046
	400	**4,046**

27. Events occurring after reporting date

On 30 June 2022, the Group, in conjunction with RedBird Capital Partners, completed the sale of Main Event for total gross cash consideration of US$835 million (excluding purchase price adjustments and selling costs) plus up to US$14.8 million deferred and contingent consideration.

This sale will be accounted for, and the gain reflected, in the FY23 financial statements. It is not possible to disclose details of the gain arising from the sale in these financial statements as the assessment of working capital adjustments and deferred contingent consideration is yet to be finalised.

Following the sale, the Directors of the Group determined to pay an unfranked special dividend of $234.7 million (or 48.9301 cents per share) and a return of capital of $221.0 million (or 46.0699 cents per share), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to $455.7 million was paid on 13 July 2022.

Since the end of the financial year, the Directors of the Company are not aware of any other matters or circumstances not otherwise dealt with in this report or the financial report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the year ended 28 June 2022.

28. Business combinations

On 3 March 2022, the Group announced that Main Event had completed the acquisition of three family entertainment centres in Colorado operating as 'The Summit'. The three centres, located within the Denver and Colorado Springs markets, provided Main Event with an immediate penetration into one of the Company's target trade areas, along with the Company's existing centre located in the Denver market.

The total purchase price (inclusive of working capital adjustments) was US$75.4 million. This was funded from existing available liquidity within Main Event of US$25.2 million and the sale and leaseback of land and buildings relating to these centres, which yielded proceeds of US$50.2 million.

The sale and leaseback of land and buildings was consistent with the Group's approach to developing, funding and operating its real estate infrastructure. As the sale and leaseback occurred immediately following the acquisition of the assets at fair value, no gain or loss arose on this transaction.

The acquired business contributed revenues of $13.4 million (US$9.7 million) and a profit before tax of $3.3 million (US$2.4 million) to the Group for the period 3 March 2022 to 28 June 2022. If the acquisition had occurred at the beginning of the financial year, it would have contributed revenues of $39.8 million (US$28.9 million) and a profit before tax of $12.5 million (US$9.1 million).

(a) Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of The Summit as at the date of acquisition were:

	Fair value recognised on acquisition A$'000	US$'000
Assets		
Cash and cash equivalents	53	40
Inventories	263	197
Property, plant and equipment	77,467	57,961
Total assets	**77,784**	**58,198**
Liabilities		
Payables	(140)	(105)
Other	(731)	(547)
Total liabilities	(871)	(652)
Total identifiable net assets at fair value	**76,913**	**57,546**
Goodwill arising on acquisition	23,901	17,883
Cash purchase consideration	**100,814**	**75,429**

The goodwill recognised on acquisition is attributable to the synergistic growth opportunities provided by the three acquired centres. Being located within Denver and Colorado Springs, they provide immediate penetration into one of Main Event's target trade areas, along with the business' existing Denver centre.

Notes to the Financial Statements
for the year ended 28 June 2022

28. Business combinations (continued)

(b) Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

29. Provisions

(a) Distributions to shareholders

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

No dividend was paid or declared for the half year ended 28 December 2021 (29 December 2020: Nil).

On 30 June 2022, the Directors of the Group determined to pay an unfranked special dividend of $234.7 million (or 48.9301 cents per share) and a return of capital of $221.0 million (or 46.0699 cents per share) (together, the 'Distribution'), reflecting a significant portion of the net proceeds from the sale of Main Event. The total Distribution amounting to $455.7 million was paid on 13 July 2022. A provision has not been recognised in the financial statements at 28 June 2022 as the Distribution had not been declared at the reporting date.

(b) Other provisions

	Employee benefits $'000	Property make good $'000	Sundry[(1)] $'000	Total $'000
At 29 June 2021	4,598	2,189	342	7,129
Additions	14,670	219	140	15,029
Provisions utilised in the year	(2,276)	-	(147)	(2,423)
Unused amounts reversed	(257)	-	-	(257)
Unwinding of discount and changes in discount rate	36	-	-	36
Foreign exchange movements	(356)	22	-	(334)
Reclassified as held for sale	(14,526)	(2,430)	-	(16,956)
At 28 June 2022	**1,889**	**-**	**335**	**2,224**
Current	1,402	-	335	1,737
Non-current	487	-	-	487
Total provisions	**1,889**	**-**	**335**	**2,224**

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

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

(c) Accounting policy

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

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

29. Provisions (continued)

(c) Accounting policy (continued)

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

Long service leave

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

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

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

Profit sharing and bonus plans

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

Termination benefits

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

30. Net tangible assets

	Note	2022 $'000	2021 $'000
Net tangible assets are calculated as follows:			
Total assets		1,133,861	906,605
Less: intangible assets		(112,502)	(74,553)
Less: right-of-use assets		(377,621)	(286,712)
Less: total liabilities		(1,070,192)	(736,921)
Add: lease liabilities	20, 21(a)	472,455	363,984
Net tangible assets		**46,001**	**172,403**
Total number of shares on issue	17	479,706,016	479,706,016
Net tangible asset backing per share		$0.10	$0.36

31. Discontinued operations

(a) Overview

On 6 April 2022, the Group announced that, together with RedBird Capital Partners (the Group's co-investor in Main Event), it had entered into a binding sale agreement and plan of merger with Dave & Buster's Entertainment Inc for the sale of the entire Main Event business for total gross cash consideration of US$835 million (excluding purchase price adjustments and selling costs) plus up to US$14.8 million deferred and contingent consideration (the 'Transaction').

Completion of the Transaction occurred after the reporting date, on 30 June 2022. Prior to completion, the Group received a pre-sale dividend of US$20.4 million (net of US$3.6 million US federal withholding tax) and, on completion, the Group received cash proceeds of US$453.9 million for its share of the business. Additional post-completion proceeds of approximately US$11.4 million (subject to finalisation of working capital adjustments) are expected to be received within 90-120 days of completion.

The results of the Main Event business have been presented as a discontinued operation at 28 June 2022 and associated assets and liabilities have been classified as held-for-sale. In accordance with accounting standards, depreciation and amortisation of Main Event assets ceased when these assets were classified as held-for-sale on 6 April 2022.

Contents
Overview
Directors' Report
Performance
Consolidated Financial Statements
Working capital
Long term assets
Notes
Debt and equity
Financial Risk Management
Appendices
Unrecognised items
Other

Notes to the Financial Statements
for the year ended 28 June 2022

31. Discontinued operations (continued)

(b) Financial performance

The financial performance for the year ended 28 June 2022 was as follows:

	2022 $'000	2021 $'000
Revenue	588,706	358,200
Expenses	(615,338)	(418,857)
Costs incurred relating to the sale of the Main Event business	(7,315)	-
Loss before income tax	**(33,947)**	**(60,657)**
Income tax (benefit)/expense	(2,013)	620
Loss after tax from discontinued operations	**(35,960)**	**(60,037)**

(c) Cash flow information

The cash flows for the year ended 28 June 2022 were as follows:

	2022 $'000	2021 $'000
Net cash inflow from operating activities	197,310	92,468
Net cash outflow from investing activities	(131,901)	(24,983)
Net cash outflow from financing activities	(112,446)	(99,606)
Net decrease in cash and cash equivalents	**(47,037)**	**(32,121)**

(d) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at 28 June 2022:

2022	Main Event $'000	Other[(1)] $'000	Total $'000
Assets classified as held for sale			
Cash and cash equivalents	49,858	-	49,858
Receivables	12,809	-	12,809
Inventories	7,111	-	7,111
Property, plant and equipment	391,139	-	391,139
Intangible assets	109,948	-	109,948
Right-of-use assets	377,260	-	377,260
Financial asset held at fair value	2,584	500	3,084
Derivative financial instruments	576	-	576
Other	5,000	-	5,000
Total assets of disposal group held for sale	**956,285**	**500**	**956,785**
Labilities directly associated with assets classified as held for sale			
Payables	(89,304)	-	(89,304)
Interest bearing liabilities	(758,634)	-	(758,634)
Provisions	(89,739)	-	(89,739)
Derivative financial instruments	(10,677)	-	(10,677)
Other	(5,833)	-	(5,833)
Total liabilities of disposal group held for sale	**(954,187)**	**-**	**(954,187)**

(1) Other assets held for sale relates to a financial investment held at fair value in Online Media Holdings Limited. This investment has been disposed for proceeds equal to the carrying amount after the reporting date.

32. Deed of Cross Guarantee

In 2019, Ardent Leisure Group Limited, Ardent Leisure Limited, Ardent Leisure Management Limited, Ardent Leisure Entertainment Pty Ltd and Main Event Entertainment Pty Ltd entered into a Deed of Cross Guarantee under which each company guaranteed the debts of the others.

By entering into the deeds, Ardent Leisure Limited has been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

(a) Consolidated Income Statement

Ardent Leisure Group Limited, Ardent Leisure Limited, Ardent Leisure Management Limited, Ardent Leisure Entertainment Pty Ltd and Main Event Entertainment Pty Ltd represent a 'Closed Group' for the purposes of the Class Order. Set out below is a consolidated Income Statement for the year ended 28 June 2022 of the Closed Group:

	2022 $'000	2021 $'000
Income		
Revenue from operating activities	49,459	36,012
Reversal of impairment of investment in subsidiary	34,530	135,158
Net gain from derivative financial instruments	-	24
Interest income	25	28
Dividend income	31,475	-
Other income	3,220	19,916
Total income	**118,709**	**191,138**
Expenses		
Purchases of finished goods	9,133	6,952
Salary and employee benefits	37,802	37,959
Finance costs	1,799	1,711
Property expenses	710	701
Depreciation and amortisation	5,173	4,528
Loss on disposal of assets	78	75
Advertising and promotions	5,594	5,444
Repairs and maintenance	5,725	5,037
Unrealised derivative losses on hedging of Main Event sale proceeds	32,895	-
Dreamworld incident costs	684	5,103
Other expenses	15,367	12,098
Total expenses	**114,960**	**79,608**
Profit before tax expense	**3,749**	**111,530**
Income tax (benefit)/expense	(2,730)	1,177
Profit from continuing operations	**6,479**	**110,353**
Loss from discontinued operations	(1,694)	-
Loss for the year	**4,785**	**110,353**

Attributable to:		
Ordinary shareholders	4,785	110,353
Loss for the year	**4,785**	**110,353**

Notes to the Financial Statements
for the year ended 28 June 2022

32. Deed of Cross Guarantee (continued)

(b) Consolidated Statement of Comprehensive Income

Set out below is a consolidated Statement of Comprehensive Income for the year ended 28 June 2022 of the Closed Group:

	2022 $'000	2021 $'000
Profit for the year	4,785	110,353
Other comprehensive loss for the year		
Items that will not be reclassified to profit and loss:		
Loss on revaluation of investment held at fair value	-	(1,290)
Other comprehensive loss for the year, net of tax	**-**	**(1,290)**
Total comprehensive income for the year, net of tax	**4,785**	**109,063**
Attributable to:		
Ordinary shareholders	4,785	109,063
Total comprehensive income for the year, net of tax	**4,785**	**109,063**
Total comprehensive income for the year, net of tax attributable to shareholders, arises from:		
Continuing operations	6,479	109,063
Discontinued operations	(1,694)	-
Total comprehensive income for the year, net of tax	**4,785**	**109,063**

Notes to the Financial Statements
for the year ended 28 June 2022

32. Deed of Cross Guarantee (continued)

(c) Consolidated Balance Sheet

Set out below is a consolidated Balance Sheet as at 28 June 2022 of the Closed Group:

	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	36,497	13,797
Receivables	734	691
Inventories	2,384	1,918
Investment held for sale	500	-
Other	1,782	1,536
Total current assets	**41,897**	**17,942**
Non-current assets		
Property, plant and equipment	66,611	60,292
Right-of-use assets	361	145
Investment held at fair value	-	1,358
Investment in subsidiaries	439,925	405,395
Livestock	115	187
Intangible assets	2,554	3,030
Deferred tax assets	13,274	4,423
Total non-current assets	**522,840**	**474,830**
Total assets	**564,737**	**492,772**
Current liabilities		
Payables	24,401	22,834
Derivative financial instruments	32,895	-
Interest bearing liabilities	21,120	81
Current tax liabilities	2,500	2,500
Provisions	1,737	1,516
Other	2	4
Total current liabilities	**82,655**	**26,935**
Non-current liabilities		
Payables	594	-
Intercompany payables	154,749	154,814
Interest bearing liabilities	24,590	13,169
Provisions	487	637
Non-current tax liabilities	8,459	8,902
Total non-current liabilities	**188,879**	**177,522**
Total liabilities	**271,534**	**204,457**
Net assets	**293,203**	**288,315**
Equity		
Contributed equity	777,124	777,124
Reserves	(127,640)	(128,558)
Accumulated losses	(356,281)	(360,251)
Total equity	**292,203**	**288,315**

Notes to the Financial Statements
for the year ended 28 June 2022

32. Deed of Cross Guarantee (continued)

(d) Consolidated Statement of Changes in Equity

Set out below is a consolidated statement of Changes in Equity for the year ended 28 June 2022 of the Closed Group:

	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Total equity at 30 June 2020		777,124	(126,950)	(470,604)	179,570
Profit for the year	32(a)	-	-	110,353	110,353
Other comprehensive loss for the year		-	(1,290)	-	(1,290)
Total comprehensive (loss)/income for the year	32(c)	**-**	**(1,290)**	**110,353**	**109,063**
Transactions with owners in their capacity as owners:					
Equity-based payments	18	-	(318)	-	(318)
Total equity at 29 June 2021	32(c)	**777,124**	**(128,558)**	**(360,251)**	**288,315**
Loss for the year	32(a)	-	-	4,785	4,785
Other comprehensive loss for the year		-	-	-	-
Total comprehensive loss for the year	32(b)			**4,785**	**4,785**
Transactions with owners in their capacity as owners:					
Equity-based payments	18	-	103	-	103
Transfer from financial assets revaluation reserve		-	815	(815)	-
Total equity at 28 June 2022	32(c)	**777,124**	**(127,640)**	**(356,281)**	**293,203**

Notes to the Financial Statements
for the year ended 28 June 2022

33. Remuneration of auditor

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

	2022 $	2021 $
Fees to EY Australia		
Audit of financial statements of the Group	414,692	381,243
Other services:		
Tax compliance	21,000	7,384
Other	-	-
Total fees to EY Australia	**435,692**	**388,627**
Fees to other overseas member firms of EY Australia (US)		
Audit of financial statements of the Group and financial statements of Main Event	804,996	582,497
Other services:		
Tax advice	184,429	15,647
Transaction due diligence	27,265	-
Total fees to overseas member firms of EY Australia (US)	**959,289**	**598,144**
Total auditors' remuneration	**1,452,382**	**986,771**

34. Equity-based payments

(a) Deferred Short Term Incentive Plan (DSTI)

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

(i) Equity settled payments

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

A total of 14,777 performance rights vested during the year and a corresponding number of shares were issued to employees under the terms of the DSTI (2021: 24,501).

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

Fair value

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

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

Notes to the Financial Statements
for the year ended 28 June 2022

34. Equity-based payments (continued)

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

(ii) Valuation inputs

For the performance rights outstanding at 28 June 2022, the table below shows the fair value of the performance rights on each grant date as well as the factors used to value the performance rights at the grant date. Under AASB 2, this valuation is used to value the equity settled performance rights granted to employees at 28 June 2022:

Grant	2021
Grant date	25 August 2021
Vesting date – year 1	31 August 2022
Vesting date – year 2	31 August 2023
Average risk-free rate	0.2% per annum
Expected price volatility	60.0% per annum
Expected dividend yield	0.0% per annum
Share price at grant date	$1.04
Valuation per performance right on issue	$1.04

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

(iii) Tenure hurdle

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

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

Grant date	Expiry date	Exercise price	Grant date Valuation per right - ALG	Balance at the beginning of the year	Granted	Exercised	Balance at the end of the year
22 Aug 2019	31 Aug 2021	$Nil	114.5 cents	11,559	3,218	(14,777)	-
25 Aug 2021	31 Aug 2023	$Nil	104.0 cents	-	192,276	-	192,276
				11,559	**195,494**	**(14,777)**	**192,276**

The rights have an average maturity of eight months.

(b) Long Term Incentive Plan (LTIP)

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

34. Equity-based payments (continued)

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

Is there a performance gateway?	For any rights to vest under the LTIP, an initial gateway performance hurdle must be met or exceeded. The gateway hurdle is a minimum return on equity target equal to or greater than 2.5x the 10 year bond yield rate for Australian Government bonds.
When can the performance rights vest?	The plan contemplates that the performance rights will vest equally two, three and four years following the grant date, subject to achieving certain conditions.
What are the vesting conditions?	Assuming the performance gateway is achieved, whether the performance rights that can vest do in fact vest is determined as follows: • 50% is subject to a relative total shareholder return (TSR) performance hurdle; and • 50% is subject to a compound earnings per share (EPS) performance hurdle.
What is relative TSR and how is it measured?	Relative TSR is the total return an investor would receive over a set period of time, assuming that all distributions were reinvested in the Group's shares, measured against the return of an external benchmark. The relative TSR definition takes account of both capital growth and distributions. Relative TSR is measured against the ASX Small Industrials Index over the performance period. Relative TSR performance is measured by an independent third party. The vesting schedule for the portion of the grant subject to the relative TSR performance condition is as follows: The vesting scale is as follows:

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

What is EPS and how is it measured?	The EPS hurdle refers to the compound annual growth (CAGR) of earnings per share over the vesting period. The vesting schedule for the portion of the grant subject to EPS performance is as follows:

EPS CAGR performance	
Below 8%	0%
8%	50%
Between 8% and 13%	Straight-line vesting between 50% and 100%
13% or higher	100%

34. Equity-based payments (continued)

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

(i) Equity settled payments

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

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

Tranche	Gateway ROE	Vesting percentage	TSR	Percentile	Vesting percentage	Group CAGR EPS	Vesting percentage
T3-2018	(13.31%)	-	(32.02%)	26.98	-	n/a[(1)]	-

(1) Mathematically, CAGR cannot be computed when there is a negative EPS in the first year, a positive EPS in the last year and an even number of years over which it is being measured. However, as the Gateway ROE hurdle has not been met, these LTIP rights have failed to vest and there is no need to formally assess CAGR EPS performance.

No LTIP performance rights vested on 31 August 2021 (2021: Nil).

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

Fair value

The fair value of the equity settled performance rights granted under the LTIP is recognised in the Group financial statements as an employee benefit expense with a corresponding increase in equity. The fair value of the performance rights is determined at grant date using a combination of the Monte Carlo and the Cox-Ross Rubenstein Binomial valuation models. This is recognised over the vesting period during which employees become unconditionally entitled to the underlying shares.

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

(ii) Valuation inputs

For performance rights outstanding at 28 June 2022, the table below shows the fair value of the performance rights on each grant date as well as the factors used to value the performance rights at the grant date. Under AASB 2, this valuation is used to value the equity settled performance rights granted to employees at 28 June 2022:

Grant	2018
Grant date	27 June 2019
Vesting date – year 2	7 September 2020
Vesting date – year 3	31 August 2021
Vesting date – year 4	31 August 2022
Average risk-free rate	1.00% per annum
Expected price volatility	32.0% per annum
Expected distribution yield	2.0% per annum
Share price at grant date	$1.08
Valuation per performance right on issue	$Nil

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

34. Equity-based payments (continued)

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

(iii) Performance hurdles

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

Grant date	Expiry date	Exercise price	Grant date valuation per right	Balance at the beginning of the year	Granted	Exercised	Failed to vest	Balance at the end of the year
29 Sep 2017	31 Aug 2021	$Nil	47.5 cents	316,652	-	-	(316,652)	-
27 Jun 2019	31 Aug 2022	$Nil	0.0 cents	127,596	-	-	(63,798)	67,798
				444,248	**-**	**-**	**(380,450)**	**67,798**

The rights have an average maturity of two months.

The expense recorded in the Group financial statements in the year in relation to the DSTI and LTIP performance rights was $124,182 (2021: benefit of $307,465).

Notes to the Financial Statements
for the year ended 28 June 2022

35. Related party disclosures

(a) Directors

The following persons have held office as Directors of the Company during the period and up to the date of this report unless otherwise stated:

Gary Weiss AM;
David Haslingden;
Randy Garfield;
Brad Richmond; and
Erin Wallace (appointed 1 January 2022).

(b) Parent entity

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

(c) Key controlled entities

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

Entity	Activity	Country of establishment	Class of equity securities
Controlled entities of Ardent Leisure Group Limited:			
Ardent Leisure Trust	Theme parks & Attractions	Australia	Ordinary
Ardent Leisure Limited	Theme parks & Attractions, Corporate	Australia	Ordinary
Ardent Leisure US Holding, Inc	Family entertainment centres	USA	Ordinary

(d) Transactions with related parties

(i) Key management personnel

	2022 $	2021 $
Short term employee benefits	6,420,103	4,647,725
Post-employment benefits	58,113	58,256
Share-based payments	38,014,055	1,461,320
	44,492,271	**6,167,301**

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

(e) Loans to KMP

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

(f) Other transactions with KMP

On 16 March 2021, key executives of Main Event Entertainment, Inc (Main Event) purchased 1,100 shares of newly issued Series B Preferred Stock in Ardent Leisure US Holding Inc for US$1.1 million. The stock entitled each investor a preferential dividend of 10% per annum, which was not paid in cash but accumulated and compounded semi-annually. Investors were also entitled to participate in common stock dividends of ALUSH and residual net assets in the event of its liquidation. Series B Preferred Stock would convert into common stock when RedBird's Series A Preferred Stock converted to common stock.

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

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

35. Related party disclosures (continued)

(g) Transactions with related parties

All transactions with related parties were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of intercompany loans between the subsidiaries of the Group. Outstanding balances on these intercompany loans are unsecured and are repayable in cash. The terms and conditions of the tax funding agreement are set out in Note 7(e). The transactions incurred in the year with controlled entities were as follows:

	2022 $	2021 $
Reimbursable expenses paid to related parties	(96,008)	(7,090)

36. Parent entity financial information

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

(a) Summary financial information

	2022 $'000	2021 $'000
Balance sheet		
Current assets	1	1
Total assets	521,326	465,424
Current liabilities	16,313	5,197
Total liabilities	16,313	5,197
Equity		
Contributed equity	777,124	777,124
Retained earnings	(272,111)	(316,897)
Total equity	**505,013**	**460,227**
Profit for the period	**44,786**	**211,227**
Total comprehensive gain/(loss) for the period	**44,786**	**221,227**

(b) Guarantees

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

(c) Contingent liabilities

As reported in prior periods, on 18 June 2020, the Company was served with a representative shareholder class action arising from the 2016 Dreamworld tragedy. The claim alleges contraventions of the *Corporations Act 2001* (Cth). The Company has indicated since the action was commenced, and continues to maintain, that it considers the proceedings to be without merit and is vigorously defending them, and therefore does not provide any estimate of potential liability (if any at all). The Company maintains appropriate insurances to respond to litigation and the majority of associated costs.

A small number of civil claims relating to the 2016 Dreamworld tragedy have yet to be finalised. They are in the process of being dealt with by the Company's liability insurer. The statutory time period for bringing any further civil claims has passed.

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

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

There was no capital expenditure contracted for at the reporting date but not recognised as liabilities (2021: $nil).

Notes to the Financial Statements
for the year ended 28 June 2022

36. Parent entity financial information (continued)

(e) Accounting policy

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

Investments in subsidiaries

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

Tax consolidation legislation

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

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

The entities also entered into a tax funding agreement, effective for the year ended 31 March 2020, under which the wholly-owned entities fully compensate Ardent Leisure Group Limited for any current tax payable assumed and are compensated by Ardent Leisure Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ardent Leisure Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

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

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

Directors' declaration to shareholders

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

(a) The financial statements and notes of Ardent Leisure Group Limited set out on pages 29 to 84 are in accordance with the *Corporations Act 2001*, including:

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

(ii) giving a true and fair view of Ardent Leisure Group Limited's financial position as at 28 June 2022 and of its performance, as represented by the results of its operations, its changes in equity and its cash flows, for the financial year ended on that date;

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

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

(d) At the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee as described in Note 32.

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

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

Gary Weiss AM
Chairman

Brad Richmond
Director

Sydney
24 August 2022

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ardent Leisure Group Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated balance sheet as at 28 June 2022, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

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

a) giving a true and fair view of the consolidated financial position of the Group as at 28 June 2022 and of their financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

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

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

Key Audit Matters

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

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

1. Sale of Main Event

Why significant	How our audit addressed the key audit matter
On 6 April 2022, the Group entered into a sale agreement for the disposal of the Main Event business for total gross cash consideration of US$835m. Completion of the disposal occurred after the reporting date, on 30 June 2022. The Main Event business has been classified as Held for Sale and as a Discontinued Operation. This was considered a Key Audit Matter due to the significance of the transaction and the nature of the disclosures required.	Our audit procedures included the following: - We reviewed management's assessment that the business should be presented as Held for Sale as at 28 June 2022 in accordance with the requirements of *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*. - We reviewed the expenses that were included in the FY22 result that specifically related to the pending disposal to ensure that their recognition was appropriate. - We assessed the adequacy of the Group's Discontinued Operations disclosures in the financial report outlined in Note 31.

2. Recoverability of Theme Parks & Attractions - Property, Plant and Equipment

Why significant	How our audit addressed the key audit matter

The Group has $114.9 million of property, plant and equipment held at cost as at 28 June 2022 related to Theme Parks & Attractions as disclosed in Note 15.
Management prepared an impairment assessment to test the recoverability of these assets in accordance with AASB 136 *Impairment of Assets*.
The value in use is based upon several assumptions which are judgmental in nature, including customer attendance, cash flow forecasts, discount rates and growth rates. Management engaged a specialist to assist in deriving a discount rate to be used in the assessment.
This was considered a Key Audit Matter due to the significance of the carrying value of property, plant and equipment and the judgmental nature of the assumptions underlying the discounted cash flows used in determining the recoverable amount.
Note 15 of the financial report outlines the accounting policy and management's assumptions applied in the impairment assessment.
	Our audit procedures included the following:
	- We considered management's analysis and the reasonableness of the cash flows used in the discounted cash flow model as follows:
	    - We assessed the historical accuracy of management's cash flow forecasting and challenged management's cash flow projections.
	    - We tested the mathematical accuracy of the discounted cash flow model.
	    - We engaged EY Valuation and Business Modelling specialists in reviewing the model methodology, the discount rate provided by the specialist and to perform sensitivity calculations.
	- We assessed the adequacy of the Group's disclosures in Note 15 in respect of asset carrying values and key assumptions.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Building a better working world

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

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

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

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

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

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 24 of the directors' report for the year ended 28 June 2022.

In our opinion, the Remuneration Report of Ardent Leisure Group Limited for the year ended 28 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst + Young

Ernst & Young

John Robinson
Partner
Sydney
24 August 2022

Contents
Directors' Report
Consolidated Financial Statements
Notes
Appendices

Investor Analysis

Top investors as at 23 August 2022		No. of shares	%
1	CITICORP NOMINEES PTY LIMITED	78,586,496	16.37
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	76,712,601	15.99
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	42,657,572	8.89
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	24,789,468	5.17
5	KAYAAL PTY LTD	22,672,159	4.73
6	NATIONAL NOMINEES LIMITED	22,425,069	4.67
7	PORTFOLIO SERVICES PTY LTD	21,277,233	4.44
8	UBS NOMINEES PTY LTD	19,514,862	4.07
9	NETWEALTH INVESTMENTS LIMITED	12,383,144	2.58
10	RAGUSA PTY LTD	8,309,983	1.73
11	BNP PARIBAS NOMS PTY LTD	4,740,414	0.99
12	LANYON ASSET MANAGEMENT PTY LIMITED	4,635,956	0.97
13	CS FOURTH NOMINEES PTY LIMITED	4,611,830	0.96
14	BRISPOT NOMINEES PTY LTD	3,447,084	0.72
15	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	2,827,716	0.59
16	BOND STREET CUSTODIANS LIMITED	2,000,000	0.42
17	PALM VILLA PTY LTD	1,930,000	0.40
17	DEEMCO PTY LIMITED	1,930,000	0.40
18	OLD CHAPEL PTY LTD	1,800,000	0.38
19	BNP PARIBAS NOMINEES PTY LTD	1,708,768	0.36
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,301,816	0.27
Total		360,262,171	75.10
Balance of register		119,443,845	24.90
Grand total		479,706,016	100.00

Range report as at 23 August 2022	No. of shares	%	No. of holders	%
100,001 and over	402,031,335	83.82	177	1.94
10,001 to 100,000	57,204,158	11.92	2,069	22.65
5,001 to 10,000	10,901,812	2.27	1,428	15.64
1,001 to 5,000	8,635,369	1.80	3,166	34.66
1 to 1,000	933,342	0.19	2,293	25.11
Total	**479,706,016**	100.00	**9,133**	100.00

The total number of investors with an unmarketable parcel of 587,954 shares as at 23 August 2022 was 1,943.

Voting rights

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

On-market buy-back

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

Substantial shareholder notices received as at 23 August 2022	No. of shares	%
The Ariadne Substantial Holder Group(1)	45,844,317	9.56%
FIL Ltd	47,970,601	10.00%
Mitsubishi UFJ Financial Group, Inc	25,631,357	5.34%
Perpetual Limited	44,555,981	9.29%
River Capital Pty Ltd	27,345,475	5.70%

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

Investor Relations and Corporate Directory

Corporate Governance Statement

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

Contact details

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

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

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

Facsimile
+61 2 9287 0303

Website
www.linkmarketservices.com.au

Email
registrars@linkmarketservices.com.au

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

Ardent Leisure Group Limited
PO Box 1927
North Sydney NSW 2059

Telephone
+61 2 9168 4600

Facsimile
+61 2 9168 4601

Email
investor.relations@ardentleisure.com

Website
www.ardentleisure.com

Investor Relations and Corporate Directory

Company

Ardent Leisure Group Limited
ABN 51 628 881 603

Registered office
Suite 601, Level 6, 83 Mount Street
North Sydney NSW 2060

Directors

Gary Weiss AM
David Haslingden
Randy Garfield
Brad Richmond
Erin Wallace

Group Chief Financial Officer
Darin Harper (up to 30 June 2022)

Company Secretary
Chris Todd

ASX code

ALG

Auditor of the Group

Ernst & Young
200 George Street
Sydney NSW 2000