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ARDENT
LEISURE

ASX RELEASE

Hp September 2012

The Manager
Company Notices Section
ASX Limited
20 Bridge Street
SYDNEY
NSW 2000

Dear Sir/Madam

ANNUAL REPORT 2012

Please find attached the Ardent Leisure Group Annual Report 2012 for release to the market in accordance with Listing Rule 4.7.

Yours faithfully

Alan Shedden
Company Secretary

Ardent Leisure Group is a specialist operator of leisure and entertainment assets across Australia, New Zealand and the United States. The Group operates Dreamworld, WhiteWater World, SkyPoint, SkyPoint Climb, d'Albora Marinas, AMF and Kingpin bowling centres and Goodlife fitness centres across Australia and New Zealand. The Group also operates the Main Event family entertainment centres in the United States. For further information on the Group's activities please visit our website at www.ardentleisure.com.au

Ardent Leisure Group
Comprising
Ardent Leisure Trust ARSN 093 193 438
(Manager: Ardent Leisure Management Limited ABN 36 079 630 676, AFS Licence No. 247010) and
Ardent Leisure Limited ABN 22 104 529 106

ARDENT
LEISURE

2012
ANNUAL REPORT

Ardent Leisure Group is a specialist operator of leisure and entertainment assets across Australia, the United States and New Zealand. The Group operates the Main Event family entertainment centres in the United States and across Australasia operates Goodlife health clubs, AMF and Kingpin Bowling centres, the Dreamworld, WhiteWater World and SkyPoint attractions and d'Albora marinas.

INDEX

Message from the Chairman

Dear Investor,

I am pleased to report that the Group has delivered another year of positive earnings growth. These results show the resiliance of our business even in difficult economic conditions.

Trading conditions in the United States again improved and this saw an exceptional performance from our Main Event Entertainment business. Our Health Clubs division, Goodlife, also achieved exceptional growth with stable earnings from d'Albora Marinas and AMF and Kingpin Bowling. Unseasonable weather conditions on Queensland's Gold Coast during peak school holiday periods again impacted the Theme Parks division, however a renewed focus on the quality of our product offerings and a more flexible ticket pricing strategy has reinforced the unique attraction of Dreamworld and is improving per capita spend. We continue to diversify our earnings streams with the selected acquisition and development of both new health clubs and bowling centres in Australia and family entertainment centres in the United States.

Main Event Entertainment, now the number one bowling anchored Family Entertainment company in the US, continues to experience positive trading across all centres. The Board has commenced a program of new developments to expand the Main Event Entertainment business further in Texas and other US states. Our most recent new centre opened in San Antonio in Texas in April 2012 and has exceeded expectations to become one of the highest volume centres in our portfolio. Additional sites have been secured for development at Katy Ranch and Stafford in the Houston metropolitan area and Phoenix in Arizona and we continue to investigate further sites that meet our investment criteria.

In our Goodlife division, we have executed a number of acquisition opportunities with health clubs acquired at Waverley Park, Caroline Springs and Prahran in Victoria. Operational improvements and the first full year of contributions from acquisitions made last financial year helped drive membership growth in a difficult trading environment. Importantly, constant centre performance also grew strongly during the year. The acquisition of six Fitness First clubs was announced at the same time as our full year results were delivered to the Australian Securities Exchange. Goodlife is the second largest operator of full service health clubs in Australia and a leading operator in QLD, SA, WA and VIC.

The Bowling division results were in line with the prior year but operational and marketing initiatives are underway to drive growth across the division. A greater focus upon local area marketing and a greater direct engagement in the local community have started to take effect to drive an increase in business from schools, sporting groups and corporate clients. Our emphasis on customer service and an improved bowling experience will be supported by the recent appointment of a new divisional Chief Executive Officer, Lee Chadwick, who has considerable experience in these areas.

The new Kingpin bowling venue in the regional centre of Townsville in Queensland opened in October 2011 and has traded well beyond expectations. Kingpin developments at Norwood (SA), Macarthur and Liverpool (NSW) in 2012 will be supported by the extension of the regional model through the development of a Kingpin venue in Darwin in the 2014 financial year.

Our focus on introducing unique new product into the Theme Parks division led to the announcement of the partnership with Hollywood-based DreamWorks Animation in 2011 and this was followed by the development of a new themed precinct playing host to a variety of characters from the DreamWorks movies Shrek, Puss in Boots, Escape to Madagascar and Kung Fu Panda. The division also secured the return of Big Brother to Dreamworld with the new series commencing broadcasts on the Nine Network in August 2012.

The division also opened a brand new development at SkyPoint on the Gold Coast. The SkyPoint Climb provides a unique opportunity for guests to step outside level 77 at SkyPoint and climb to the pinnacle of the building, with exquisite views of the Gold Coast beaches and hinterland and has proven to be popular with local, domestic and international visitors alike.

The d'Albora Marina division again achieved a solid result with improved yields and solid occupancy rates at our marinas, despite the impact of the local economy on some of our land tenants. The division has investigated a number of avenues to drive growth and successfully applied for development consent for 35 additional wet berths at The Spit Marina in Sydney.

We continued to strengthen the Group's capital management with the settlement of sale and leaseback transactions at Webster (October 2011), Frisco and Lubbock (January 2012) occurring during the period. The Group gearing level at 30 June 2012 was 32.3%, well below the bank covenant of 40%.

The last year also saw the strengthening of the Board with the appointment of Mr Don Morris, AO as an independent director. Mr Morris has significant experience in the fields of marketing and promotion and is a welcome addition to the Board.

On behalf of all of the Board I would like to thank our staff, customers and investors for their support throughout the year.

Neil Balnaves, AO
Chairman

Message from the Chief Executive Officer

Dear Investor,

The year under review has again delivered positive revenue and earnings growth assisted by growing business diversity. Exceptional divisional revenue performances from Health Clubs (up 13.9%) and Main Event Entertainment (up 12.1%) more than offset lower results from our Theme Parks (down 7.7%). Core earnings increased by $2.7 million, or 7.1%, to $42.1 million (2011: $39.4 million) and revenue from operating activities has increased by $14.2 million, or 3.8%, to $390.1 million.

Our focus on affordable leisure products and strong diversification of earnings streams resulted in the distribution to investors increasing to 11.70 cents per security. This distribution represents a yield of approximately 9.2% based upon a security price of $1.275 at 30 June 2012.

Health Clubs division

Revenue from the Health Clubs division increased by $12.6 million, or 13.9%, to $102.6 million through both acquisitions and developments completed during the year and the impact of an increase in constant club revenues. The Group continues to seek acquisition opportunities and during the period successfully completed the purchase of three health clubs in Victoria for a combined cash and equity consideration of $7.7 million.

Positive trading from these three Melbourne clubs, further sophistication of new digital sales strategies, together with the benefit of improved incremental revenue streams saw Goodlife continue to gain market share against major competitors.

Main Event Entertainment

The Main Event Entertainment business recorded total revenues of US$56.7 million, representing a 12.1% increase on prior year revenues of US$50.6 million. Strong revenue and earnings growth was achieved at all properties and across all revenue categories. The success of our 'unlimited play' marketing campaigns saw constant centre Food and Beverage revenues up 13.9% and Amusement Games revenues up 8.3%.

During the year, the Group completed the sale and leaseback of family entertainment centres in Webster, Frisco and Lubbock in Texas, realising gross proceeds of $24.5 million (US$26.0 million) that will be used to retire debt and fund future developments. In April 2012, the division opened a new property at San Antonio.

In the coming year, Main Event Entertainment will benefit from the full year impact of the San Antonio site and maiden contributions from two new Houston sites currently under construction. The Group continues to be on track to double the portfolio size within three years.

Bowling division

The Bowling division saw revenues increase by $5.6 million, or 5.1%, to $114.2 million due to the success of new centres such as Kingpin Townsville and an increase in constant centre revenues. The division will continue to identify new development opportunities and will also focus on growing revenue, with the implementation of our local area sales and marketing strategy and the launch of new food and beverage offerings.

Kingpin sites at Liverpool (NSW) and Norwood (SA) and a new AMF Bowling centre in Penrith (NSW) are scheduled to open in the coming financial year.

Marina division

Revenues from the Marina division remained consistent with prior year levels at $23.7 million. The d'Albora business continues to enjoy consistently high occupancy levels and strong operating margins of 56%. The division will continue to focus on building occupancies and average berthing rates in the coming year.

Theme Parks division

The division saw revenues decline by $7.8 million, or 7.7%, to $93.7 million reflecting lower attendance largely due to heavy rainfall during school holiday periods. This decline was partially compensated by an increase in the per capita spend.

During the year, the division established an alliance with DreamWorks Animation for the creation of a new entertainment precinct at Dreamworld that opened in Easter 2012. The DreamWorks precinct showcases iconic DreamWorks film characters with themed rides, interactive experiences and retail outlets. In addition, the Group announced the return of the hit television series, Big Brother Australia, to the Dreamworld site in the second half of 2012.

The division also launched the new SkyPoint Climb in January 2012. SkyPoint Climb is Australia's highest external building adventure and this exciting new product is anticipated to drive incremental revenue and earnings in the coming year.

In December 2012, a new Kung Fu Panda thrill ride and themed area will be completed as part of the second stage of the DreamWorks precinct. The division is well placed to benefit from the recent investments in unique new product and the potential for more normalised weather.

The Group will continue to diversify earnings streams through the expansion of the Health Clubs division and Family Entertainment Centres in the US. The acquisition of the Fitness First South Australian portfolio announced on 23 August 2012 provides an opportunity to acquire quality clubs in one of Goodlife Health Club's best performing states. The portfolio will deliver material passport membership value to existing Goodlife members and assist in membership sales and retention strategies.

I would like to acknowledge the efforts of our employees and continued support from our investors and stakeholders throughout the year in review.

Greg Shaw
Managing Director and
Chief Executive Officer

Main Event Entertainment

The Main Event Entertainment business in the US, continued its strong trading, recording total revenues of US$56.7 million, representing a 12.1% increase on prior year revenues of US$50.6 million. An EBITDA of US$12.8 million was recorded representing a 16.1% increase on prior year EBITDA of US$11.0 million. After normalising the impact of increased property rents from the property sale and leasebacks, EBITDA grew an exceptional 27.1% over the prior year, after an increase of 26.1% was recorded in the prior year.

On a constant centre basis, total revenues of US$55.1 million increased by 9.0%, whilst earnings before property costs of US$22.8 million increased by 12.3%.

Health Clubs division

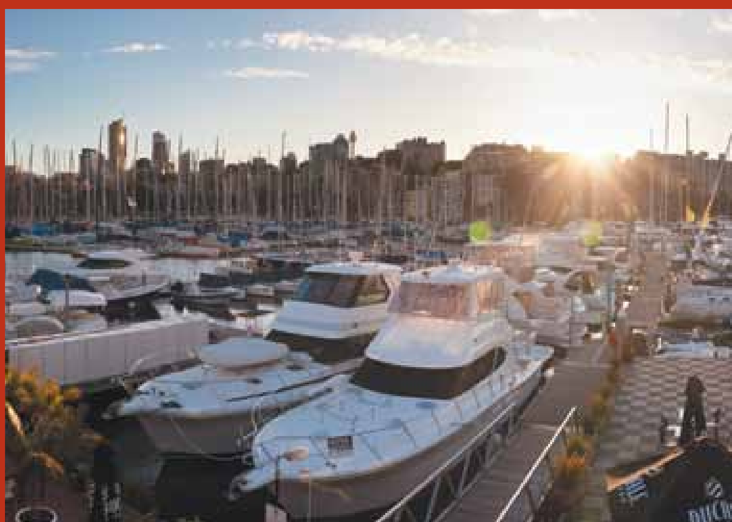
Goodlife Health Clubs recorded total revenues of $102.6 million reflecting a 13.9% increase on prior year revenues of $90.0 million. EBITDA of $20.0 million has been recorded, representing a 21.4% increase on prior year EBITDA of $16.4 million.

On a constant club basis, total revenues of $85.1 million grew by 1.5%, whilst earnings before property costs of $40.0 million grew by 6.0% over the prior year. A continued focus on operating labour management efficiencies saw margins grow to 39.2% against 37.5% achieved in the prior year.

Bowling division

The Bowling division achieved total revenues of $114.2 million for the year, reflecting a 5.1% increase on prior year revenues of $108.7 million. An EBITDA of $14.8 million was recorded representing a 1.6% increase on prior year EBITDA of $14.6 million.

On a constant centre basis, revenues increased by 1.4%, while earnings before property costs decreased by 2.1% largely as a result of implementation costs associated with the new local area sales and marketing strategy, the impact of higher electricity costs and the development of new Food and Beverage concepts. These initiatives are expected to positively impact performance in the 2013 financial year.



Theme Parks division

The Theme Parks division recorded total revenues of $93.7 million for the period, a decline of 7.7% on prior year revenues of $101.6 million. EBITDA for the Theme Parks division of $28.9 million represented a 10.4% decline on prior year EBITDA of $32.3 million. Attendance for the period fell 21.8% partly as a result of reduced unlimited season pass offers. Lower unlimited pass sales resulted in per capita spend increasing by 17.9% to $43.53.

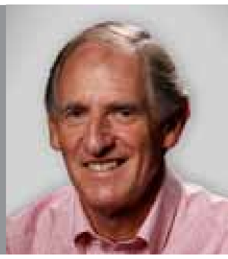
Second half revenues and earnings for the division were significantly impacted by record rain during key holiday trading periods in January, April and June. Second half rainfall of 1,249mm was an increase of 79% on prior year rainfall of 696mm.

Marina division

d'Albora Marinas recorded total revenues of $23.7 million for the period, in line with the prior year. An EBITDA of $10.7 million was recorded against $11.0 million achieved in the prior year.

The d'Albora portfolio continued to benefit from strong occupancies throughout the year as a result of premium locations in Australia's most popular waterways. Overall berthing revenues increased by 6.4% as a result of continued growth in average berthing rates. Operating margins for the period equated to 56%, in line with the prior year.

Board of Directors



Neil Balnaves, AO

Neil Balnaves was appointed as Chairman of the Group in 2001. Neil has worked in the entertainment and media industries for over 47 years previously holding the position of Executive Chairman of Southern Star Group Limited which he founded. Neil is a Trustee Member of Bond University and has an Honorary Degree of Doctor of the University. Neil is a member of the Advisory Council and Dean's Circle of the University of New South Wales (Faculty of Medicine) and in 2010 received an Honorary Doctorate of the University.

Neil is a Director of Technicolor Australia Limited and a board member of the Surf Life Saving Foundation. He serves on the boards of numerous advisory and community organisations and is a Foundation Fellow of the Australian Institute of Company Directors. Neil's former directorships include Hanna-Barbera Australia, Reed Consolidated Industries, Hamlyn Group, Taft Hardie and Southern Cross Broadcasting.

In 2006, Neil established The Balnaves Foundation a philanthropic fund that focuses on education, medicine and the arts. In 2010, Neil was appointed an Officer of the Order of Australia for his services to business and philanthropy.

Neil is Non-Executive Chairman of the Group, Chairman of the Remuneration and Nomination Committee and is a member of the Audit and Risk Committee.

Former listed directorships in last three years:
None

Roger Davis

Roger Davis was appointed a Director of the Company in 2008. Roger brings over 31 years experience in banking and investment banking in Australia, the US and Japan to the Board. Roger is presently a Consulting Director at Rothschild (Australia) Limited and holds directorships at Argo Investments Limited, Aristocrat Leisure Limited, Bank of Queensland, The Trust Company Limited, TIO Ltd and Chartis Australia Insurance Limited. Previously, he was Managing Director at Citigroup where he worked for over 20 years and more recently was a Group Managing Director at ANZ Banking Group.

Roger's former directorships include the chairmanship of Esanda, along with directorships of ANZ (New Zealand) Limited, Charter Hall Office Management Limited (the manager for Charter Hall Office REIT) and Citicorp Securities Inc. in the United States.

Roger holds a BEc (Hons) from the University of Sydney and a Master of Philosophy from Oxford.

Roger is Chairman of the Safety, Sustainability and Environment Committee, and is a member of both the Remuneration and Nomination Committee and the Audit and Risk Committee.

Former listed directorships in last three years:
Charter Hall Office Management Ltd
(Resigned 30 April 2012)

Anne Keating

Anne Keating was appointed a Director or Ardent Leisure Management Limited in 1998. Ms Keating is currently a Director of REVA Medical Inc., Goodman Group, GI Dynamics, Inc., ClearView Wealth Limited and is a member of the Advisory Council of Royal Bank of Scotland (Australia). Anne is also a Director of the Garvan Institute of Medical Research and a Governor of the Cerebral Palsy Alliance Research Foundation.

Anne's former directorships include STW Communications Group Limited, Insurance Australia Group Limited, NRMA, the WorkCover Authority of NSW, the Tourism Task Force, Spencer Street Station Redevelopment Holdings Limited and the Victor Chang Cardiac Research Institute. Ms Keating was the General Manager of Australia for United Airlines from 1993 to 2001.

Anne is a member of the Group's Remuneration and Nomination Committee and the Audit and Risk Committee.

Former listed directorships in last three years:
STW Communications Group Ltd
(Resigned 10 February 2011)

Don Morris, AO

Don Morris was appointed a Director of both the Company and the Manager in January 2012 and brings to the Board significant experience of advertising, marketing and promotion.

Don was a founding principal of the Mojo Australia advertising agency which was responsible for many Iconic Australian brand advertising campaigns. Don was also a founding director of the tourism industry advocacy group, the Tourism and Transport Forum, and is a life member. He was Chairman of the Community Support Committee and a member of the Communications Commission for the Sydney 2000 Olympics bid.

Don holds a Bachelor of Economics from Monash University and is an Adjunct Professor in the Faculty of Tourism, Leisure, Hotel & Sport Management at Griffith University. He retired as Chairman of Tourism Queensland very recently, and is a former Chairman of the Australian Tourist Commission (now Tourism Australia).

Don was appointed an Officer of the Order of Australia in 2002 for services to tourism.

Don is a member of the Remuneration and Nomination Committee and the Audit and Risk Committee.

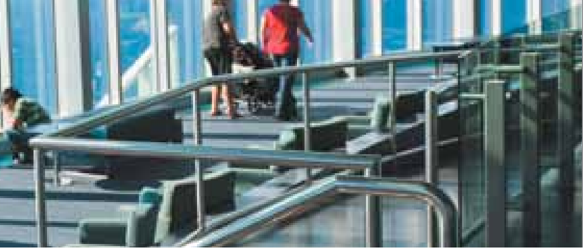
Former listed directorships in last three years:
None

Greg Shaw

Greg Shaw was appointed a Director in September 2009 following the completion of the internalisation project of the Manager and the Trust. Greg is the Chief Executive Officer and Managing Director of the Group and was appointed to this role in 2002. Prior to joining the Group, Greg was the Managing Director of Port Douglas Reef Resorts Limited, a major resort owner and property development group. In this role, Greg was awarded the Australian Chartered Accountant in Business Award for a $6 million profit turnaround in two years. Greg qualified as a Chartered Accountant in 1983.

Greg is a member of the Safety, Sustainability and Environment Committee.

Former listed directorships in last three years:
None



Management

George Venardos
George Venardos was appointed a Director of both the Company and the Manager in September 2009. George is a Chartered Accountant with more than 30 years' experience in finance, accounting, insurance and funds management.

His former positions include Group Chief Financial Officer of Insurance Australia Group and for 10 years Chairman of the Finance & Accounting Committee of the Insurance Council of Australia. George also held the position of Finance Director of Legal & General Group in Australia and was named Insto Magazine's CFO of the Year for 2003.

George's former directorships include IAG Insurance Ltd, CGU Insurance Ltd, Australian Wealth Management Ltd, TGM Funds Management Ltd, NZI Insurance Ltd and Sunnyfield Association Limited.

George holds a Bachelor of Commerce in Accounting, Finance and Systems from the University of New South Wales. He is also a Fellow of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors, and the Taxation Institute of Australia. He holds a Diploma in Corporate Management and is a Fellow of the Institute of Chartered Secretaries and Administrators (London).

George is a Director of IOOF Holdings Ltd, Perennial Investment Partners Ltd, Miclyn Express Offshore Ltd and is the Non-Executive Chairman of both BluGlass Ltd and Guild Group Holdings Ltd.

George is Chairman of the Audit and Risk Committee and is also a member of the Safety, Sustainability and Environment Committee and the Remuneration and Nomination Committee.

Former listed directorships in last three years:
None

Richard Johnson

Richard became Chief Financial Officer of the Group in December 2004. After practising as a Chartered Accountant in London, he specialised in the sports and leisure industry where he now has 18 years experience. Richard is a Fellow of The Institute of Chartered Accountants in England and Wales.

Roy Menachemson

Roy has worked in the Bowling division since its acquisition in 2005. Originally heading up the business as CEO, Roy moved to the CEO Development role in 2007. Roy oversees new bowling centre and health club developments and refurbishment of existing centres.

Tim Innes

Tim joined the Group as AMF Operations Manager in 2005, moving to the role of CEO Kingpin Bowling in 2006. Tim has over 25 years experience in hospitality, covering all areas of operations and management of hotels and resorts, nightclubs, restaurants and liquor retail outlets.

Charlie Keegan

Charlie joined Main Event Entertainment in October 2006. Charlie has over 25 years of hospitality industry experience in North America, with extensive experience in the casual dining sector.

Greg Oliver

Greg joined the Goodlife Health Clubs business in June 2010. Greg has had an extensive professional career in the fitness industry, having successfully owned and operated a number of clubs, created Debit Success, Australia's leading fitness direct debit and membership software provider, and successfully operated one of Australia's largest fitness training organisations.

Marcus Anketell

Marcus joined d'Albora Marinas in January 2011, having been the manager of the Northern Region for AMF Bowling for the previous five years. Prior to this, Marcus enjoyed a successful career in the hospitality and tourism industry with almost 20 years of experience in the areas of hotel and resort management and operations. He was a founding director and operations manager of Plaza Hotels Australia and has undertaken business consultancy roles both locally and abroad.

Alan Shedden

Alan was appointed Company Secretary of the Manager and the Company in 2009. Alan has over 14 years of experience as a Company Secretary and prior to joining the Group, held positions at Brookfield Multiplex and Orange S.A, the mobile telecommunications subsidiary of France Telecom S.A. Alan holds a degree in business studies and is a Fellow of the Institute of Chartered Secretaries and Administrators.

Sustainability

The Group continues to develop sustainable business practices with a focus on occupational health and safety and the environment.

The Group is committed to the adoption of environmentally, socially and economically sustainable solutions across all of its areas of business activity. The sustainability function continually develops our program of social and environmental sustainability and assists the Group in contributing to economic development, while being mindful of our impact on our employees, their families, the local community and society at large.

Wildlife Conservation

Dreamworld has been involved with the display of native and exotic animals for over 20 years, with Koala Country (now the Australian Wildlife Experience) opening in 1987 and Tiger Island in 1995. Both the Australian Wildlife Experience and Tiger Island form significant attractions within the theme park and are licensed and operate in line with other zoological institutions and best practice.

Over the years, Dreamworld and our guests have made significant donations to support external research and conservation projects. Through direct funding and in-kind support from Dreamworld, a range of conservation and research projects involving tigers and native wildlife have been supported.

Since 1996 Dreamworld has donated over $1.3 million to tiger conservation and $300,000 to Australian native animal conservation. Dreamworld is a member of and supports the Zoo and Aquarium Association based at Taronga Zoo in Sydney, the Phoenix Fund, 21st Century Tiger and Flora and Fauna International.

Tigers

21st Century Tiger is a wild tiger conservation partnership between the Zoological Society of London and Global Tiger Patrol. Dreamworld is a Platinum Supporter of 21st Century Tiger and not only raises funds for tiger conservation projects in the field but also contributes funds towards administration costs. Through 21st Century Tiger, Dreamworld has supported the Phoenix Fund by paying for the salaries, fuel, vehicle spare parts and equipment for 18 anti-poaching rangers in Far Eastern Russia. These rangers monitor and protect the endangered Amur (Siberian) Tiger population in the Kedrovaya Pad Nature Reserve. Dreamworld has also sent staff to the region to assist with educational initiatives for communities living with tigers.

Native Wildlife

Dreamworld actively participates in local and national initiatives aimed at the conservation and research of threatened species including bilbies, koalas, Tasmanian devils, cassowaries, Kroombit tinkerfrogs and the critically endangered Southern hairy-nosed wombat. Dreamworld has been a major sponsor of both the Save the Bilby Fund and the Australian Koala Foundation, providing support to help save these endangered Australian natives. Dreamworld is the only Queensland non-government institution with approval to breed bilbies for release back into their natural environment.

Dreamworld has also collaborated with the Zoo and Aquarium Association and the Department of Primary Industries and Water, Tasmania, as part of the Tasmanian Devil Captive Insurance Program. The Captive Insurance Program has been developed to co-ordinate the management of a population of Tasmanian Devils for the purposes of providing insurance against further catastrophic declines in the wild due to the emergence of Devil Facial Tumour Disease.

Dreamworld Wildlife Foundation

Dreamworld Wildlife Foundation Limited (DWF) was established in April 2011 as a public company limited by guarantee and registered as a charitable institution. Under the DWF constitution, a charitable fund was established called the Dreamworld Wildlife Conservation Fund (previously the Tiger Island Conservation Fund) (Fund). The Fund has a strictly defined purpose and was admitted to the Register of Environmental Organisations and granted deductible gift recipient status.

The three components of the Fund purpose are set out below:

(a) The conservation, research, public education and representation of the interests of the animal kingdom particularly relating to the ecology of threatened and endangered species;

(b) The provision of support, practical assistance and funding for wildlife conservation initiatives, particularly relating to the ecology of threatened and endangered species; and

(c) The co-operation with like-minded organisations and regulatory authorities in representing the interests of wildlife in appropriate forums.

An operational plan for the Fund has been developed and this outlines a way forward for continuing to ensure appropriate management and use of funds and resources directed towards conservation and research activities supported by DWF. The focus of DWF involvement in conservation and research initiatives will be aligned to the aims and objectives of the World Zoo Conservation Strategy. In addition, development and maintenance of mutually beneficial partnerships that strengthen this position and provide greater efficiency and achievement of conservation outcomes form a core focus of the plan.

Energy Reduction

The Board of Directors is committed to providing a working environment and culture where the protection and enhancement of the environment is a core value. The Group is committed to minimising our impact on the environment in which we operate, through the identification and management of environmental risks. The Group will ensure that environmental considerations are integrated into business planning processes.

The Group registered and reported under the National Greenhouse and Energy Reporting Act 2007 for the year ended 30 June 2011. Reported carbon emissions from Australian operations are set out below:

Year	Scope 1 (Tonnes of CO2)	Scope 2 (Tonnes of CO2)	Total Emissions (Tonnes of CO2)
Year to 30 June 2011	1,744	50,447	52,191

Unaudited energy numbers for the Group's Australian operations for the year ended 30 June 2012 translate to total emissions of approximately 52.29 KT of CO2.

The largest component of the Group's energy is electricity usage with some natural gas, LPG and fuel oils. The Group has adopted a target of a 10% reduction in energy usage on a constant centre basis.

The Group is constantly investigating ways to reduce energy consumption and uses dynamic metering across sites to track usage and provide integrated data analysis and reporting. Energy audits conducted by external consultants highlighted that the operation of Heating, Ventilation and Air Conditioning (HVAC) systems was the largest source of emissions across the Group's portfolio. Appropriate maintenance and controls of HVAC plant and equipment is critical to achieving the Group's energy reduction target. As a direct result of these audits the Group employed a dedicated specialist to identify and address inefficiencies in the HVAC settings and equipment in use across the Group's Australian portfolio of businesses.

The Group has adopted the opportunities for energy savings and efficiencies in the no cost, low cost and capital cost categories identified by the energy audits. The Group has also produced an operational checklist and introduced training to drive efficiencies across the portfolio and has accessed NSW Government Energy Saving Certificates to support the feasibility for retrofitting LED lighting upgrades.

Principle 1 – Lay solid foundations for management and oversight

Board Charter

The Directors of the Group have adopted a Board Charter that sets out the respective roles and responsibilities of the Board and senior management. The primary role of the Board is to promote the long term health and prosperity of the Group and to build sustainable value for security holders.

Specifically, the Board is responsible for:

— Setting objectives, goals and strategic direction;
— Approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments;
— Monitoring financial performance;
— Oversight and approval of accounting, risk management and compliance control systems;
— Monitoring financial and other reporting;
— Appointing and removing the Chief Executive Officer and Chief Financial Officer;
— Monitoring the performance of management;
— Monitoring compliance with legal and ethical behaviour; and
— Ensuring effective communications with security holders and other stakeholders.

The Board Charter also sets out the responsibilities of the Chairperson and a comprehensive list of matters that are reserved for the Board of Directors of both the Company and the Manager. In accordance with the list of matters reserved for the Board, the Board is responsible for:

— The strategic plan and annual operating and capital expenditure budgets;
— Treasury policies and risk management strategy;
— Establishment, acquisition, cessation or disposal of any division or business unit;
— Approval of financial statements and any significant changes to accounting policies;
— Dividend/distribution payments;
— Appointment and removal of auditors;
— Appointment and removal of any of the Chief Executive Officer, Chief Financial Officer or Company Secretary;
— Appointment of Chief Executives to each of the divisional subsidiaries;
— Committee charters and composition;
— Amendments to discretions delegated by the Board;
— Charitable and political donations;
— Occupational health and safety (OH&S) policy and environmental policy;
— Changes to the Group's capital structure including the issue of shares, options, equity instruments or other securities;
— Key public statements which relate to significant issues concerning changes to key strategy or Group policy;
— Terms and conditions of the appointment of Directors and the Chief Executive Officer; and
— Employee share schemes and their allocation.

The Board Charter also sets out key delegations of authority in relation to equity investments, assets acquisition and disposal, external credit limits, bonds, guarantees and other contingent liabilities.

Performance Evaluation

In accordance with the Board Charter, the Directors have undertaken to formally evaluate the performance of the Chief Executive Officer on an annual basis. The purpose of the evaluation of the Chief Executive Officer is to provide the following key benefits:

— Assist the Board in meeting its duty to stakeholders in effectively leading the Group;
— Ensure the continued development of the Chief Executive Officer to more effectively conduct his role;
— Ensure a formal and documented evaluation process; and
— Leave a record of the Board's impression of the performance of the Chief Executive Officer.

The process adopted by the Board to assess the performance of the Chief Executive Officer is as follows:

— Each Board member is requested to complete an evaluation table and provide numerical ranking against the criteria for the Chief Executive Officer's performance during the evaluation period;
— Participants are encouraged to provide commentary;
— The evaluation tables are then provided directly to the Chairman of the Board and upon review the Chairman may decide to provide an average ranking for each category; and
— Once final rankings are collated, the Chairman of the Board sits to discuss the findings with the Chief Executive Officer and agrees any specific action points to be addressed.

Principle 2 – Structure the Board to add value

The Directors of the Group have set out in the Board Charter the required composition of the Board subject to any requirements under the constitutions of the Company and the Manager:

— Independent Directors should comprise a majority of the Board;
— Directors appointed to the Board should provide an appropriate range of qualifications and expertise; and
— In the event that the Chairman ceases to be deemed independent, then a lead independent Director should be appointed by the Board.

Right of Access to Information

The Board may seek further information on any issue, including requesting that particular executives present information on the performance, strategy, outlook or particular assets. Each Director is required to enter into a Deed of Access, Insurance and Indemnity. In addition, each Director has direct access to the Company Secretary.

Confidentiality
All Group related information acquired by Directors during their appointment is confidential to the Group and should not be released, either during the term of the Directors' appointment or following their termination without prior approval of the Board.

Conflicts of Interest
Directors should not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement apart from those declared to the Board under the Corporations Act 2001, ASX Listing Rules and other general law requirements.

Directors with a material personal interest in a matter must not be present at a Board meeting during the consideration of the matter and subsequent vote unless the Board (excluding the relevant Board member) resolves otherwise. Directors with a conflict not involving a material personal interest may be required to absent themselves from the relevant deliberations of the Board.

Right to Independent Legal Advice
Each Director shall have the ability to request independent professional legal advice where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by the Group, subject to the estimated costs being approved by the Chairman in advance as being reasonable.

The procedure for requesting legal advice is as follows:

- Where a Director considers that he or she may require independent advice, that Director should approach the Company Secretary for a list of current advisers. This is in order to ensure that the Director is able to select an adviser who is independent of the Group;
- The Director should advise the Chairman of the nature of and reasons for the advice being sought, the name of the professional adviser selected by the Director and the fee estimate for the advice;
- The Chairman will consider the proposal on a timely basis and if reasonable authorise the request. The Chairman must not unreasonably withhold such authorisation; and
- The Chairman may delegate the authority to approve the payment of the professional adviser's expenses to another Director or to the Company Secretary.

Relationship with Management
The Board may delegate specific authorities to Board Committees and to management. These Committees and delegated authorities typically make decisions regarding implementation of decisions.

Induction
Upon appointment each new Director participates in an induction program. This includes presentations from senior management and site visits to gain an understanding of the Group's operations and procedures.

Training
Group Directors are required to keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

In order to assist Directors, each Director may participate in internal training sessions and conferences organised from time to time in respect of relevant industry and regulatory issues and may attend asset tours that are arranged from time to time.

Additional training requirements may be arranged by the Company Secretary with the Chairman's approval.

Director Independence
The Board recognises that independent Directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance.

A majority of the Board are independent Directors with the only Executive Director appointed currently being the Chief Executive Officer. The independence of the Directors is assessed annually taking into account such matters as contractual interests, significant security holdings, relationships with key advisers, suppliers and customers and any prior executive employment within the Group.

The Board has assessed the independence of each Director and concluded that none of the Directors has any material interest in securities and contracts or has relevant relationships with material advisers or suppliers/customers. The Board acknowledges that materiality thresholds will differ for each Director and for the Group as a whole. Accordingly, for the purposes of the independence assessment the Board has adopted a materiality threshold of 1% of the Group's last reported net assets.

As at 30 June 2012, Directors deemed to be independent were: Neil Balnaves, Roger Davis, Anne Keating, Don Morris and George Venardos.

Directors' interests in securities are set out in section (g) of the Remuneration Report.

Director, Board and Committee Evaluation
The Board Charter requires that each Director will participate in an annual performance evaluation which will be reviewed by the Chairman. The process for conducting Board and Director evaluations is similar to that adopted for the review of the Chief Executive Officer and is conducted in a confidential manner by the Chairman of the Board. The evaluations include areas such as role of the Board, composition, meeting conduct, behaviours and competencies, governance and risk, ethics and stakeholder relations.

Each Committee charter adopted by the Board includes a requirement for an annual self assessment by the Committee of its performance and charter. These evaluations are conducted against the existing charter and prevailing developments in the corporate governance arena.

Director Competencies
The Board has set out core competencies that should be present across the Board of Directors. Board members should have a working knowledge of finance and accounting, corporate regulation and business strategic theory. The Board aims to gather a breadth of different experience on the Board.

The Directors believe that diversity is critical to the effective functioning of the Board. To this end the Board strives to ensure that Directors should not all be from one occupational group or even from the same industrial sector the Group operates in.

Nomination Committee

The Directors have established a combined Remuneration and Nomination Committee. This was implemented due to the relatively infrequent need to call upon the services of the previous Nomination Committee. The charter for the combined Remuneration and Nomination Committee remains broadly similar and includes the review process for the Board and its Committees and also the time commitment for Non-Executive directors.

The combined Remuneration and Nomination Committee consists of a minimum of three members with the majority of members required to be Independent Directors. The Remuneration and Nomination Committee is specifically responsible for making recommendations to the Board in relation to the identification, assessment and enhancement of the competencies of Board members, Board and management succession plans including the appointment of suitably qualified candidates to the Board and the appointment of the Chief Executive Officer, the development of a process for the review of the performance of the Board, Board Committees and individual Directors and the assessment of the time required to fulfil the obligations of a non-executive director and whether Directors are able to meet these expectations.

Selection Process
In order to provide a formal and transparent procedure whereby new appointments to the Board are selected, the Remuneration & Nomination Committee has adopted a Director selection process to be used once the Board has decided to appoint or replace a Director.

Process
— Identify the vacant position.
— Identify the core competencies of the position.
— Identify a preferred candidate background (taking into account the diversity of the Board).
— Appoint a search firm if necessary to ensure an appropriate selection of candidates.
— If a search firm is appointed, draft and deliver a brief to the search firm explaining the following:
  — Vacant position;
  — Competencies required;
  — Preferred background;
  — Essential qualifications (if any); and
  — Countries in which to extend the search.
— Interview candidates and prepare a shortlist.
— Select preferred candidates from the shortlist provided in consultation with executive management.
— Agree a preferred candidate for recommendation to the Board.

Principle 3 – Promote ethical and responsible decision-making

Ethical Conduct

The Board has adopted a suite of policies designed to govern employees' behaviour whilst employed by the Group and ensure that ethical business practices are adopted in the procurement process.

All employees are required to acknowledge that they understand and will comply with the Employee Ethical and Confidentiality Policy.

Media Relations
Employees are prohibited from communicating with or disclosing to any representative of the media any information of any nature whatsoever relating to the Group, its clients or customers. Only the Chairman, Board of Directors, Chief Executive Officer and Chief Financial Officer are are authorised to speak to the media on Group issues. Exceptions to this rule must have the prior approval of the Chief Executive Officer. Notwithstanding the general prohibition, the respective Chief Executives of each business division are authorised to speak to the media on issues specific to their area of business.

Intellectual Property
All intellectual property created during an employee's employment with the Group is and remains the property of the Group.

Confidentiality
Employees are required to keep secret during and after their employment, all information obtained about the business and affairs of the Group or its customers, except as required by law.

All documents or written material provided to an employee or used in connection with the Group's business is the property of the Group and must not be removed, passed on, copied or disclosed to third parties except with the Group's authority.

Personal Gain
Employees must not misuse their position with the Group or any information received in the course of their employment to produce a personal benefit for themselves, their family, friends or any other person, or to cause a detriment to the Group. In the event of any conflict of interest, this must be disclosed to the Group.

Employees are prohibited from soliciting or accepting any gift or benefit which induces or influences the Group to enter a transaction, business opportunity or business dealing, or which might reasonably be perceived as such an inducement or influence.

Ethical Business Practices

All employees and Group suppliers must adopt the following standards:

— Suppliers should adhere to applicable laws and regulations that govern them;
— Employment should be freely chosen; there should be no forced, bonded or involuntary prison labour, employees should not be required to lodge 'deposits' or identity papers with their employer and should be free to leave their employer after reasonable notice;
— Employees should have freedom of association and the right to collective bargaining within the framework of applicable laws;
— Working conditions should be safe and healthy; applicable OH&S laws and regulations must be complied with;
— Child labour should be eliminated and suppliers should conform to provisions of International Labour Organization Convention 138 and be consistent with the United Nations Convention on the Rights of the Child;
— Living wages should be paid and they must meet or exceed national standards. Wages must not be paid in kind and employees should be provided with written and understandable information about their employment conditions;
— Working hours should not be excessive and should comply with national laws and national benchmark industry standards;
— Discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is prohibited;
— Regular employment should be provided and work performed must be on the basis of recognised employment relationships established through national law and practice; and
— Harsh or inhumane treatment of employees is prohibited.

The Group seeks to collaborate with suppliers in pursuit of these standards and attempts to guide relationships by the principle of continuous improvement. Similar ethical trading standards will be considered acceptable as a reasonable alternative where suppliers are already working towards this initiative.

The Group promotes a risk-based approach to implement these standards by focusing attention on those parts of the supply chain where risk of not meeting these standards is highest. This is supported by the provision of appropriate training and guidelines to implement these standards. Suppliers are advised that implementation of these standards may be assessed by the Group or through independent verification.

Suppliers are required to use reasonable endeavours to provide workers covered by these standards with a confidential means to report the suppliers' failure to observe these standards.

It is expected that all suppliers will comply with the standards and the Group reserves the right not to do business with suppliers where it can be demonstrated that significant violations exist. In particular, the Group and/or its separate businesses will not bring suppliers onto its supplier list if there is evidence of under-age workers or forced, bonded or involuntary prison labour, or where the supplier's workers are found to be subjected to potential life threatening working conditions or harsh or inhumane treatment.

Whistle Blowing

The purpose of the Whistle Blowing Policy is to establish an internal reporting system for the reporting of disclosures of corrupt conduct, illegality or substantial waste of company assets by the Group or its employees.

Protected Disclosures

The Whistle Blowing Policy clearly defines what disclosures are protected and these include such disclosures that are made in accordance with the process outlined in the Policy, that identify or attempt to identify corrupt conduct, illegality, or serious and substantial waste of company assets by the Group or its employees and that are made voluntarily by an employee of the Group.

Frivolous disclosures or those made solely with the motive of avoiding dismissal or other disciplinary action are not covered by the Whistle Blowing Policy. The making of a false or misleading statement when making a disclosure under the Whistle-Blowing Policy constitutes gross misconduct.

Making a Disclosure

Under the Whistle Blowing Policy, disclosures are made to a nominated officer. This can be done in person, by email and either inside or outside normal working hours and locations.

Group employees are encouraged to report known or suspected incidences of corrupt conduct, illegality or substantial waste in accordance with the Whistle Blowing Policy. All Group employees must abstain from any activity that is, or could be perceived to be, victimisation or harassment of persons who make disclosures. The confidentiality of persons they know or suspect to have made disclosures should be maintained.

The nominated officer is responsible for receiving, forwarding and acting upon disclosures and must take all necessary and reasonable steps to ensure that the identities of persons who make disclosures, and the subjects of disclosures, are kept confidential. The nominated officer is also responsible for supporting persons who make disclosures and protecting them from victimisation, harassment or any other form of reprisal.

External Disclosures
Disclosures to persons or bodies external to the Group will only be protected under the Whistle Blowing Policy if the person making the external disclosure has already made the same disclosure through the internal reporting system, the employee has reasonable grounds for believing that the disclosure is substantially true, the disclosure itself must be substantially true and the nominated officer has decided not to investigate the matter, has not completed the investigation within six months of the original disclosure or has not recommended any action in respect of the matter.

Liability on Disclosure
The Whistle Blowing Policy provides that a person is not subject to any liability for making a protected disclosure and no action, claim or demand may be taken or made of or against the person for making the disclosure. A person who has made a protected disclosure under the Whistle Blowing Policy is taken not to have committed any offence against any legislation which imposes a duty to maintain confidentiality with respect to any information disclosed.

Action Taken
A person who makes a disclosure under the Whistle Blowing Policy must be notified, within six months of the disclosure being made, of the action taken or proposed to be taken in respect of the disclosure.

Fraud
The Group operates a Fraud Policy designed to prevent, deter, detect and investigate all forms of fraud. For the purposes of the Fraud Policy, "fraud" is defined as the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.

The Group has adopted a "zero tolerance" towards fraud and requires that all reported incidents, including internal fraud, will be thoroughly investigated with utmost confidentiality. Necessary action will be taken against any individual or group who has committed fraud and may involve disciplinary action resulting in dismissal from employment, and civil and/or criminal legal proceedings. Critical business procedures and controls are directed to maintain an effective fraud control environment to assist in fraud prevention and detection.

Any employee who suspects a fraudulent activity must notify the business Chief Executive or alternatively email details to a private email address set up exclusively for this purpose.

Securities Trading Policy
The purpose of the Securities Trading Policy is to regulate trading by all Directors and employees of the Group in any securities issued or nominated by the Group. This also applies to financial products issued or created over such securities (including but not limited to warrants, options and derivatives) and entering into financing arrangements over financial products including establishment of a margin loan over such securities.

This Securities Trading Policy also applies to trading by Directors' and employees':

— Spouses;
— Children under the age of 18 years;
— Dependent children living in the family home;
— Trusts under which they or a member of their family are a trustee or beneficiary; and
— Companies which they or their family control.

General Prohibition (Insider Trading)
At all times, Directors and employees are prohibited from trading in securities while in possession of unpublished price sensitive information. Price sensitive information is information which is not generally available and which a reasonable person would expect that if the information were disclosed it would have a material effect on the price of Group securities and it would therefore influence investors in deciding whether or not to buy, hold or sell securities issued by the Group.

This prohibition applies even during periods when trading windows are permitted under this Policy if a person is in possession of price sensitive information. In addition to not being able to deal, the person in possession of the price sensitive information has an obligation to keep that information confidential and must not communicate it to another person unless it is information, which is required to be brought to the attention of the Company Secretary.

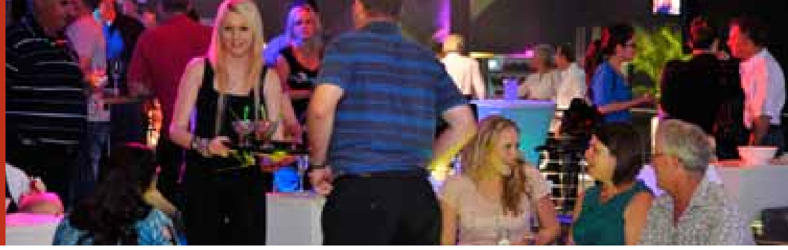
Specific Prohibition
All Directors and Nominated Employees are bound as a condition of their employment to comply with and observe the Securities Trading Policy.

Trading Windows
Provided Directors and Nominated Employees are not in possession of unpublished price sensitive information and have received written consent from the Company Secretary, or in the case of Directors of the listed company the Chairman, the times during which they are permitted to trade in securities issued by the Group are:

— Commencing 24 hours after the announcement of quarterly results until 30 days thereafter;
— Commencing 24 hours after the announcement of half yearly results until 30 days thereafter;
— Commencing 24 hours after the announcement of yearly results until 30 days thereafter; and
— Commencing 24 hours after the Annual General Meeting until 30 days thereafter.

Due to reporting timetables, some of the trading windows listed above overlap. In order to ensure all Nominated Employees are aware of their obligations, the Company Secretary issues an open reminder and a close reminder to all Nominated Employees. In addition, the Group publishes key reporting dates on the Group's website.

The Group may in its discretion vary trading windows by general announcement.



Blackout Periods
All periods outside of the trading windows are blackout periods in relation to security trading by Directors and Nominated Employees.

The Group may in its discretion nominate additional blackout periods by general announcement. These may be required where additional disclosure documents are released offering securities or as a result of certain disclosures being lodged with a stock exchange e.g. the Australian Securities Exchange.

Discretion is vested in the Company Secretary to allow exemptions to trading during blackout periods in special circumstances only, where no price sensitive information is on hand and application of the Policy would cause undue financial hardship.

No Short Term Trading
The Board encourages employees to invest in the Group and discourages short term trading. Under the terms of the Securities Trading Policy, Nominated Employees must not deal in securities for short term gain. Speculating in short term fluctuations in such securities does not promote investor and market confidence in the integrity of the Group. Accordingly, trading in securities issued by Group entities within six months of an acquisition is prohibited. The Group may in its discretion vary this rule in relation to a particular period by general announcement.

The Securities Trading Policy does not prevent Directors and employees from passive trading such as participating in a share plan or public offer made by the Group, provided that at the time the individual elects to participate, he or she is not in possession of any price sensitive information. Further, the individual may not subsequently vary that election until such time as they are again not in possession of such information.

The Securities Trading Policy also prohibits any hedging of unvested security based incentives by Directors and Nominated Employees.

Principle 4 – Safeguard integrity in financial reporting

Audit and Risk Committee

The Board has established an Audit and Risk Committee (Committee) consisting of a minimum of three members, with the majority of members required to be independent Directors. All members must be able to read and understand financial statements, and a majority of members must have financial expertise, that is the person must be either a qualified accountant or other financial professional with experience of financial accounting matters.

The Chief Executive Officer and the Chief Financial Officer are not members of the Audit and Risk Committee. They may be invited to attend meetings of the Audit and Risk Committee for reasons of efficiency but are not entitled to vote.

The Chairperson will be a non-executive independent Director appointed by the Board who is not the Chairman of the Board.

Any Director may attend a meeting of the Committee for the purposes of discussion but is not entitled to vote. The Committee will meet at least twice per annum and more often if deemed necessary. Meetings may be held by electronic means as allowed under the provisions of the Corporations Act 2001.

The Committee is established by the Board of Directors to review, evaluate and make recommendations to the Board in relation to:

General Risk and Accounting
— Evaluating and monitoring the internal control environment and Group's risk management framework;
— Serving as an independent and objective party to review the financial information presented by management to security holders, analysts and the general public;
— Overseeing and appraising the coverage and quality of the audits conducted by the Group's internal and external auditors to ensure the widest coverage possible;
— Approving and monitoring policies, procedures and content of the Group's statutory and management reporting;
— Evaluating and monitoring the Group's fraud management policies and exposures; and
— Monitoring the Group's various disclosure obligations.

Risk and Internal Control Environment
— Assessing the overall effectiveness of the Group's risk management, internal control and compliance systems;
— Evaluating the current "control culture" of the Group and the underlying consistency, direction and communication to employees of appropriate risk policies therein;
— Reviewing existing disaster recovery plans;
— Identifying key risks within the organisation and building appropriate risk management controls and policies to minimise the impact and likelihood of same; and
— Ensuring adequate resources are allocated to assist management and the Board in implementing an appropriate internal risk culture and discipline.

Financial Reporting
— Considering the appropriateness of the Group's accounting policies and principles and how those principles are applied;
— Reviewing and assessing existing management processes so as to ensure compliance with applicable laws, regulations and accounting standards;
— Ensuring that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies are discussed in advance with the external auditor;
— Reviewing the underlying quality and accuracy of the financial reports from the internal and external auditors and making recommendations to the Board on their approval or amendment;
— Evaluating the adequacy and effectiveness of the Group's administrative, operating and accounting policies through communication with management, internal auditors and external auditors;
— Evaluating and monitoring the adequacy of the Group's monthly management and operational reporting; and

— Reviewing and evaluating appropriate disclosures from management, the internal auditors and external auditors on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Group's financial reporting process.

Internal Audit

— Making recommendations to the Board on the appointment, and where necessary the removal, of the internal auditor;

— Reviewing the role, function and performance of the internal auditor, and management's response to the internal auditor's recommendations; and

— Reviewing the resources of the internal audit function and ensuring no unjustified restrictions or limitations are imposed.

External Audit

— Making recommendations to the Board on the appointment, and where necessary the removal, of the external auditor;

— Reviewing annually the external auditor's procedures for independence together with any relationships or services, which may impair the external auditor's independence;

— Reviewing the fees and terms of engagement of the external auditor, including the proposed audit scope;

— Ensuring there is appropriate communication and co-ordination between the internal and external auditors on risks, risks policies and audit results;

— Reviewing all financial reports and management representation letters and recommending them to the Board as complete and appropriate; and

— Reviewing annually the performance of the internal auditor and based on the results of the annual assessment of the external audit services, determine whether the external audit services should be re-tendered.

Compliance

— Authorise the Group's compliance framework and assess the effectiveness of the framework.

Right to Obtain Information

The Committee is entitled to consult with expert advisers and seek expert advice where it considers it necessary to carry out its duties, at the expense of the Group.

The Committee will have a right of access to internal and external auditors and senior management. The Committee will also meet separately with the internal and external auditors at least annually or as otherwise required.

Principle 5 – Make timely and balanced disclosure

Continuous Disclosure Policy

In order to regulate the continuous disclosure regime across the Group in relation to any securities issued by the Group, the Board has adopted a Continuous Disclosure Policy.

The Continuous Disclosure Policy aims to ensure that the Group complies with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules.

The successful operation of the Group's continuous disclosure regime promotes investor confidence by providing full and timely information to the market about the activities of the Group and serves to educate all relevant Group personnel on what continuous disclosure is, and how they can ensure they meet their individual responsibilities.

Commitment to Continuous Disclosure

Subject to the exceptions contained in the ASX Listing Rules, the Group will immediately notify the market of any information or matter related to the businesses or financial condition of the Group which a reasonable person would expect to have a material effect on the price or value of those securities. Such notifications will be made by way of an announcement to the ASX.

Reporting of Disclosable Information

Directors and employees must ensure that any information which may require disclosure is reported to the Company Secretary or his/her nominee as soon as it is known. The Company Secretary will then determine whether any item of information is to be disclosed to the ASX. Where the Company Secretary decides that information reported does not warrant an ASX release and the Director or employee who reported the information disagrees with that decision, they may choose to refer the matter to the Chief Executive Officer.

ASX Announcement Approval

If the Company Secretary determines that an item of information is to be disclosed to the ASX, then the draft of the ASX announcement must be approved, either verbally or in writing, by the Chief Executive Officer prior to release. ASX announcements deemed to contain price sensitive information must be circulated to the Board of Directors for comment prior to release.

Release of Information

Price sensitive information must not be released externally until it has first been lodged with the ASX and the ASX has acknowledged that the information has been released to the market. That is, selective disclosure of such information cannot be made to brokers, analysts, the media, professional bodies or any other person until the information has been given to (and released by) the ASX. This includes information that is subject to embargo as the ASX does not accept embargoed information.

In the event that at an analyst or media briefing an inadvertent disclosure is made which is price sensitive, then that information must be immediately made available to the market through the ASX.

Analyst and Media Briefings

All material to be presented at an analyst briefing must be approved by or referred through the Company Secretary prior to the briefing.

Trading Halts

The Company Secretary may, with the approval of the Chairman and the Chief Executive Officer, or failing whom, the Chief Executive Officer and any other Non-Executive Director, or failing whom any two Non-Executive Directors, request the ASX to halt trading in the Group's securities.

Training and Development
The Continuous Disclosure Policy requires that relevant employees undergo training with respect to disclosure requirements.

Board Procedures
The Board of Directors must consider and minute at each full Board meeting whether there are any matters requiring disclosure. If no matters require disclosure, this must also be explicitly included in the minutes.

Guidance for Employees
The Board has approved summary guidance designed to assist all employees in meeting their reporting obligations under the Continuous Disclosure Policy. This guidance sets out financial and qualitative materiality thresholds and provides answers to common questions in relation to press speculation and third party announcements.

Financial Materiality Thresholds
Any variation of 10-15% or more from previously released full year financial forecasts or market consensus forecasts may be considered to be material and is likely to require immediate disclosure to the market.

In circumstances where a final contract has not been signed but an announcement may be required, consideration is to be given as to whether these limits should apply or be varied.

Where new projects have components from various Group divisions, the aggregate contribution to profit of the project should be considered and if over 5% of Group forecast, should be deemed financially material.

Qualitative Materiality Thresholds
Any other matters that are potentially market sensitive should be referred to the Company Secretary for consideration. Examples would include:

— Changes at a senior management level;
— A change in accounting policy; and
— An agreement between the Group and a Director (or related party of the Director).

Announcements in Response to a Third Party
In accordance with the Continuous Disclosure Policy and specifically requirements to avoid a false market in the Group's securities, the Group has adopted differing approaches in relation to third party announcements. If the third party is an ASX listed entity, then the Group will consider issuing a release to ensure the accuracy of the information provided to the market. It is however, acknowledged that third party releases on the ASX are automatically tagged to the AAD symbol if they affect the Group.

Press releases issued by a non-listed third party entity should not cause the Group to issue an ASX release unless it would have done so under the materiality thresholds.

Speculation in the press should only cause the Group to issue an ASX announcement if it would have done so under the materiality thresholds listed above or the press speculation is misleading and may be seen to result in a false market of AAD securities.

The Group may issue an ASX release in response to press speculation if requested by the ASX regardless of the level of materiality.

Media Releases
Releases, interviews and other communications to the media may be undertaken so long as they do not contain or refer to price sensitive transactions and do not fall within the Group's materiality thresholds. Any discussions or presentation to third parties should only be undertaken post release to the ASX of the subject matter if they include material information.

Website
All releases whether material or not are required to be posted to the Group website for access by investors and other interested parties.

Principle 6 – Respect the rights of shareholders

Investor Communications
The Group has adopted a specific investor communications policy for investors and believes that a flexible approach to investor communications and early adoption of emerging technology is the most effective manner of increasing investor participation in the business of the Group.

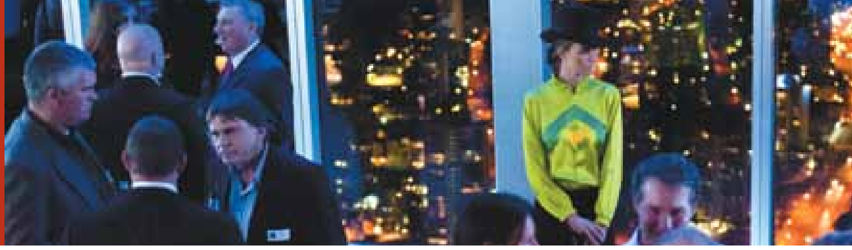
Throughout the year, the Group follows a calendar of regular disclosures to the market on its financial and operational results. An indicative calendar of events is made available to investors on the Group's website at www.ardentleisure.com.

In accordance with the Group's Continuous Disclosure Policy, the Group must ensure it does not communicate inside information to an external party except where that information has previously been disclosed to the market generally.

As soon as is practicable, all Group announcements and copies of analyst and media briefings are posted to the Group's website. Other information of relevance to securityholders is also made available on the Group's website, including annual and half yearly financial reports, key dates, distribution history, cost base allocations, management fee breakdowns and the managed investment trust notices.

The website also contains a link to the Group's security registrars and a live feed from the ASX for the Group's security price information.

Investors Reports
The Group prepares annual reports for investors for each financial year ending 30 June and half year for the period ending 31 December. These reports are posted on the website on their day of release to the ASX. Investors may elect to receive a hard-copy of these reports or an email notification once they become available on the website. The default option for receiving the annual report is via the Group's website at www.ardentleisure.com.



General Meetings

The Group holds an Annual General Meeting (AGM) in October or November each year. The date, time and venue of the AGM are notified to the ASX when the financial reports are lodged, generally in August each year. The Board aims to choose a date, venue and time considered convenient to the greatest number of investors.

All notices of meetings will be accompanied by clear explanatory notes on the items of business. A copy of any such notice of meeting will be placed on the Group's website. Should an investor not be able to attend a general meeting they are able to vote on the resolutions by appointing a proxy. The proxy form included with the notice of meeting, will clearly explain how the proxy form is to be completed and submitted.

The Board will request the auditor to attend each AGM to answer questions about the conduct of the audit and the preparation and contents of the Auditor's Report.

Investor Benefits Program

Investors with 2,000 or more securities are entitled to participate in an Investor Benefits Program. The program aims to provide qualifying investors with an opportunity to experience some of the assets owned by the Group at discounted rates.

Principle 7 – Recognise and manage risk

Safety, Sustainability and Environment Committee

In addition to the Audit and Risk Committee detailed in Principle 4, the Board has established a Safety, Sustainability and Environment Committee (SSE Committee). The SSE Committee was established to monitor, review, evaluate and make recommendations to the Board in relation to OH&S, sustainability and the environment.

The SSE Committee monitors the effectiveness of the Group's OH&S policies and the operational risk management framework including drafting, implementing, monitoring and recommending improvements. The SSE Committee also reviews the adequacy of existing OH&S resources as well as current and possible future regulations.

Periodic internal and external reviews of OH&S and operational risks are undertaken and the results discussed with management. These reviews include the process for identification and assessment of OH&S risks and the adequacy of existing risk management systems.

In the field of sustainability and the environment, the SSE Committee reviews the Group's policies, procedures and reporting in relation to sustainability and monitors the adequacy of resources applied to sustainability as well as existing and possible future regulations. The SSE Committee does not address matters associated with financial or monetary risk associated with internal financial controls.

Risk Management Framework

The risk management framework for the Group requires an annual review by management and the Board. These reviews ensure that the risk management framework continues to be a pro-active tool across the Group.

Scope of Risks Considered

The risk management review covers five key business risks:

Key Business Risk	*Risk Categories*
Enterprise	Continuity, Control, Cost, Culture, Efficiency, Insurance, Knowledge, Legal & Regulatory, Performance, Privacy, Resourcing, Strategic Planning, Strategic Execution, Succession
Fraud/Error	Cash, Brand/Trademark, Consumables & Trading Stock, Procurement, Defamatory, Financial Statements, Furniture & Fittings, Hardware, Information Systems, Information & Knowledge, Job, Management Reporting, Payroll, Personal Property, Software, Office Supplies, Company Income Tax, GST, FBT, PAYG, Payroll Tax, Web
Business Management	Framework Awareness, Change, Confidentiality, Contract, Culture, Detection, Documentation, Escalation, Interpretation, Reporting, Resourcing, Responsibility
Board Secretarial	Admission, Conflict, Documentation, Duties, Governance, Legal, Regulatory, Resolution
Environmental & Safety Management	Contamination, Media/Publicity, Employee Safety, Guest & Contractor Safety

Risk Assessment Methodology

The risk assessment methodology adopted for these reviews includes a three step process. Firstly, the inherent risk for each risk category is determined by evaluating the likelihood and consequence of the risk based on the current and existing processes. Risks are evaluated and ultimately allocated to one of four distinct categories of Extreme, High, Moderate and Low. Next, the effectiveness of existing risk controls is reviewed and a ranking determined on a scale of Good, Fair or Poor. Finally, after the controls have been assessed, the residual risk factors are derived into three categories of High, Medium and Low by merging the inherent risk rating and the effectiveness of the controls rating.

Risk Gap Analysis

During the year, the Group's senior executives undertook a third party facilitated risk gap analysis designed to identify any material risks that had not otherwise been included in the risk review process.

Chief Executive Officer and Chief Financial Officer Declarations

The Board has received confirmation from both the Chief Executive Officer and Chief Financial Officer that their declarations made in accordance with section 295A of the Corporations Act 2001 were based upon a sound system of risk management and internal control and further that the system is operating effectively in all material respects in relation to financial reporting risk.

Principle 8 – Remunerate fairly and responsibly

Remuneration & Nomination Committee

The Directors have established a combined Remuneration and Nomination Committee due to the relatively infrequent need to call upon the services of the previous Nomination Committee. The combined Remuneration and Nomination Committee consists of a minimum of three members with the majority of members required to be independent directors.

The Remuneration & Nomination Committee is specifically responsible for making recommendations to the Board in relation to setting policies for remuneration programs appropriate to the Group, remuneration and incentive schemes of senior management, reviewing the performance of the Chief Executive Officer on an annual basis, setting the Group's recruitment, retention and termination policies and procedures for senior management, superannuation, the remuneration framework for Directors and the approval of any report on executive remuneration, which is required pursuant to any ASX Listing Rule or legislative requirement or which is proposed for inclusion in the annual report.

Further details of the Group's remuneration policies are set out in the Remuneration Report on pages 26 to 41.

Diversity Policy

On 30 June 2010, the ASX Corporate Governance Council introduced three new recommendations relating to diversity within listed entities. The ASX now requires that ASX listed entities establish a diversity policy (including a requirement to set and assess measureable targets for achieving gender diversity) and that a summary of this policy is disclosed in the annual report.

Although the ASX Corporate Governance Council amendments applied for financial years commencing after 1 January 2011, the Board of Directors resolved to adopt the ASX Corporate Governance Council recommendations for the financial year ended 30 June 2011. On 16 December 2010, the Board adopted a Diversity Policy that aims to promote diversity across the Group through a number of initiatives.

Any attempt to change the current status quo is unlikely to drive short term results or change and it was proposed that the Group adopt a long term approach that focuses on increasing diversity at junior levels and addressing the various reasons that hinder female promotion and involvement at executive levels. Accordingly, the Directors agreed to target an increase in female participation at a managerial level across the Group from 36% in 2010 to 50% in 2015.

The table below sets out the percentages of male and female employees at the Board and managerial levels at June 2012:

	Female		Male	
	No.	%	No.	%
Board of Directors	1	16.67	5	83.33
Management	163	40.35	241	59.65
All Employees	4,422	58.43	3,146	41.57

The Group supports a number of initiatives aimed at achieving the target increase and has adopted policies on flexible working arrangements and paid maternity leave. A mentoring program has also been implemented for female executives and this has been supported by a number of breakfast briefings designed to highlight the challenges faced in the workplace and to also provide a networking opportunity with both internal and external parties.

Financial report

Directors' report to stapled security holders

The Directors of Ardent Leisure Management Limited (Manager), (as responsible entity of Ardent Leisure Trust) and the Directors of Ardent Leisure Limited present their report together with the consolidated financial report of Ardent Leisure Group (Group or Consolidated Group) and the consolidated financial report of Ardent Leisure Limited Group (ALL Group) for the year ended 30 June 2012.

The financial report of the Group comprises of Ardent Leisure Trust (Trust) and its controlled entities including Ardent Leisure Limited (ALL or Company) and its controlled entities. The financial report of ALL comprises of Ardent Leisure Limited and its controlled entities.

Ardent Leisure Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 16, 61 Lavender Street, Milsons Point NSW 2061.

The units of the Trust and the shares of ALL are combined and issued as stapled securities in the Group. The units of the Trust and shares of ALL cannot be traded separately and can only be traded as stapled securities. Although there is no ownership interest between the Trust and ALL, the Trust is deemed to be the parent entity of the Group under Australian Accounting Standards.

1 Directors

The following persons have held office as Directors of the Manager and ALL during the period and up to the date of this report:

- Neil Balnaves, AO (Chairman)
- Roger Davis
- Anne Keating
- Don Morris, AO (appointed 1 January 2012)
- Greg Shaw
- George Venardos.

2 Principal activities

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

3 Distributions

The distribution of income for the year ended 30 June 2012 will be 11.7 cents (2011: 11.5 cents) per stapled security which will be paid by the Trust. An interim distribution of 6.5 cents (2011: 6.5 cents) per stapled security was paid in February 2012. A final distribution for the year ended 30 June 2012 of 5.2 cents (2011: 5.0 cents) per stapled security will be paid in August 2012. A provision has not been recognised in the financial statements at 30 June 2012 as this distribution had not been declared at the reporting date. A dividend was not recommended or paid by ALL in respect of the year ended 30 June 2012.

4 Review and results of operations

The performance of the Consolidated Group, as represented by the aggregated results of its operations for the year, was as follows:

	Segment Revenues 2012 $'000	Segment Revenues 2011 $'000	Segment EBIT* 2012 $'000	Segment EBIT* 2011 $'000
Theme Parks	93,707	101,550	23,435	27,480
Marinas	23,672	23,651	9,936	10,295
Bowling centres	114,241	108,680	8,462	7,072
Family entertainment centres	55,236	50,587	8,141	6,455
Health clubs	102,577	90,022	16,352	12,855
Other	641	1,366	52	(57)
Total	390,074	375,856	66,378	64,100
Other expenses			(38,277)	(11,499)
Borrowing costs			(12,914)	(15,922)
Net tax benefit			(2,560)	(1,004)
			12,627	35,675
Finance benefit attributable to non-controlling interest holders			—	468
Profit/(loss)			12,627	36,143
Core earnings [11]			42,145	39,351

* Segment EBIT excludes pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation, amortisation of Goodlife intangible assets and impairment of goodwill

Revenue from operating activities has increased by $14.2 million, or 3.8%, to $390.1 million, mainly due to the following factors:

— Revenue from the Health Clubs division increased by $12.6 million, or 13.9%, to $102.6 million due predominantly to acquisitions and developments during the year and an increase in constant club revenues;
— Revenue from the Bowling division increased by $5.6 million, or 5.1%, to $114.2 million due to the success of new centres such as Townsville and an increase in constant centre revenues;
— Revenue from Main Event family entertainment centres increased by $4.6 million, or 9.2%, to $55.2 million reflecting strong growth in US dollar revenues partially offset by adverse foreign exchange movements;
— Revenue from the Marinas division remained consistent with prior year levels at $23.7 million; and
— Revenue from the Theme Parks division declined by $7.8 million, or 7.7%, to $93.7 million reflecting lower attendances. This was partially compensated by an increase in the per capita spend.

Profit attributable to stapled security holders for the year decreased by $23.5 million, mainly due to the following factors:

— Divisional EBIT increased by $2.3 million to $66.4 million due to the flow through effect of the above net increase in divisional revenues;

— Other expenses increased by $26.8 million predominantly due to the following:

- Valuation losses of $29.2 million on Dreamworld, $1.1 million on Dreamworld Excess Land and $1.4 million on Marinas during the year. $16.2 million of the Dreamworld valuation loss reversed prior years' gains and were therefore recognised in the asset revaluation reserve rather than the Income Statement. This compares to $7.6 million of valuation gains in the previous year;
- There was a net loss on derivative financial instruments of $0.4 million compared to a net gain of $1.4 million in the prior year and an increase in IFRS depreciation on assets previously classified as investment property of $0.7 million;
- There were $0.1 million losses on sale of assets compared to $0.2 million gains in the prior year; and
- Other corporate expenses increased by $0.8 million;

— Borrowing costs decreased by $3.0 million in the year due to falling interest rates, the early settlement of a US$45 million interest rate swap during the prior year and the conversion of some of the Group's debt to US dollars which benefited from lower interest rates;
— Tax expense increased by $1.6 million during the year. This includes $0.5 million additional tax expense due to a change in tax legislation which resulted in amortisation in respect of certain intangible assets no longer being deductible for tax purposes. This change had retrospective effect and therefore the Group has recognised an additional liability for a further $0.5 million now payable in respect of the prior year; and

During the year, the Group purchased three health clubs at Waverley Park, Caroline Springs and Prahran in Victoria for combined cash consideration of $4.8 million and equity consideration of $2.9 million. Settlement of $1.5 million of the cash consideration was deferred at acquisition and $0.7 million of this has since been paid. Remaining payments of $0.4 million and $0.3 million will be paid in September and December 2012 respectively.

On 1 October 2011, the Group completed the sale and leaseback of family entertainment centres in Webster, Frisco and Lubbock in Texas, realising gross proceeds of $24.5 million (US$26.0 million) on disposal. As the properties had previously been revalued to their expected net selling price, there was a minimal loss on disposal during the period.

During the year, the Group entered into an agreement with DreamWorks Animation for the creation of a new entertainment precinct at Dreamworld commencing Easter 2012. This precinct incorporates a 8,400 square metre area in the heart of Dreamworld and includes many iconic DreamWorks film characters such as Shrek, Kung Fu Panda and Madagascar, themed rides and interactive experiences.

In addition, the Group, in conjunction with Nine Network and Southern Star Entertainment, announced the return of the hit television series, Big Brother Australia, to the Dreamworld site in the second half of 2012.

Core earnings (as defined in Note 11 to the financial statements) represents the earnings of the Group after adding back unrealised items such as unrealised gains or losses on derivatives, unrealised property valuation gains and losses and one off capital items. Core earnings have increased by $2.8 million, or 7.1%, to $42.1 million (2011: $39.4 million).

The Group's strategy is to focus on domestic leisure segments with mass market appeal. Over the past six years, the Group has diversified through the creation of five core operating divisions, being health clubs, bowling, family entertainment centres in the US, marinas and theme parks.

The Group's marinas and theme parks divisions occupy strategic positions within their respective markets while the other three divisions provide well established operating platforms with organic growth opportunities to roll out new centres or make "bolt-on" acquisitions as conditions permit.

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 Consolidated Group or ALL Group that occurred during the year not otherwise disclosed in this report or the financial statements.

6 Value of assets

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Value of total assets	678,801	689,437	224,050	225,783
Value of net assets	406,655	420,776	35,626	31,574

The value of the Group's and ALL Group's assets is derived using the basis set out in Note 1 to the financial statements.

7 Interests in the Group

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

	Consolidated Group 2012	Consolidated Group 2011
Stapled securities on issue at the beginning of the year	318,147,978	308,768,308
Stapled securities issued under Distribution Reinvestment Plan	13,045,759	9,038,510
Stapled securities issued for business acquisition	2,595,539	—
Stapled securities sold as part of ALL's Employee Securities Plan	420,125	341,160
Stapled securities on issue at the end of the year	334,209,401	318,147,978

7 Information on current Directors

Neil Balnaves, AO
Chairman
Appointed:
Ardent Leisure Management Limited – 26 October 2001.
Ardent Leisure Limited – 28 April 2003
Age: 68

Neil Balnaves was appointed as Chairman of the Group in 2001. Neil has worked in the entertainment and media industries for over 47 years previously holding the position of Executive Chairman of Southern Star Group Limited which he founded. Neil is a Trustee Member of Bond University and has an Honorary Degree of Doctor of the University. Neil is a member of the Advisory Council and Dean's Circle of the University of New South Wales (Faculty of Medicine) and in 2010 received an Honorary Doctorate of the University. Neil is a Director of Technicolor Australia Limited and a board member of the Surf Life Saving Foundation. He is a Trustee of the Mosman Public Art Trust, serves on the boards of numerous advisory and community organisations and is a Foundation Fellow of the Australian Institute of Company Directors.

In 2006, Neil established The Balnaves Foundation, a philanthropic fund that disperses more than $2 million annually in supporting eligible organisations that aim to create a better Australia through education, medicine, and the arts with a focus on young people, the disadvantaged and Indigenous communities. In 2010, Neil was appointed an Officer of the Order of Australia for his services to business and philanthropy.

Neil is non-executive Chairman of the Group, Chairman of the Remuneration and Nomination Committee and is a member of the Audit & Risk Committee.

Former listed directorships in last three years:
None

Interest in stapled securities
1,169,062

Anne Keating
Director
Appointed:
Ardent Leisure Management Limited – 30 March 1998.
Ardent Leisure Limited – 28 April 2003
Age: 58

Anne Keating was appointed a Director of Ardent Leisure Management Limited in 1998. Ms Keating is currently a Director of REVA Medical Inc., Goodman Group, GI Dynamics, Inc. and ClearView Wealth Limited and is a member of the Advisory Council of Royal Bank of Scotland (Australia). Anne is also a Director of the Garvan Institute of Medical Research and a Governor of the Cerebral Palsy Alliance Research Foundation.

Anne's former directorships include STW Communications Group Limited, Insurance Australia Group Limited, NRMA, the WorkCover Authority of NSW, the Tourism Task Force (now known as the Tourism and Transport Forum), Spencer Street Station Redevelopment Holdings Limited and the Victor Chang Cardiac Research Institute. Ms Keating was the General Manager of Australia for United Airlines from 1993 to 2001.

Anne is a member of the Group's Remuneration and Nomination Committee and the Audit & Risk Committee.

Former listed directorships in last three years:
STW Communications Group Limited
(Resigned 10 February 2011)

Interest in stapled securities
62,743

Greg Shaw
Managing Director and Chief Executive Officer
Appointed:
Ardent Leisure Management Limited – 22 September 2009.
Ardent Leisure Limited – 22 September 2009
Age: 53

Greg Shaw was appointed a Director in September 2009 following the internalisation of the Manager of the Trust. Greg is the Chief Executive Officer and Managing Director of the Group and was appointed to this role in 2002. Prior to joining the Group, Greg was the Managing Director of Port Douglas Reef Resorts Limited, a major resort owner and property development group. In this role, Greg was awarded the Australian Chartered Accountant in Business Award for a $6 million profit in turnaround in two years. Greg qualified as a Chartered Accountant in 1983.

Greg is a member of the Safety, Sustainability & Environment Committee.

Former listed directorships in last three years:
None

Interest in stapled securities
268,771

Directors' report to stapled security holders

Roger Davis
Director
Appointed:
Ardent Leisure Management Limited – 1 September 2009.
Ardent Leisure Limited –28 May 2008
Age: 60

Roger Davis was appointed a Director of the Company in 2008. Roger brings to the Board over 31 years of experience in banking and investment banking in Australia, the US and Japan. Roger is presently a Consulting Director at Rothschild (Australia) Limited and holds directorships at Argo Investments Limited, Aristocrat Leisure Limited, Bank of Queensland, The Trust Company Limited, TIO Ltd and Chartis Australia Insurance Limited. Previously, he was Managing Director at Citigroup where he worked for over 20 years and more recently was a Group Managing Director at ANZ Banking Group.

Roger's former directorships include the chairmanship of Esanda, along with directorships of ANZ (New Zealand) Limited, Charter Hall Office Management Limited (the manager for Charter Hall Office REIT) and Citicorp Securities Inc. in the United States. Roger holds a BEc (Hons) from The University of Sydney and a Master of Philosophy from Oxford.

Roger is Chairman of the Safety, Sustainability & Environment Committee and is a member of both the Remuneration & Nomination Committee and the Audit & Risk Committee.

Former listed directorships in last three years:
Charter Hall Office Management Ltd
(Resigned 30 April 2012)

Interest in stapled securities
50,857

Don Morris, AO
Director
Appointed:
Ardent Leisure Management Limited – 01 January 2012.
Ardent Leisure Limited – 01 January 2012
Age: 68

Don Morris was appointed a Director of both the Company and the Manager in January 2012 and brings to the Board significant experience of advertising, marketing and promotion.

Don was a founding principal of the Mojo Australia advertising agency and was responsible for many iconic brand advertising campaigns. Mojo won the "Advertising Agency of the Year" award a record four times in seven years and was awarded "international agency of the year" by America's Advertising Age.

Don was also a founding director of the tourism industry advocacy group, The Tourism Taskforce (now known as the Tourism and Transport Forum) and is a life member. He was Chairman of the Sydney 2000 Community Support Committee and a member of the Sydney 2000 Communications Commission for the Sydney 2000 Olympics bid.

Don was appointed an Officer of the Order of Australia in 2002 for services to tourism and holds a Bachelor of Economics from Monash University.

Don's current directorships include Tourism Queensland (Chairman), Hamilton Island Enterprises Ltd, Ausflag Ltd and The Sport and Tourism Youth Foundation.

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

Former listed directorships in last three years:
None

Interest in stapled securities
Nil

George Venardos
Director
Appointed:
Ardent Leisure Management Limited – 22 September 2009.
Ardent Leisure Limited – 22 September 2009
Age: 54

George Venardos was appointed a Director of both the Company and the Manager in September 2009. George is a chartered Accountant with more than 30 years' experience in finance, accounting, insurance and funds management.

His former positions include Group Chief Financial Officer of Insurance Australia Group and for 10 years Chairman of the Finance & Accounting Committee of the Insurance Council of Australia. George also held the position of Finance Director of Legal & General Group in Australia and was named Insto Magazine's CFO of the Year for 2003.

George's former directorships include IAG Insurance Ltd, CGU Insurance Ltd, Australian Wealth Management Ltd, TGM Funds Management Ltd, NZI Insurance Ltd and Sunnyfield Association Limited.

George holds a Bachelor of Commerce in Accounting, Finance and Systems from the University of New South Wales. He is also a Fellow of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors, and the Taxation Institute of Australia. He holds a Diploma in Corporate Management and is a Fellow of the Institute of Chartered Secretaries and Administrators (London).

George is a Director of IOOF Holdings Ltd, Perennial Investment Partners Ltd, Miclyn Express Offshore Ltd and is the Non-Executive Chairman of both BluGlass Ltd and Guild Group Holdings Ltd.

George is Chairman of the Audit & Risk Committee and is also a member of the Safety, Sustainability & Environment Committee and the Remuneration & Nomination Committee.

Former listed directorships in last three years:
None

Interest in stapled securities
84,581

9 Meetings of Directors

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

Meetings of Committees	Full meetings of Directors		Audit and Risk		Remuneration and Nomination		Safety, Sustainability and Environment	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Neil Balnaves, AO	9	8	4	3	5	4	—	—
Anne Keating	9	9	4	4	5	5	—	—
Roger Davis	9	6	4	3	5	4	4	4
Don Morris, AO	3	3	1	1	1	1	—	—
Greg Shaw	9	9	—	—	—	—	4	4
George Venardos	9	9	4	4	5	5	4	4

10 Company Secretary

The Group's Company Secretary is Alan Shedden. Alan was appointed to the position of Secretary of the Manager and ALL on 9 September 2009.

Alan has over 13 years of experience as a Company Secretary and prior to joining the Group, held positions at Brookfield Multiplex Limited and Orange S.A., the mobile telecommunications subsidiary of France Telecom S.A. Alan holds a degree in business studies and is a Fellow of the Institute of Chartered Secretaries and Administrators.

11 Remuneration report

The Directors of ALL present the remuneration report for ALL prepared in accordance with section 308(3C) of the Corporations Act 2001 for the year ended 30 June 2012. Due to its corporate structure, the Group is not required to present a remuneration report under the Corporations Act 2001.

The remuneration report is set out under the following main headings:

a) Key remuneration objectives;
b) Remuneration framework and strategy;
c) Details of remuneration – key management personnel;
d) Service agreements of key management personnel;
e) Deferred Short Term Incentive Plan (DSTI)
f) Long Term Incentive Plan (LTIP); and
g) Additional information.

a) Key remuneration objectives

In September 2011, the Remuneration and Nomination Committee engaged Ernst & Young to benchmark the salary packages of the Managing Director and the Chief Financial Officer prior to remuneration and performance reviews undertaken after the financial year end. Although the benchmark exercise undertaken by Ernst & Young did not directly provide a recommendation for remuneration, the Chairman of the Remuneration & Nomination Committee executed the engagement agreement and liaised directly with Ernst & Young independently of management. The final benchmark report was provided directly to the Chairman of the Remuneration & Nomination Committee.

As part of the September 2011 benchmarking review, the Directors confirmed the target total remuneration packages for the Managing Director and the Chief Financial Officer at the median of the market. Previous benchmarking exercises by both Ernst & Young and Deloitte Touche Tohmatsu have compared the Group's remuneration against comparable companies on a scale of between 50% and 200% of the Group based upon both market capitalisation and revenue.

These remuneration packages of the Managing Director and the Chief Financial Officer for the financial year are set out in the table below:

Position	Base salary	Short term incentive (STI)	Deferred Short term incentive (DSTI)	Long term incentive (LTI)	Total target remuneration
Chief Executive Officer	$750,000	50%	25%	37.5%	$1,593,750
Chief Financial Officer	$400,000	50%	25%	37.5%	$850,000

It should be noted that the STI, DSTI and LTI figures set out above are considered "at risk" and will only be paid if performance targets have been achieved.

11 Remuneration report (continued)

b) Remuneration framework and strategy

The objective of the Group's executive framework is to attract and retain high quality executives by ensuring that executive remuneration is competitive with prevailing employment market conditions and also providing sufficient motivation to ensure remuneration is aligned to the Group's results. The framework seeks to align executive reward with the achievement of strategic objectives and, in particular, the creation of sustainable earnings growth for investors. In addition, the Board seeks to have reference to market best practice to ensure that executive remuneration remains competitive, fair and reasonable.

i) Non-Executive Directors

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 and Nomination Committee.

Non-Executive Directors are paid solely by the way of directors' fees and do not participate in any equity or short term cash based incentives 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 aggregate of directors' fees payable to Directors of the Group is set out in clause 16.1 of the Constitution of Ardent Leisure Limited. The maximum total aggregate level of directors' fees payable by the Group is $940,000 per annum and was set by investors at the 27 October 2011 general meeting.

In 2009, the Board approved a simplified structure for calculating directors' fees. The simplified fee structure takes into account individual Directors' duties and service and was applied from 1 September 2009.

Position	Annual fee
Chairman	$175,000
Other Non-Executive Director	$110,000
Audit & Risk Committee – Chair	$20,000
– Member	$15,000
Remuneration & Nomination Committee membership	$7,500
Saftey, Sustainability & Environment Committee membership	$7,500

ii) Executive pay

The executive pay and reward framework has three components:

— base pay and benefits;
— performance incentives; and
— other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base Pay	Performance incentives		
	STI	DSTI	LTIP
A total employment cost which can be made up of a mix of cash salary, non-financial benefits such as provision of a motor vehicle and employer superannuation contributions.	Cash performance bonus set against pre-determined key performance indicators	Equity incentive based upon actual cash bonus paid and deferred for 1 and 2 years.	Equity incentive aligned to targeted investor returns.
SECURE	AT RISK	AT RISK	AT RISK

Base pay

Base pay includes salary, employer superannuation contributions and non-cash benefits such as provision of motor vehicle. Base pay is reviewed annually to ensure that executive pay is competitive with the market. There are no guaranteed base pay increases in the contracts. Base pay is also reviewed on promotion.

Performance incentives

Performance incentives may take the form of either short term incentives (STI), deferred short term incentive plan (DSTI) or long term incentive plan (LTIP).

STI

The STI or bonus program is designed to reward executives for achievement of a number of key performance indicators (KPIs). These KPIs are split into financial and personal categories with the financial measures representing 60% of an executive's STI entitlement and personal measures representing the remaining 40%.

KPI	Maximum STI Entitlement
Earnings Based Financial Measures	60%
Personal & Board Discretionary	40%
Total	**100%**

11 Remuneration report (continued)

For executives who act in Group-wide roles the financial KPIs are based on Group earnings related measures. In contrast, divisional earnings measures are used for those executives who occupy divisional roles.

Personal KPIs for executives are not financial in nature and are set around execution of improvements and initiatives in such functions as risk management, compliance, relationship management, customer satisfaction, employee engagement and other strategic initiatives. Examples of personal KPIs are set out in the table below:

Example of personal KPIs

— Develop, test and implement a process to measure guest traffic and increase sales conversion rates.

— Finalise the divisional capital management plan to identify and realise the maximum Group benefits.

— Review and develop the Group IT strategy for the next three years addressing the IT platform and business critical applications in the areas of finance, customer relationship management, retail sales and infrastructure.

The extent to which an executive achieves their personal and financial KPIs is assessed by the Remuneration and Nomination Committee based upon recommendations from the Managing Director. The resulting cash bonuses are traditionally payable in cash by 30 September each year. Using a profit target ensures variable award is only available when value has been created for investors and when profit is consistent with the Group's business plan.

Maximum achievable awards to Key Management Personnel under the STI range between 25% and 50% of an executive's base salary (including superannuation) dependent upon the executive's position.

DSTI

The DSTI program was established by the Directors on 16 December 2010 to provide a retention incentive for key employees. The DSTI is linked to the actual achievement of KPIs under the STI with a percentage of the actual STI paid to an executive being matched in performance rights to acquire fully paid Group stapled securities for $nil exercise price. The performance rights issued under the DSTI vest in two equal tranches in 12 months and 24 months.

It should be noted that KMP are required to forego a component of their LTI entitlement in order to participate in the DSTI. In this way, a component of the LTI is simply moved into the DSTI and overall remuneration packages remain broadly unchanged.

LTIP

The Long Term Incentive Plan (LTIP) was established by the Board of Directors in 2009 to replace the Executive Securities Plan (ESP) and to take into account changes to the Australian taxation regime in relation to employee share plans. Awards of performance rights under the LTIP range between 10% and 37.5% of an executive's base salary (including superannuation) dependent upon the executive's role. Further details of the LTIP are set out in section (f) below.

iii) Alignment with investor interests

The Directors are committed to the alignment of executives' remuneration with investors' interests and seek to achieve this through the most appropriate mix of base pay, short term and long term incentives.

In the 2012 financial year, key management personnel KPIs were set to drive divisional and Group earnings, with targets set within the Group's budgetary framework. In this way, the KPIs used to determine performance under the STI are used to align KMP remuneration with sustainable earnings growth and other operational long term goals. The DSTI is aligned to these KPIs and acts as a two year retention tool to ensure that earnings targets are not achieved at the expense of long term profitability and growth.

The LTIP further aligns executives' remuneration with long term investor returns through the total shareholder return performance hurdle. In this way, the LTIP provides a direct link between executive reward and investor return and offers no benefit to individual executives unless the Group's performance exceeds the 50th percentile of the benchmark Australian Securities Exchange (ASX) Small Industrials index.

c) Details of remuneration – key management personnel

Key management personnel are defined in AASB 124 Related Party Disclosures as those having authority and responsibility for planning, directing and controlling the activities of the Group. Prior to the internalisation of the Manager on 1 September 2009, the Manager and the Directors of ALL met the definition of KMP as they had this authority in relation to the activities of the Group. These powers had not been delegated by the Manager or Directors of ALL to any other person. The management fee paid to the Manager is disclosed in Note 7 of the financial statements.

For the year ended 30 June 2012, KMP is considered to include the Directors, Chief Executive Officer, Chief Financial Officer and other senior executives employed by the Group.

Details of the remuneration of KMP of the Group for 2012 and 2011 are set out in the tables on the following pages. The tables set out the total cash benefits paid to the KMP in the relevant period and, under the heading "Security-based Payments", shows a component of the fair value of the performance rights. The fair value of the performance rights at grant date is recognised over the vesting period as an employee benefit/expense. Further details of the fair value calculations are set out in sections (e) and (f) below.

11 Remuneration report (continued)

	Year	Short-term benefits		Post-employment benefits		Other long-term benefits						
	Year	Salary $	Cash bonus $	Super-annuation $	Retirement $	Retention $	Other $	Termination $	Total cash payment $	Security-based payment $	Total $	Security-based payment % of total
Independent Directors												
Neil Balnaves, AO												
Chairman	2012	181,725	—	15,775	—	—	—	—	197,500	—	197,500	—
	2011	182,300	—	15,200	—	—	—	—	197,500	—	197,500	—
Roger Davis	2012	128,440	—	11,560	—	—	—	—	140,000	—	140,000	—
	2011	128,440	—	11,560	—	—	—	—	140,000	—	140,000	—
Anne Keating	2012	121,560	—	10,940	—	—	—	—	132,500	—	132,500	—
	2011	113,020	—	10,172	—	—	—	—	123,192	—	123,192	—
Donald Morris, AO (1)	2012	58,198	—	5,238	—	—	—	—	63,436	—	63,436	—
	2011	—	—	—	—	—	—	—	—	—	—	—
George Venardos	2012	133,027	—	11,973	—	—	—	—	145,000	—	145,000	—
	2011	131,613	—	11,845	—	—	—	—	143,458	—	143,458	—
Executive Directors												
Greg Shaw												
Managing Director & Chief Executive Officer	2012	734,225	345,000	15,775	—	—	—	—	1,095,000	506,179	1,601,179	31.6%
	2011	700,000	226,875	50,000	—	—	—	—	976,875	357,422	1,334,297	26.8%
Key Management Personnel												
Marcus Anketell (2)												
CEO – Marinas	2012	189,055	33,812	13,322	—	—	—	—	236,189	18,680	254,869	7.3%
	2011	78,723	—	4,870	—	—	—	—	83,593	—	83,593	—
Todd Coates (3)												
CEO – Theme Parks	2012	241,037	37,115	11,831	—	—	—	—	289,983	—	289,983	—
	2011	—	—	—	—	—	—	—	—	—	—	—
Richard Johnson												
Chief Financial Officer	2012	384,225	185,080	15,775	—	—	—	—	585,080	272,578	857,658	31.8%
	2011	375,000	131,000	25,000	—	—	—	—	531,000	193,922	724,922	26.7%
Charlie Keegan												
CEO – Main Event	2012	288,628	92,602	—	—	—	—	—	381,230	158,779	540,009	29.4%
	2011	248,543	40,333	—	—	—	—	—	288,876	52,887	341,763	15.5%
Roy Menachemson												
CEO – Development	2012	345,075	145,242	15,775	—	—	—	—	506,092	107,135	613,227	17.5%
	2011	325,850	161,875	50,000	—	—	—	—	537,725	80,484	618,209	13.0%
Greg Oliver												
CEO – Health Clubs	2012	344,225	98,100	15,775	—	—	—	—	458,100	114,339	572,439	20.0%
	2011	305,863	—	15,199	—	—	—	—	321,062	37,269	358,331	10.4%
Past Executives												
Noel Dempsey (4)												
CEO – Theme Parks	2012	55,363	—	1,315	—	—	—	243,349	300,027	9,020	309,047	—
	2011	321,174	41,038	13,826	—	—	—	—	376,038	28,530	404,568	7.1%
Jordan Rodgers (5)												
CEO – Bowling	2012	275,318	51,012	15,775	—	—	—	39,074	381,179	(45,909)	335,270	—
	2011	311,801	59,063	15,199	—	—	—	—	386,063	100,906	486,969	20.7%
Craig Karpin (6)												
CEO – Marinas	2012	—	—	—	—	—	—	—	—	—	—	—
	2011	41,148	—	3,849	—	—	—	—	44,997	(13,507)	31,490	—
Total 2012		**3,480,101**	**987,963**	**160,829**	**—**	**—**	**—**	**282,423**	**4,911,316**	**1,140,801**	**6,052,116**	**18.8%**
Total 2011		**3,263,475**	**660,184**	**226,720**	**—**	**—**	**—**	**—**	**4,150,379**	**837,913**	**4,988,292**	**16.8%**

(1) Don Morris AO was appointed a Non-Executive Director of the Group effective 1 January 2012 and is considered KMP from this date.
(2) Marcus Anketell was appointed CEO of the Marina division on 1 February 2011 and is considered KMP from this date.
(3) Todd Coates was appointed CEO of the Theme Parks division on 3 October2011and is considered KMP from this date.
(4) Noel Dempsey resigned from the Group effective 31 July 2011.
(5) Jordan Rodgers resigned from the Group effective 20 April 2012.
(6) Craig Karpin resigned from the Group effective 18 August 2010.

11 Remuneration report (continued)

There are no cash bonuses or options forfeited with respect to specified executives not previously disclosed. No payments were made to KMP by the Group before they became employees.

Security-based payments included in the tables above reflect the amounts in the Income Statements of the Group. This amount is based on the fair value of the equity instruments at the date of the grant rather than at vesting date or at year end for those instruments not yet vested. During the year, 420,125 plan securities were issued to employees under the terms of the DSTI (2011: nil). If the fair value recorded in the Income Statement was based on the movement in the fair value of the instruments between reporting dates, the amount included in KMP compensation would be increased by $503,000 to $1,644,000 (2011: reduced by $184,000 to $654,000).

11 Remuneration report (continued)

d) Services agreements of key management personnel

Remuneration and other terms of employment for KMP are formalised in service agreements. Each of these agreements provides for the payment of performance related cash bonuses and participation in the Group's long term incentive plans. Other major provisions of the agreements relating to remuneration are set out below.

Greg Shaw
Chief Executive Officer
Initial Term
3 years commencing 1 September 2009 with automatic renewal on a year by year basis thereafter.
Base Salary
$750,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless the executive gives the Group 6 months notice in writing, or the Group gives the executive 12 months notice in writing.

Richard Johnson
Chief Financial Officer
Initial Term
3 years commencing 1 September 2009 with automatic renewal on a year by year basis thereafter.
Base Salary
$400,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives 6 months notice in writing.

Todd Coates
CEO – Theme Parks
Initial Term
No fixed term.
Base Salary
$350,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Roy Menachemson
CEO – Development
Initial Term
No fixed term.
Base Salary
$360,850 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives six months notice in writing.

Jordan Rodgers
CEO – Bowling (Until 20 April 2012)
Initial Term
No fixed term.
Base Salary
$340,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Greg Oliver
CEO – Health Clubs
Initial Term
No fixed term.
Base Salary
$360,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Charlie Keegan
CEO – Main Event
Initial Term
Contract to 19 October 2010 with automatic renewal on a year by year basis thereafter.
Base Salary
USD$300,000 for the year ended 30 June 2012.
Termination
During the contract term, employment shall continue with the Group unless the executive gives 60 days notice to the Group. An early termination payment equal to one year's salary is payable to the executive, if the Group terminates the executive during the contract, other than for gross misconduct.

Marcus Anketell
CEO – Marinas Division
Initial Term
No fixed term.
Base Salary
$200,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

All base salary amounts are inclusive of any superannuation payment and will be reviewed annually. There are no contracted termination benefits payable to any KMP except for normal contractual base salary to the end of the KMP's employment.

11 Remuneration report (continued)

e) Deferred Short Term Incentive Plan (DSTI)

Who can participate?
All employees are eligible for participation at the discretion of the Board.

Types of securities issued?
Performance rights that can be converted into fully paid securities 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.

Treatment of non-Australian residents
Due to restrictions on the issue of securities to employees who are not Australian residents, the DSTI contemplates that cash awards will be granted to those executives and will be subject to the same tenure hurdles.

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 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.

Did any of the securities vest?
The first half of the performance rights granted on the 16 December 2010 vested on 19 August 2011, resulting in the issue of 420,125 securities to employees of the Group. No other performance rights reached vesting date throughout the year.

Australian Employees
Since the DSTI was approved in December 2010, long term incentives have been provided to certain executives under the DSTI. Under the terms of the DSTI, participants may be granted performance rights of which one half will vest one year after grant date and one half will vest two years after grant date. The first set of performance rights were granted under the DSTI on 16 December 2010, with the first possible vesting date being the day after the full year results announcement for the year ended 30 June 2011. A total of 420,125 performance rights vested on 19 August 2011 and a corresponding number of stapled securities were issued to employees under the terms of the DSTI (2011: nil).

Fair value – Australian employees
The characteristics of the DSTI indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment under AASB 2 *Share-based Payment* as the holders are entitled to the securities as long as they meet the DSTI's service criteria. However, as ALL is considered to be a subsidiary of the Trust in the financial statements of the ALL Group, the DSTI is accounted for as a cash settled share-based payment.

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

The fair value of the performance rights granted under the DSTI is recognised in the ALL Group financial statements as an employee benefit expense with a corresponding increase in liabilities. The fair value of each grant of performance rights is determined at each reporting date using a binomial tree valuation model with the movement in fair value of the liability being recognised in the Income Statement.

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

US employees
Due to restrictions on the issue of securities to US residents, those US executives eligible for the DSTI are subject to a shadow performance rights scheme whereby a cash payment is made instead of performance rights being granted. At the end of each vesting period for each grant of performance rights, the number of performance rights which would have vested is multiplied by the Group stapled security volume weighted average price (VWAP) for the five trading days immediately following the vesting date and an equivalent cash payment is made. Due to the nature of the scheme, this is considered to be a cash settled share-based payment under AASB 2.

11 Remuneration report (continued)

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

Fair value – US employees

The fair value of each grant of performance rights is determined at each reporting date using a binomial tree valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

At each reporting date, the Group revises its estimate of the number of performance rights that are expected to vest and the corresponding number of securities to be acquired. The employee benefit expense recognised each period takes into account the most recent estimate.

Valuation inputs

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 date of grant:

DSTI Tranche	1	2
Issue date	16 Dec 2010	12 Sept 2011
Vesting date – year 1	19 Aug 2011	31 Aug 2012
Vesting date – year 2	31 Aug 2012	31 Aug 2013
Average risk free rate	4.85% per annum	3.57% per annum
Expected price volatility	45% per annum	40% per annum
Expected distribution yield	10% per annum	11% per annum
Share price at grant date	$1.065	$1.055
Valuation per right on issue	$0.95	$0.90

The table below shows the fair value of the performance rights in each grant as at 30 June 2012 as well as the factors used to value the performance rights as at 30 June 2012:

Tranche	1	2
Issue date	16 Dec 2010	12 Sept 2011
Vesting date – year 1	19 Aug 2011	31 Aug 2012
Vesting date – year 2	31 Aug 2012	31 Aug 2013
Average risk free rate	2.93% per annum	2.79% per annum
Expected price volatility	N/A	17.5% per annum
Expected distribution yield	10% per annum	10% per annum
Share price at year end	$1.28	$1.28
Valuation per right at 30 June 2011	$1.20	$1.21

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.

11 Remuneration report (continued)

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

Performance rights

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

	Opening balance	Granted as compensation	Exercised	Lapsed	Closing balance	Vested and exercisable	Unvested
Current Executives							
Marcus Anketell	—	21,991	—	—	21,991	—	21,991
Todd Coates	—	—	—	—	—	—	—
Richard Johnson	79,878	102,822	(39,939)	—	142,761	—	142,761
Roy Menachemson	49,352	40,345	(24,676)	—	65,021	—	65,021
Greg Oliver	49,848	109,000	(24,924)	—	133,924	—	133,924
Greg Shaw	138,338	191,667	(69,169)	—	260,836	—	260,836
Equity-settled	**317,416**	**465,325**	**(158,708)**	**—**	**624,533**	**—**	**624,533**
Charlie Keegan	52,713	102,535	(26,356)	—	128,892	—	128,892
Cash-settled	**52,713**	**102,535**	**(26,356)**	**—**	**128,892**	**—**	**128,892**
Past Executives							
Noel Dempsey	25,023	—	(25,023)	—	—	—	—
Jordan Rodgers	72,028	56,680	(36,014)	(92,694)	—	—	—
Total performance rights	**467,180**	**625,040**	**(246,101)**	**(92,694)**	**753,425**	**—**	**753,425**

f) Long Term Incentive Plan (LTIP)

Who can participate?

All employees are eligible for participation at the discretion of the Board.

Types of securities issued?

Performance rights that can be converted into fully paid securities 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.

Treatment of non-Australian residents

Due to restrictions on the issue of securities to employees who are not Australian residents, the LTIP contemplates that cash awards will be granted to those executives and will be subject to the same performance hurdles.

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 in the 2nd, 3rd and 4th years following the grant date assuming the TSR performance hurdle has been met.

What are the vesting conditions?

In order for any or all of the performance rights to vest under the TSR performance hurdle, the Group's TSR for the performance period must exceed the 50th percentile of the TSRs of the benchmark group for the same period. A sliding scale of vesting applies above the 50th percentile threshold.

What does total shareholder return (TSR) include?

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

What is the benchmark group?

The benchmark group comprises the ASX Small Industrials Index.

Did any of the securities vest?

The first third of the performance rights granted on 4 December 2009 reached vesting date on 19 August 2012 however, these did not vest as TSR performance hurdles were not met and automatically lapsed. No other performance rights have vested since the date of grant.

Australian Employees

Since 1 July 2009, long term incentives have been provided to certain executives under the LTIP. Under the terms of the LTIP and the initial grant, employees may be granted performance rights of which one third will vest two years after grant date, one third will vest three years after grant date and one third will vest four years after grant date. The percentage of performance rights which may vest is subject to the performance of the Group relative to its peer group, which is the ASX Small Industrials Index. The first set of Performance Rights were granted under the scheme on 4 December 2009, with the first possible vesting date being the day after the full

11 Remuneration report (continued)

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

year results announcement for the year ended 30 June 2011. The relative TSR performance of the Group was tested in accordance with the LTIP rules and as the Group's performance over the period fell below the 51st percentile none of the first tranche of Performance Rights vested to participants and they automatically lapsed.

Fair value – Australian employees
The characteristics of the LTIP indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment under AASB 2 *Share-based Payment* as the holders are entitled to the securities as long as they meet the LTIP's service and performance criteria. However, as ALL is considered to be a subsidiary of the Trust in the financial statements of the ALL Group, the LTIP is accounted for as a cash settled share-based payment.

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

The fair value of the performance rights granted under the LTIP is recognised in the ALL Group financial statements as an employee benefit expense with a corresponding increase in liabilities. The fair value of each grant of performance rights is determined at each reporting date using a Monte Carlo simulation valuation model with the movement in fair value of the liability being recognised in the Income Statement.

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

US employees
Due to restrictions on the issue of securities to US residents, those US executives eligible for the LTIP are subject to a shadow performance rights scheme whereby a cash payment is made instead of performance rights being granted. At the end of each vesting period for each grant of performance rights, a calculation is made of the number of performance rights which would have been granted and payment is made based on the Group stapled security volume weighted average price for the five trading days immediately following the vesting date. Due to the nature of the scheme, this is considered to be a cash settled share-based payment under AASB 2.

Fair value – US employees
The fair value of each grant of performance rights is determined at each reporting date using a Monte Carlo simulation valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

At each reporting date, the Group revises its estimate of the number of performance rights that are expected to vest and the corresponding number of securities to be acquired. The employee benefit expense recognised each period takes into account the most recent estimate.

11 Remuneration report (continued)

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

Valuation inputs

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. This valuation is used to value the performance rights granted to Australian employees at 30 June 2012:

Tranche	1	2	3
Issue date	4 Dec 2009	16 Dec 2010	12 Sept 2011
Vesting date – year 2	31 Aug 2011	31 Aug 2012	31 Aug 2013
Vesting date – year 3	31 Aug 2012	31 Aug 2013	31 Aug 2014
Vesting date – year 4	31 Aug 2013	31 Aug 2014	31 Aug 2015
Average risk free rate	4.64% per annum	5.10% per annum	3.49% per annum
Expected price volatility	55% per annum	45% per annum	40% per annum
Expected distribution yield	10% per annum	10% per annum	11% per annum
Share price at grant date	$1.635	$1.065	$1.055
Valuation per performance right on issue	$0.89	$0.52	$0.44

The table below shows the fair value of the performance rights for each grant as at 30 June 2012 as well as the factors used to value the performance rights at 30 June 2012. This valuation is used to value the performance rights granted to US employees at 30 June 2012:

Tranche	1	2	3
Issue date	4 Dec 2009	16 Dec 2010	12 Sept 2011
Vesting date – year 2	31 Aug 2011	31 Aug 2012	31 Aug 2013
Vesting date – year 3	31 Aug 2012	31 Aug 2013	31 Aug 2014
Vesting date – year 4	31 Aug 2013	31 Aug 2014	31 Aug 2015
Average risk free rate	2.79% per annum	2.67% per annum	2.5% per annum
Expected price volatility	11.7% per annum	23.3% per annum	35% per annum
Expected distribution yield	10% per annum	10% per annum	10% per annum
Share price at year end	$1.28	$1.28	$1.28
Valuation per performance right at year end	$0.41	$1.03	$0.68

Performance hurdles

In order for any or all of the performance rights to vest under the LTIP the Group's TSR for the performance period must exceed the 50th percentile of the TSRs of the benchmark for the same period. A sliding scale of vesting applies above the 50th percentile threshold.

TSR of the Group relative to TSRs of comparators	Proportion of performance rights vesting
Below 51st percentile	0%
51st percentile	50%
Between 51st percentile and 75th percentile	Straight line vesting between 50% and 100%
75th percentile or higher	100%

TSR over a performance period is measured against the benchmark group securities calculated at the average closing price of securities on the ASX for the calendar month period up to and including each of the first and last dates of the performance period. Distributions are assumed to be re-invested at the distribution date and any franking credits (or similar) are ignored.

11 Remuneration report (continued)

f) Long Term Incentive Plan (LTI) (continued)

Performance rights

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

	Opening balance	Granted as compensation	Exercised	Lapsed	Closing balance	Vested and exercisable	Unvested
Current Executives							
Marcus Anketell	—	45,809	—	—	45,809	—	45,809
Todd Coates	—	—	—	—	—	—	—
Richard Johnson	640,207	343,564	—	(104,706)	879,065	—	879,065
Roy Menachemson	227,610	123,975	—	(36,647)	314,938	—	314,938
Greg Oliver	88,859	103,069	—	—	191,928	—	191,928
Greg Shaw	1,200,387	644,182	—	(196,324)	1,648,245	—	1,648,245
Equity-settled	**2,157,063**	**1,260,599**	**—**	**(337,677)**	**3,079,985**	**—**	**3,079,985**
Charlie Keegan	132,948	65,880	—	(25,862)	172,966	—	172,966
Cash-settled	**132,948**	**65,880**	**—**	**(25,862)**	**172,966**	**—**	**172,966**
Past Executives							
Noel Dempsey	43,846	—	—	(43,846)	—	—	—
Jordan Rodgers	212,544	97,343	—	(309,887)	—	—	—
Total performance rights	**2,546,401**	**1,423,822**	**—**	**(717,272)**	**3,252,951**	**—**	**3,252,951**

g) Additional information

Performance of the Group

In prior year's, the definition of KMP meant that KMP remuneration only included fees to directors and management fees payable to the Manager. In 2010, following the internalisation of the Manager, the definition of KMP was extended to include executives of both the Manager and ALL. The change in definition of KMP has meant that KMP remuneration significantly increased from 1 July 2009 so that five year comparisons do not correlate to changes in Group earnings and market capitalisation.

	2012	2011	2010	2009	2008
Security price as at 30 June	$1.28	$1.28	$0.99	$1.42	$1.49
Half year distribution per Security	$0.0650	$0.0650	$0.0650	$0.0650	$0.0960
Distribution reinvestment price	$1.0073	$0.9872	$1.6826	$0.9727	$3.4168
Full year distribution per security	$0.0520	$0.0500	$0.0430	$0.0780	$0.1000
Distribution reinvestment price	$1.2373	$1.2496	$0.9915	$1.4048	$1.5235
Number of securities on issue as at 30 June	334,209,401	318,147,978	309,109,468	241,590,377	231,791,692
Market capitalisation as at 30 June ($ million)	$426.1	$405.6	$306.0	$343.1	$345.4
Investor value of $5,000 Investment as at 30 June 2007 (Based upon an initial security price of $3.30)	$3,254	$3,992	$2,796	$3,702	$3,450

11 Remuneration report (continued)

g) Additional information (continued)

Details of remuneration: cash bonuses and options

All service and performance criteria were met by executives eligible for a bonus with respect to their performance in the 2011 financial year. These bonuses were paid during the year and no amounts were forfeited. No part of the bonuses is payable in future years. Bonuses with respect to performance within the 30 June 2012 financial year have been accrued but are subject to approval by the Group's Remuneration and Nomination Committee before payment.

Plan securities and performance rights granted to executives vest over varying periods of one to four years, provided the vesting conditions are met. No plan securities or performance rights will vest if the conditions are not satisfied, hence the minimum value of the plan securities and performance rights yet to vest is $nil.

DSTI

Under the terms of the initial grant, performance rights under the DSTI were allocated on the basis of a valuation dated 23 August 2010. A valuation difference of $0.13 per performance rights between the allocation date and the grant date was caused by an increase in the Group's security price between these dates and a shorter vesting period.

Under the 2011 grant, Performance Rights were allocated on the basis of a valuation dated 12 September 2011 and there was no valuation difference.

LTI

Under the 2010 grant, performance rights were allocated on the basis of a valuation dated 23 August 2010 being the date 24 hours after the release of the 2010 financial year results. A valuation difference of $0.06 per performance right between the allocation date and the grant date was caused by an increase in the Group's security price between these dates.

Under the 2011 grant, performance rights were allocated on the basis of a valuation dated 12 September 2011 and there was no valuation difference.

10 Remuneration report (continued)

g) Additional information (continued)

Details of remuneration: cash bonuses and options (continued)

The table below sets out the maximum number of the plan securities and performance rights that vested during the financial year and that are yet to vest. The percentage of cash STI that was awarded to the Group's KMP and the percentage that was forfeited because the executive did not meet the performance criteria is also set out below. No part of any cash STI is payable in future years.

		Financial year granted	Financial years in which Performance Rights may vest		Number lapsed	Number vested	Cash STI % awarded	Cash STI % forfeited
			Year	Number	$	$	%	%
Marcus Anketell	LTI	2012	2014	15,270	—	—	95.0	5.0
			2015	15,270	—	—	—	—
			2016	15,269	—	—	—	—
	DSTI	2012	2013	10,996	—	—	—	—
			2014	10,995	—	—	—	—
Todd Coates	LTI	—	—	—	—	—	—	—
	DSTI	—	—	—	—	—	—	—
Richard Johnson	LTI	2010	2012	104,706	(104,706)	—	92.5	7.5
		2011	2013	213,402	—	—	—	—
		2012	2014	327,924	—	—	—	—
			2015	223,216	—	—	—	—
			2016	114,522	—	—	—	—
	DSTI	2011	2012	39,939	—	(39,939)	—	—
		2012	2013	91,350	—	—	—	—
			2014	51,411	—	—	—	—
Roy Menachemson	LTI	2010	2012	36,647	(36,647)	—	80.5	19.5
		2011	2013	75,870	—	—	—	—
		2012	2014	117,196	—	—	—	—
			2015	80,547	—	—	—	—
			2016	41,325	—	—	—	—
	DSTI	2011	2012	24,676	—	(24,676)	—	—
		2012	2013	44,849	—	—	—	—
			2014	20,172	—	—	—	—
Greg Oliver	LTI	2011	2013	29,620	—	—	100	—
		2012	2014	63,976	—	—	—	—
			2015	63,975	—	—	—	—
			2016	34,357	—	—	—	—
	DSTI	2011	2012	24,924	—	(24,924)	—	—
		2011	2013	79,424	—	—	—	—
			2014	54,500	—	—	—	—
Greg Shaw	LTI	2010	2012	196,324	(196,324)	—	92.0	8.0
		2011	2013	400,129	—	—	—	—
		2012	2014	614,856	—	—	—	—
			2015	418,532	—	—	—	—
			2016	214,728	—	—	—	—

11 Remuneration report (continued)

g) Additional information (continued)

Details of remuneration: cash bonuses and options (continued)

		Year Granted	Financial years in which Performance Rights may vest		Number lapsed	Number vested	Cash STI % awarded	Cash STI % forteited
			Year	Number	$	$	%	%
	DSTI	2011	2012	69,169	—	(69,169)	—	—
		2012	2013	165,003	—	—	—	—
			2014	95,833	—	—	—	—
Cash Settled								
Charlie Keegan	LTI	2010	2012	25,862	(25,862)	—	100	—
		2011	2013	44,315	—	—	—	—
		2012	2014	66,277	—	—	—	—
			2015	40,414	—	—	—	—
			2016	21,960	—	—	—	—
	DSTI	2011	2012	26,356	—	(26,356)	—	—
		2012	2013	77,624	—	—	—	—
			2014	51,268	—	—	—	—
Past Executives								
Noel Dempsey	LTI	2010	2012	43,846	(43,846)	—	88.5	11.5
	DSTI	2011	2012	25,023	—	(25,023)	—	—
Jordan Rodgers	LTI	2010	2012	41,228	(41,228)	—	52.0	48.0
		2011	2013	70,848	(70,848)	—	—	—
		2012	2014	103,296	(103,296)	—	—	—
			2015	62,068	(62,068)	—	—	—
			2016	32,448	(32,448)	—	—	—
	DSTI	2011	2012	36,014	—	(36,014)	—	—
		2011	2013	64,354	(64,354)	—	—	—
			2014	28,340	(28,340)	—	—	—

Directors' Interests in Securities

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

	Opening balance	Acquired	Disposed	Closing balance
Neil Balnaves, AO	298,105	870,957	—	1,169,062
Roger Davis	50,857	—	—	50,857
Anne Keating	62,743	—	—	62,743
Don Morris AO	—	—	—	—
Greg Shaw	159,277	109,494	—	268,771
George Venardos	84,581	—	—	84,581
	655,563	**980,451**	**—**	**1,636,014**

Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011

On 1 July 2011, the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 came into force. The new legislative requirements under the Corporations Act in relation to remuneration votes and the "two strikes" rule operate such that a company receiving a 25% or more "NO" vote against its Remuneration Report resolution at the Annual General Meeting (AGM) in two consecutive years will be required to put a spill resolution to the meeting whereby investors can vote to hold a further meeting where all Board Directors will be subject to re-election.

11 Remuneration report (continued)

g) Additional information (continued)

In addition, KMP and their closely related parties are prohibited from voting on the adoption of the Remuneration Report and any other remuneration related resolutions at the AGM. In order to ensure that KMP and their closely related parties do not exercise their votes the Group issued an instruction to them prior to the AGM and instructed the security registrars to apply appropriate voting exclusions.

At the AGM held on 27 October 2011 the following votes were cast on the adoption of the 2011 Remuneration Report:

	Votes For	Votes Against	Votes Abstain
Adoption of the Remuneration Report	% 95.72	% 2.54	% 1.74

12 Non-audit services

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

Details of the amounts paid to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are disclosed in Note 9 to the financial statements.

The Directors have considered the position and, in accordance with the recommendation received from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 9 to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

— all non-audit services have been reviewed by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and

— none of the services undermine the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants.*

13 Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 44.

14 Events occurring after reporting date

Subsequent to 30 June 2012, a distribution of 5.2 cents per stapled security has been declared by the Board of Directors. The total distribution amount of $17.4 million will be paid on or before 31 August 2012 in respect of the year ended 30 June 2012.

Since the end of the financial year, the Directors of the Manager and ALL are not aware of any other matter or circumstance 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 30 June 2012.

15 Likely developments and expected results of operations

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

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

16 Indemnification and insurance of officers and auditor Manager

No insurance premiums are paid for out of the assets of the Trust in regards to insurance provided to either the officers of the Manager or the auditor of the Trust. So long as the officers of the Manager act in accordance with the Trust Constitution and the Corporations Act 2001, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditor of the Trust is in no way indemnified out of the assets of the Trust.

ALL

Under ALL's Constitution, ALL indemnifies:

— all past and present officers of ALL, and persons concerned in or taking part in the management of ALL, against all liabilities incurred by them in their respective capacities in successfully defending proceedings against them; and

— all past and present officers of ALL against liabilities incurred by them, in their respective capacities as an officer of ALL, to other persons (other than ALL or its related parties), unless the liability arises out of conduct involving a lack of good faith.

During the reporting period, ALL 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 ALL.

17 Fees paid to and interests held in the Trust by the Manager or its associates

The interests in the Trust held by the Manager or its related entities as at 30 June 2012 and fees paid to its related entities during the financial year are disclosed in Notes 7 and 36 to the financial statements.

18 Environmental regulations

The Group is subject to significant environmental regulation in respect of its operating activities. During the financial year, the Group's major businesses were subject to environmental legislation in respect of its operating activities as set out below:

a) Dreamworld

Dreamworld and WhiteWater World theme parks are subject to various legislative requirements in respect of environmental impacts of their operating activities. The Queensland Environmental Protection Act 1994 regulates all activities where a contaminant may be released into the environment and/or there is a potential for environmental harm or nuisance. In accordance with Schedule 1 of the Environmental Protection Regulation 1998, Dreamworld holds licences or approvals for the operation of a helipad, motor vehicle workshop, train-shed, storage and usage of flammable/combustible goods. During the reporting year, Dreamworld and WhiteWater World complied with all requirements of the Act.

The environment committee meets on a bi-monthly basis to pursue environmental projects and improve environmental performance. An energy conservation programme was rolled out throughout the organisation. A mobile phone recycling programme continued throughout the park as well as other local organisations. Proceeds from the programme have also been raised to improve wildlife protection in parts of Africa where mobile phone components are sourced from. A range of existing recycling programmes continue to operate effectively, including glass, plastic, waste metals, paper, waste oils and cardboard. A water efficiency management plan continues to operate effectively, with a net reduction of consumption over the past seven years. Staff also carried out voluntary programmes aimed at the humane treatment of pests, removal of noxious weeds and other sustainability initiatives. These initiatives were additionally integrated into existing staff training programmes to further strengthen environmental culture within the organisation.

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

Dreamworld's Life Sciences department is subject to the Quarantine Act 1908. In accordance with the Australian Quarantine Regulations, Dreamworld holds an approved post arrival facilities licence and an approved zoo permit. In accordance with the Nature Conservation Act 1992 and the Nature Conservation Regulation 1994, Dreamworld holds a "Wildlife Exhibitors Licence" and in accordance with Land Protection (Pest and Stock Route Management) Regulation 2003, Dreamworld holds a "Declared Pest Permit". All licences and permits remain current and Dreamworld has complied fully with the requirements of each.

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

b) d'Albora Marinas

Schedule 1 Environment Protection Licences are held for all five NSW marinas in the portfolio in accordance with the Protection of the Environment Operations Act 1997 (NSW). There are no specific environmental licence requirements in Victoria relating to the Pier 35 or Victoria Harbour marinas.

In July 2002, the NSW Environmental Protection Authority (EPA) was notified of long term historic groundwater contamination at the Rushcutters Bay marina, and the plan to manage the contamination. d'Albora Marinas has been working in consultation with the EPA to rectify the site contamination. The costs to rectify the site are not considered material to the Group

c) Bowling centres – Australia

Bowling centres are subject to environmental regulations concerning their food facilities. This is primarily trade waste and grease traps. The Group has adequate management systems and the correct licence requirements in place concerning the disposal of such waste in accordance with each State or Territory's legislation. Cooking oil is replaced and disposed of by external organisations at all locations.

All hazardous substances are disposed of according to manufacturers and EPA regulations. A register of all hazardous substances and dangerous goods is located at centre level.

Lane cleaning and maintenance products are largely water-based products, excluding approach cleaner, which is a solvent-based product. This product is disposed of in accordance with each State and Territory's EPA requirements. Noise is adequately monitored for both internal and external environmental breaches. Noise emissions fall within acceptable levels for both residential and industrial areas and all EPA requirements. No complaints have been received since acquisition of the business.

Noise is adequately monitored for both internal and external environmental breaches. Noise emissions fall within acceptable levels for both residential and industrial areas and all EPA requirements. No complaints have been received since acquisition of the business.

d) Bowling centres – New Zealand

There are no specific requirements relating to the New Zealand centres that are not reflected in the above statement.

e) Family entertainment centres – United States of America

Main Event is subject to various Federal, State and local environmental requirements with respect to development of new centres in the United States of America. On a Federal level, the Environmental Protection Agency is responsible for setting national standards for a variety of environmental programmes, and delegates to states the responsibility for issuing permits and for monitoring and enforcing compliance. The Texas Commission on Environmental Quality (TCEQ) is the environmental agency of record for the State.

18 Environmental regulations (continued)

e) Family entertainment centres – United States of America (contined)

A prerequisite for any building permit for new centre construction is full compliance with all city and State planning and zoning ordinances. A building permit, depending on locality, may require soils reports, site line studies, storm water and irrigation regulation compliance, asbestos free reports, refuse and grease storage permits, health and food safety permits, and complete Occupational Safety and Health Administration (OSHA) Material Safety Data Sheets (MSDS) documentation.

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

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

f) Goodlife Health Clubs

Goodlife is subject to environmental regulations across the business and has initiatives in place to meet all areas of environmental compliance.

Water conservation is a high priority and management has implemented a range of strategies to meet current water regulations as per each State's regulations. A recycling programme has been implemented across the business, assisting with reduction of waste products and meeting environmental standards.

Hazardous substances and dangerous goods are strictly monitored in the business and where possible non-hazardous chemicals are used. All hazardous chemicals and dangerous goods are disposed as per current regulations. All clubs hold site specific chemical registers with safe work methods. Noise emissions do not contravene State regulations or impact on surrounding business or neighbourhoods.

g) Greenhouse gas and energy data reporting requirements

The Group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the Group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result. The Group continues to meet its obligations under this Act.

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use. The Group has implemented systems and processes for the collection and calculation of the data required. The Group submitted its 2010/2011 emissions report under the Act for the first time in October 2011.

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

19 Rounding of amounts to the nearest thousand dollars

The Group is a registered scheme of a kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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

Neil Balnaves, AO
Director

Sydney
22 August 2012

Auditor's independence Declaration

PricewaterhouseCoopers
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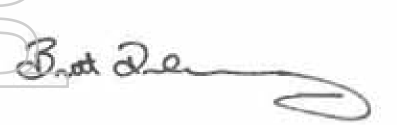
Auditor's Independence Declaration

As lead auditor for the audit of Ardent Leisure Group for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Ardent Leisure Group which includes Ardent Leisure Group (the consolidated stapled entity) and Ardent Leisure Limited Group and the entities they controlled during the period.



Brett Delaney
Partner

Brisbane
22 August 2012

Income Statements
For the year ended 30 June 2012

	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Income					
Revenue from operating activities	3	390,074	375,856	390,074	375,856
Management fee income	7(b)	—	—	1,600	1,600
Property valuation gains		—	7,599	—	—
Net gain from derivative financial instruments	4	—	1,389	—	—
Interest income		443	529	369	456
Gain on disposal of assets		—	176	—	787
Total income		**390,517**	**385,549**	**392,043**	**378,699**
Expenses					
Purchases of finished goods		38,531	39,756	38,531	39,756
Salary and employee benefits		153,192	143,445	153,855	143,196
Borrowing costs	5	12,914	15,922	7,501	8,202
Property expenses	6	55,906	52,227	1,867	2,406
Operating lease rentals		—	—	105,239	102,567
Depreciation and amortisation		30,218	30,535	11,511	12,695
Loss on sale of assets		66	—	45	—
Advertising and promotions		15,880	16,462	15,880	16,462
Repairs and maintenance		17,916	17,224	17,916	17,224
Pre-opening expenses		1,064	697	1,064	697
Business acquisition costs		166	137	66	—
Property valuation losses		15,507	—	—	—
Net loss from derivative financial instruments	4	392	—	—	—
Impairment of goodwill	21	—	453	—	453
Other expenses	8	33,578	32,012	32,941	31,663
Total expenses		**375,330**	**348,870**	**386,416**	**375,321**
Profit before tax expense and finance benefit attributable to non-controlling interest holders		15,187	36,679	5,627	3,378
US withholding tax expense		222	277	—	—
Income tax expense	10	2,338	727	2,383	781
Profit before finance benefit attributable to non-controlling interest holders		12,627	35,675	3,244	2,597
Finance benefit attributable to non-controlling interests		—	468	—	468
Profit		**12,627**	**36,143**	**3,244**	**3,065**
Attributable to:					
Stapled security holders		12,627	36,143	3,244	3,065
Profit		**12,627**	**36,143**	**3,244**	**3,065**

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

	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Distribution in respect of the year ended 30 June	12	38,454	36,237	—	—
Distribution per security/share in respect of the year ended 30 June (cents)	12	11.70	11.50	—	—

Statements of Comprehensive Income
For the year ended 30 June 2012

	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Profit		**12,627**	**36,143**	**3,244**	**3,065**
Other comprehensive income:					
Cash flow hedges	30	(1,791)	686	—	—
Revaluation of property, plant and equipment	30	(8,267)	1,071	1,334	2,082
Foreign exchange translation difference	30	1,383	(18,002)	542	(3,223)
Other comprehensive income for the year, net of tax		**(8,675)**	**(16,245)**	**1,876**	**(1,141)**
Total comprehensive income for the year, net of tax		**3,952**	**19,898**	**5,120**	**1,924**
Total comprehensive income for the year attributable to:					
Stapled security holders		3,952	19,898	5,120	1,924
		3,952	**19,898**	**5,120**	**1,924**

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

Balance Sheets
As at 30 June 2012

	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Current assets					
Cash and cash equivalents	33	11,693	9,706	8,554	9,402
Receivables	13	5,679	7,692	11,520	8,993
Derivative financial instruments	14	270	1,256	—	—
Inventories	15	8,817	7,596	8,817	7,596
Current tax receivables		—	368	—	368
Property held for sale	16	—	7,651	—	7,651
Other	17	9,942	5,275	7,581	3,370
Total current assets		**36,401**	**39,544**	**36,472**	**37,380**
Non-current assets					
Investment properties	18	94,915	96,279	—	—
Property, plant and equipment	19	402,409	413,777	42,601	48,765
Livestock	20	353	424	353	424
Intangible assets	21	139,838	134,116	139,739	133,917
Deferred tax assets	22	4,885	5,297	4,885	5,297
Total non-current assets		**642,400**	**649,893**	**187,578**	**188,403**
Total assets		**678,801**	**689,437**	**224,050**	**225,783**
Current liabilities					
Payables	23	59,800	57,951	48,234	42,936
Derivative financial instruments	14	247	1,938	—	—
Interest bearing liabilities	24	229	28	229	28
Current tax liabilities		2,002	—	2,002	—
Provisions	25	2,735	3,812	2,735	3,812
Other	26	1,718	1,731	1,694	1,723
Total current liabilities		**66,731**	**65,460**	**54,894**	**48,499**
Non-current liabilities					
Derivative financial instruments	14	3,204	1,296	—	—
Interest bearing liabilities	24	193,225	193,556	124,544	137,361
Provisions	25	1,631	1,391	1,631	1,391
Deferred tax liabilities	27	7,355	6,958	7,355	6,958
Total non-current liabilities		**205,415**	**203,201**	**133,530**	**145,710**
Total liabilities		**272,146**	**268,661**	**188,424**	**194,209**
Net assets		**406,655**	**420,776**	**35,626**	**31,574**
Equity					
Contributed equity	28	421,900	404,010	11,960	10,567
Reserves	30	(45,504)	(30,214)	(3,048)	(4,924)
Retained profits/(accumulated losses)	31	30,259	46,980	(6,310)	(7,093)
Total equity attributable to shareholders		**406,655**	**420,776**	**2,602**	**(1,450)**
Non-controlling interests		**—**	**—**	**33,024**	**33,024**
Total equity		**406,655**	**420,776**	**35,626**	**31,574**

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

Statements of Changes in Equity
For the year ended 30 June 2012

	Note	Contributed Equity $'000	Reserves $'000	Retained Profits/ (accumulated losses) $'000	Non-controling interests $'000	Total $'000
Consolidated Group						
Total equity at 1 July 2010		394,706	(8,601)	37,596	—	423,701
Total comprehensive income		—	(16,245)	36,143	—	19,898
Security-based payments	30	—	1,326	—	—	1,326
Contributions of equity, net of issue costs	28	8,917	—	—	—	8,917
Sale of stapled securities for ESP	28	387	—	—	—	387
Distributions paid and payable	12	—	—	(33,453)	—	(33,453)
Reserve transfers	30	—	(6,694)	6,694	—	—
Total equity at 30 June 2011		**404,010**	**(30,214)**	**46,980**	**—**	**420,776**
Total comprehensive income		—	(8,675)	12,627	—	3,952
Security-based payments	30	—	1,019	—	—	1,019
Contributions of equity, net of issue costs	28	17,422	—	—	—	17,422
Security-based payments-securities/shares issued	28	468	—	—	—	468
Distributions paid and payable	12	—	—	(36,982)	—	(36,982)
Reserve transfers	30	—	(7,634)	7,634	—	—
Total equity at 30 June 2012		421,900	(45,504)	30,259	—	406,655
ALL Group						
Total equity at 1 July 2010		9,918	(3,783)	(7,646)	33,024	31,513
Total comprehensive income		—	(1,141)	3,065	—	1,924
Contributions of equity, net of issue costs	28	649	—	—	—	649
Distributions paid and payable	31	—	—	(2,512)	—	(2,512)
Total equity at 30 June 2011		**10,567**	**(4,924)**	**(7,093)**	**33,024**	**31,574**
Total comprehensive income		—	1,876	3,244	—	5,120
Contributions of equity, net of issue costs	28	1,358	—	—	—	1,358
Security-based payments-securities/shares issued	28	35	—	—	—	35
Distributions paid and payable	31	—	—	(2,461)	—	(2,461)
Total equity at 30 June 2012		11,960	(3,048)	(6,310)	33,024	35,626

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

Statements of Cash Flows
For the year ended 30 June 2012

	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Cash flows from operating activities					
Receipts from customers		387,817	375,899	387,815	375,899
Payments to suppliers and employees		(270,165)	(252,948)	(268,953)	(252,948)
Property expenses paid		(43,507)	(43,053)	—	—
Other operating expenses paid		(3,971)	(355)	(43,157)	(38,486)
Realised losses on derivative financial instruments		(1,035)	(3,230)	—	—
Interest received		148	592	369	456
Rent payments to the Trust		—	—	(102,178)	(95,873)
Receipts of funds for property costs from the Trust		—	—	44,771	37,221
US withholding tax paid		(243)	(284)	—	—
Income tax paid/refunded		(431)	817	(428)	820
Net cash flows from operating activities	**34(a)**	**68,613**	**77,438**	**18,239**	**27,089**
Cash flows from investing activities					
Payment for property, plant and equipment		(47,957)	(43,536)	(15,035)	(9,425)
Purchase of assets for the Trust		—	—	(35,137)	(29,473)
Receipt of funds for assets purchased on behalf of the Trust		—	—	36,902	25,929
Proceeds from sale of plant and equipment		5,089	3,895	32	3,823
Proceeds from sale of land and buildings		24,168	11,495	24,168	—
Payment for purchase of businesses net of cash acquired		(10,251)	(5,982)	—	(3,751)
Net cash flows from investing activities		**(28,951)**	**(34,128)**	**10,930**	**(12,897)**
Cash flows from financing activities					
Proceeds from borrowings		983,711	2,080,385	—	—
Repayment of borrowings		(985,931)	(2,084,051)	—	—
Borrowing costs		(12,660)	(17,046)	(7,581)	(8,304)
Proceeds from issue of stapled securities		—	—	—	649
Costs of issue of stapled securities		—	(22)	—	—
Disposal of stapled securities		—	391	—	—
Dividends paid to the Trust		—	—	(2,461)	(2,512)
Proceeds from loans from the Trust		—	—	53,266	24,038
Repayment of borrowings to the Trust		—	—	(72,912)	(24,176)
Repayment of principal of finance leases		—	(33)	—	(33)
Repayment of borrowings to third parties		—	—	—	(5,383)
Distributions paid to stapled security holders		(22,468)	(24,514)	—	—
Net cash flows from financing activities		**(37,348)**	**(44,890)**	**(29,688)**	**(15,721)**
Net increase/(decrease) in cash and cash equivalents		2,314	(1,580)	(519)	(1,529)
Cash and cash equivalents at the beginning of the year		9,706	11,843	9,402	11,477
Effect of exchange rate changes on cash and cash equivalents		(327)	(557)	(329)	(546)
Cash at the end of the year	**33**	**11,693**	**9,706**	**8,554**	**9,402**

The above Statements of Cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

Ardent Leisure Group (Group or Consolidated Group) is a 'stapled' entity comprising of Ardent Leisure Trust (Trust) and its controlled entities, and Ardent Leisure Limited (ALL or Company) and its controlled entities. The units in the Trust are stapled to shares in the Company. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Group are listed on the Australian Securities Exchange (ASX).

The significant policies which have been adopted in the preparation of these consolidated financial statements for the year ended 30 June 2012 are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

a) Basis of preparation

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission, this financial report is a combined report that presents the consolidated financial statements and accompanying notes of both the Ardent Leisure Group and the Ardent Leisure Limited Group (ALL Group).

The financial report of Ardent Leisure Group comprises the consolidated financial report of Ardent Leisure Trust and its controlled entities, including Ardent Leisure Limited and its controlled entities.

The financial report of Ardent Leisure Limited Group comprises the consolidated financial report of Ardent Leisure Limited and its controlled entities.

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

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

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.

Historical cost convention

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

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 Note 1(f), Note 1(g), Note 1(l), Note 1(m), Note 1(p), Note 1(s)(v), Note 1(s)(vi) and Note 1(ac) and assumptions related to deferred tax assets and liabilities, impairment testing of goodwill and Director valuations for some property, plant and equipment and investment properties, 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.

New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Deficiency of current assets

As at 30 June 2012, the Group and ALL Group have deficiencies of current assets of $30.3 million (2011: $25.9 million) and $18.4 million (2011: $11.1 million) respectively. Due to the nature of the business, the majority of sales are for cash whereas purchases are on credit resulting in a negative working capital position. Surplus cash is used to repay external loans resulting in a deficiency of current assets at 30 June 2012. The Group has $46.1 million (2011: $43.6 million) of unused loan capacity at 30 June 2012 which can be drawn on as required. The ALL Group has $58.4 million (2011: $65.2 million) unused capacity in its loans with the Trust which can be utilised to fund any deficiency in its net current assets.

b) Principles of consolidation

As the Trust is deemed to be the parent entity under Australian Accounting Standards, a consolidated financial report has been prepared for the Group as well as a consolidated financial report for the ALL Group. The consolidated financial report of the Group combines the financial report for the Trust and ALL Group for the year. Transactions between the entities have been eliminated in the consolidated financial reports of the Group and ALL Group. Accounting for the Group is carried out in accordance with UIG 1013 *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements*.

1 Summary of significant accounting policies (continued)

b) Principles of consolidation (continued)

Controlled entities are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying an equity holding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Group (refer to Note 1(ac)).

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Ardent Leisure Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the Income Statement. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Inter-entity transactions, balances and unrealised gains on transactions between Group companies 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.

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.

c) Cash and cash equivalents

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. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

d) Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for doubtful debts. 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 which are known to be uncollectible are written off in the period in which they are identified. A provision for doubtful debts is raised where there is objective evidence that the Group will not collect all amounts due. The amount of the provision is the difference between the carrying amount and estimated future cash flows. Cash flows relating to current receivables are not discounted.

The amount of any impairment loss 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.

e) Inventories

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.

1 Summary of significant accounting policies (continued)

f) Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purposes of letting to produce rental income.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are then stated at fair value. Gains and losses arising from changes in the fair values of investment properties are included in the Income Statement in the period in which they arise.

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

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

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

- assuming a willing buyer and a willing seller, without duress and an appropriate time to market the property to maximise price;
- information obtained from valuers, sales and leasing agents, market research reports, vendors and potential purchasers;
- capitalisation rates used to value the asset, market rental levels and lease expiries;
- changes in interest rates;
- asset replacement values;
- discounted cash flow models;
- available sales evidence; and
- comparisons to valuation professionals performing valuation assignments across the market.

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and the volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is neither a forced seller nor one prepared to sell at a price not considered reasonable in the current market. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regards to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the reporting date, the current market uncertainty means that if investment property is sold in the future, the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements. This is particularly relevant in periods of market volatility.

As the fair value method has been adopted for investment properties, the buildings and any component thereof are not depreciated. Taxation allowances for the depreciation of buildings and plant and equipment are claimed by the Trust and contribute to the tax deferred component of distributions.

g) Property, plant and equipment

Revaluation model

The revaluation model of accounting is used for each class of property, plant and equipment (PPE). Initially, PPE is measured at cost. Subsequently, PPE is carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

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

1 Summary of significant accounting policies (continued)

g) Property, plant and equipment (continued)

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

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

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

— assuming a willing buyer and a willing seller, without duress and an appropriate time to market the property to maximise price;
— information obtained from valuers, sales and leasing agents, market research reports, vendors and potential purchasers;
— capitalisation rates used to value the asset, market rental levels and lease expiries;
— changes in interest rates;
— asset replacement values;
— discounted cash flow models;
— available sales evidence; and
— comparisons to valuation professionals performing valuation assignments across the market.

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and the volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of PPE is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is neither a forced seller nor one prepared to sell at a price not considered reasonable in the current market. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regards to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of PPE has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the reporting date, the current market uncertainty means that if PPE is sold in the future, the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements. This is particularly relevant in periods of market volatility.

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

	2012 Years	2011 Years
• Bulidings;	40	40
• Leasehold improvements;	Over the life of lease	Over the life of lease
• major rides and attractions;	20 - 40	20 - 40
• plant and equipment;	4 - 25	4 - 25
• furniture, fittings and equipment; and	4 - 13	4 - 13
• motor vehicles	8	8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 1(m)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement. When revalued assets are sold, it is Group policy to transfer the amounts included in reserves in respect of those assets to retained profits.

h) Leases

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

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

1 Summary of significant accounting policies (continued)

i) Investments and other financial assets

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non current assets. Loans and receivables are carried at amortised cost using the effective interest rate method. The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

j) Assets held for sale

Assets are classified as held for sale and stated at the lower of their carrying amount, and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition.

Assets are not depreciated or amortised while they are classified as held for sale. Assets classified as held for sale are presented separately from the other assets in the Balance Sheet.

k) Livestock

Livestock is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the animals.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other maintenance expenditure is charged to the Income Statement during the financial period in which it is incurred.

Depreciation on livestock is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over the useful lives of the assets which range from five to 50 years (2011: five to 50 years).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(m)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Income Statement.

l) Intangible assets

Brands
Brands acquired are amortised on a straight-line basis over the period during which benefits are expected to be received, which is 10 years (2011: 10 years).

Customer relationships
Customer relationships acquired are amortised over the period during which the benefits are expected to be received, which is four years (2011: four years). The amortisation charge is weighted towards the first year of ownership where the majority of economic benefits arise.

Other intangible assets
Intellectual property purchased is amortised on a straight-line basis over the period during which benefits are expected to be received, which is seven years (2011: seven years). Liquor licences are amortised over the length of the licence which are between 10-16 years (2011: 10–16 years), depending on the length of the licence.

Goodwill
Goodwill is measured as described in Note 1(ac). 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 cash-generating units for the purposes of impairment testing (refer to Note 1(m) below). The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer to Note 38).

m) 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.

1 Summary of significant accounting policies (continued)

n) 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 or 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 their value and subsequently measured at amortised cost using the effective interest method.

o) Interest bearing liabilities

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

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

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

p) Derivatives

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, 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.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 14. Movements in the cash flow hedge reserve in equity are shown in Note 30. 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.

i) 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.

ii) 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.

iii) Net investment hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in other comprehensive income and accumulated in reserves in equity. This amount will be reclassified to the Income Statement on disposal of the foreign operation. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. Gains and losses accumulated in equity are included in the Income Statement when the foreign operation is partially disposed of or sold.

q) Borrowing costs

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

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

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

1 Summary of significant accounting policies (continued)

q) Borrowing costs (continued)

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year. The average capitalisation rate used was 6.23% per annum (2011: 6.60% per annum) for Australian dollar debt and nil (2011: nil per annum) for US dollar debt.

r) Provisions

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 has been reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance 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.

s) Employee benefits

i) Wages and salaries, annual leave and sick leave

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.

ii) 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, except when there is no deep market in which case market yields on national government bonds are used, with terms to maturity and currency that match, as closely as possible, to the estimated future cash outflows.

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.

iii) 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.

iv) 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.

v) Long term incentive plan – performance rights

Australian employees

Since 1 July 2009, long term incentives have been provided to certain executives under the LTIP. Under the terms of the LTIP and the initial grant, employees may be granted performance rights, of which one third will vest two years after grant date, one third will vest three years after grant date and one third will vest four years after grant date. The percentage of performance rights which will vest is subject to the performance of the Group relative to its peer group, which is the ASX Small Industrials Index. The first set of performance rights were granted under the scheme on 4 December 2009, with the first vesting date being the day after the full year results announcement for the year ended 30 June 2011.

The characteristics of the LTIP indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment under AASB 2 *Share-based Payment* as the holders are entitled to the securities as long as they meet the LTIP's service and performance criteria. However, as ALL is considered to be a subsidiary of the Trust in the financial statements of the ALL Group, the LTIP is accounted for as a cash settled share-based payment.

The fair value of the 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 at grant date is determined using a Monte Carlo simulation valuation model and then recognised over the vesting period during which employees become unconditionally entitled to the options.

1 Summary of significant accounting policies (continued)

s) Employee benefits (continued)

The fair value of the performance rights granted under the LTIP is recognised in the ALL Group financial statements as an employee benefit expense with a corresponding increase in liabilities. The fair value of the performance rights is determined at each reporting date using a Monte Carlo simulation valuation model, with the movement in fair value of the liability being recognised in the Income Statement.

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

US employees
For US executives eligible for the LTIP, a shadow performance rights scheme has been set up whereby a cash payment is made instead of performance rights being granted. At the end of the vesting period for each grant of performance rights, a calculation is made of the number of performance rights which would have been granted and payment is made based on the Group stapled security volume weighted average price for the five trading days immediately following the vesting date. Due to the nature of the scheme, this scheme is considered to be a cash settled share-based payment under AASB 2.

The fair value of each grant of performance rights is determined at each reporting date using a Monte Carlo simulation valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

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

vi) Deferred Short Term Incentive (DSTI)

Australian employees
Since 1 July 2010, long term incentives have been provided to executives under the DSTI. Under the terms of the DSTI, employees may be granted DSTI performance rights of which one half will vest one year after grant date and one half will vest two years after grant date so long as the executive remains employed by the Group. The first set of performance rights were granted under the scheme on 16 December 2010, with the first vesting date being the day after the full year results announcement for the year ended 30 June 2011.

The characteristics of the DSTI indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment as the holders are entitled to the securities as long as they meet the DSTI's service criteria. However, as ALL is considered to be a subsidiary of the Trust, in the financial statements of the ALL Group, the DSTI is accounted for as a cash settled share-based payment.

The fair value of the 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 the performance rights at grant date is determined using a binomial tree valuation model and then recognised over the vesting period during which employees become unconditionally entitled to the options.

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

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

US employees
For US executives eligible for the DSTI, a shadow performance rights scheme has been set up whereby a cash payment is made instead of performance rights being granted. At the end of the vesting period for each grant of performance rights, a calculation is made of the number of performance rights which would have been granted and payment is made based on the Group VWAP for the five trading days immediately following the vesting date. Due to the nature of the scheme, this scheme is considered to be a cash settled share-based payment under AASB 2.

The fair value of each grant of performance rights is determined at each reporting date using a binomial tree valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

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

t) Tax

The Trust is not subject to income tax. However, both of its controlled entities, Ardent Leisure (NZ) Trust and ALL Group, are subject to income tax.

Under current Australian income tax legislation, the Trust is not liable to pay income tax provided its income, as determined under the Trust Constitution, is fully distributed to unit holders, by way of cash or reinvestment. The liability for capital gains tax that may otherwise arise if the Australian properties were sold is not accounted for in these financial statements, as the Trust expects to distribute such amounts to its unit holders.

1 Summary of significant accounting policies (continued)

t) Tax (continued)

The income tax expense or revenue 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 Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 8 February 2005. 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

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such 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.

u) 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.

v) Equity

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

w) Reserves

In accordance with the Trust Constitution, amounts may be transferred from reserves or contributed equity to fund distributions.

x) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that further economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. Revenue is recognised for the major business activities as follows:

i) Rendering of services

Revenue from rendering of services including health club memberships, theme park and SkyPoint entry and bowling games is recognised when the outcome can be reliably measured and the service has taken place.

ii) Sale of goods

Revenue from sale of goods including merchandise and food and beverage items is recognised when the risks and rewards of ownership have passed to the buyer.

1 Summary of significant accounting policies (continued)

x) Revenue (continued)

iii) Rental revenue
Rental income represents income earned from the sub-lease of properties leased by the Group, and is brought to account on a straight-line basis over the lease term.

iv) 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. Interest income on impaired loans is recognised using the original effective interest rate.

y) Foreign currency translation

i) 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 functional and presentation currency.

ii) 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.

iii) 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 30 June 2012, the spot rate used was A$1.00 = NZ$1.2777 (2011: A$1.00 = NZ$1.2935) and A$1.00 = US$1.0242 (2011: A$1.00 = US$1.0717). The average spot rate during the year ended 30 June 2012 was A$1.00 = NZ$1.2822 (2011: A$1.00 = NZ$1.3059) and A$1.00 = US$1.0394 (2011: A$1.00 = US$1.0013).

z) Segment information

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

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

The main income statement items used by management to assess each of the divisions are divisional revenue and divisional EBITDA before property costs and after property costs. In addition, depreciation and amortisation are analysed by division. Each of these income statement items is looked at after adjusting for pre-opening costs, straight lining of rent, IFRS depreciation, amortisation of Goodlife intangible assets and impairment of goodwill. As shown in Note 11, these items are excluded from management's definition of core earnings.

aa) Earnings per stapled security

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

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

ab) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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 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.

1 Summary of significant accounting policies (continued)

ab) Fair value estimation (continued)

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.

ac) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary 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. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

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.

Goodwill acquired is not deductible for tax.

ad) Dividends/distributions

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

ae) Convertible notes

A subsidiary of ALL, Ardent Leisure Note Issuer Pty Limited, has issued convertible notes to the Trust. Due to the terms associated with this note, the note has been classified as equity in the financial statements of the ALL Group. Given that this equity is not payable to the shareholders of ALL, the note is included in equity attributable to non-controlling interests.

af) Parent entity financial information

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

i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entities. Dividends received from associates and joint venture entities are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii) Tax consolidation legislation

Ardent Leisure Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Ardent Leisure 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 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 have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Ardent Leisure Limited for any current tax payable assumed and are compensated by Ardent Leisure 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 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.

1 Summary of significant accounting policies (continued)

af) Parent entity information (continued)

ii) Tax consolidation legislation (continued)

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.

iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

iv) Share-based payments

The grant by the parent entity of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

ag) New accounting standards and interpretations

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 1 July 2012 but which the Group has not yet adopted. Based on a review of these standards, the majority of the standards yet to be adopted are not expected to have a significant impact on the financial statements of the Group. The Group's and the parent entity's assessment of the impact of those new standards and interpretations which may have an impact is set out below.

AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)*

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and may affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that there should be no material impact on the Group's or the parent entity's financial statements. The Group has not yet decided when to adopt AASB 9.

AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities,* revised AASB 127 *Separate Financial Statements,* AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)*

In August 2011, the Australian Accounting Standards Board (AASB) issued a suite of six new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. The Group does not expect the new standard to have a significant impact on its composition.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

IFRS 13 was released September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Annual Improvements Project - 2009-2011 cycle *(effective for annual periods beginning on or after 1 January 2013)*

In May 2012, the IASB made a number of amendments to International Financial Reporting Standards as a result of the 2009-2011 annual improvements project. The Group will apply the amendments from 1 July 2013. These changes are not applicable until 1 January 2013 but are available for early adoption. The Group is yet to assess their full impact.

ah) Rounding

The Group is a registered scheme of a kind referred to in Class Order 98/100 (as amended) 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 Class Order, unless otherwise indicated.

2 Ardent Leisure Trust and Ardent Leisure Limited formation

The Trust was established on 6 February 1998. On 23 December 2005, the Manager executed a supplemental deed poll to amend the Trust Constitution. The amendments removed the 80 year life of the Trust, to enable the units on issue to be classified as equity under Australian Accounting Standards. ALL was incorporated on 28 April 2003. The Manager and ALL entered into the stapling deed effective 1 July 2003.

3 Revenue from operating activities

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Revenue from services	284,106	268,652	284,106	268,652
Revenue from sale of goods	83,433	85,348	83,433	85,348
Revenue from rentals	22,195	21,792	22,195	21,792
Other revenue	340	64	340	64
Revenue from operating activities	**390,074**	**375,856**	**390,074**	**375,856**

4 Net (loss)/gain from derivative financial instruments

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Gain on derivatives – unrealised	643	4,619	—	—
Gain on derivatives – realised	809	707	—	—
Termination of US$ interest rate swap	(1,844)	(3,937)	—	—
	(392)	**1,389**	**—**	**—**

5 Borrowing costs

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Borrowing costs paid or payable	13,308	16,172	7,501	8,202
Less: Capitalised borrowing costs	(394)	(250)	—	—
Borrowing costs expensed	**12,914**	**15,922**	**7,501**	**8,202**

6 Property expenses

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Landlord rent and outgoings	52,225	48,003	1,867	2,406
Insurance	508	981	—	—
Rates	1,834	1,925	—	—
Land tax	1,013	1,131	—	—
Other	326	187	—	—
	55,906	**52,227**	**1,867**	**2,406**

7 Management fees

The Manager of the Trust is Ardent Leisure Management Limited which, until 1 September 2009, was a wholly-owned subsidiary of Macquarie Group Limited. On 1 September 2009, ALL acquired all of the shares in the Manager from Macquarie Group Limited.

The Manager's registered office and principal place of business are Level 16, 61 Lavender Street, Milsons Point NSW 2061.

a) Base management fee

On the acquisition of the Manager by ALL, the Trust Constitution was changed and the management fees structure was amended. The base management fee since 1 September 2009 is based on an allocation of costs incurred by ALL and its controlled entities to manage the Trust but is eliminated in the aggregated results of the Group.

b) Management fee calculation

The management fee earned by the Manager during the year is detailed as follows:

	Consolidated Group 2012 $	Consolidated Group 2011 $	ALL Group 2012 $	ALL Group 2011 $
Base management fee	—	—	1,600,000	1,600,000
	—	—	1,600,000	1,600,000

8 Other expenses

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Audit fees	503	498	349	355
Consulting fees	724	342	724	342
Consumables	2,228	2,611	2,228	2,611
Custodian fees	103	100	—	—
Electricity	10,941	9,752	10,941	9,752
Foreign exchange loss	32	175	6	254
Fuel and oil	1,197	1,071	1,197	1,071
Insurance	1,954	1,692	1,954	1,692
Legal fees	351	27	313	317
Merchant fees	4,437	4,421	4,437	4,421
Motor vehicles	1,045	814	1,045	814
Permits and fees	2,331	2,675	2,293	2,355
Printing, stationery and postage	2,131	2,119	2,131	2,161
Registry fees	62	155	—	—
Stapled security holder communication costs	271	119	221	31
State taxes	397	353	388	353
Stock exchange costs	55	59	—	—
Taxation fees	101	118	83	99
Telephone	1,577	1,699	1,577	1,699
Training	1,198	1,156	1,198	1,156
Travel costs	1,818	1,661	1,818	1,661
Valuation fees	108	13	—	—
Other	14	382	38	519
	33,578	**32,012**	**32,941**	**31,663**

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9 Remuneration of auditor

During the financial year, the auditor of the Group, PricewaterhouseCoopers (PwC), earned the following remuneration:

	Consolidated Group 2012 $	Consolidated Group 2011 $	ALL Group 2012 $	ALL Group 2011 $
Audit and other assurance services – PwC Australia	458,931	450,887	304,511	308,350
Audit and other assurance services – related practices of PwC Australia	44,055	47,011	44,055	47,011
Taxation services – PwC Australia	21,300	34,360	5,400	13,560
Taxation services – related practices of PwC Australia	79,722	83,190	77,374	85,538
Other services - PwC Australia	1,500	1,850	1,500	1,850
Other services - related practices of PwC Australia	2,000	—	2,000	—
	607,508	**617,298**	**434,840**	**456,309**

10 Income tax expense

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
a) Income tax expense				
Current tax	2,635	451	2,680	504
Deferred tax	(241)	164	(241)	164
(Over)/under provided in prior year	(56)	112	(56)	113
	2,338	**727**	**2,383**	**781**
Income tax expense is attributable to:				
Profit from continuing operations	**2,338**	**727**	**2,383**	**781**
Deferred income tax expense included in income tax expense comprises:				
Decrease in deferred tax assets	638	773	638	773
Decrease in deferred tax liabilities	(879)	(609)	(879)	(609)
	(241)	**164**	**(241)**	**164**
b) Numerical reconciliation of income tax expense to prima facie tax expense				
Profit from continuing operations before income tax expense	15,187	36,679	5,627	3,378
Less: Profit from the Trusts	(15,623)	(39,610)	—	—
Prima facie (loss)/profit	**(436)**	**(2,931)**	**5,627**	**3,378**
Tax at the Australian tax rate of 30% (2011: 30%)	(131)	(879)	1,688	1,013
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:				
Goodwill impairment	—	136	—	136
Entertainment	61	29	61	29
Non-deductible depreciation and amortisation	2,496	1,775	525	6
Non-deductible interest due to thin capitalisation	35	—	35	—
Sundry items	(187)	(48)	12	(123)
Goodlife put and call option	—	—	—	—
Management rights	—	(519)	—	(519)
Business acquisition costs	—	10	—	10
Foreign exchange conversion differences	(30)	25	(30)	91
Difference in overseas tax rates	150	86	148	25
(Over)/under provided in prior year	(56)	112	(56)	113
Income tax expense	**2,338**	**727**	**2,383**	**781**
c) Income tax expense relating to items of other comprehensive income				
Losses on land and buildings revaluation	(646)	(1,026)	(646)	(1,026)
	(646)	**(1,026)**	**(646)**	**(1,026)**

10 Income tax benefit (continued)

d) Unrecognised temporary differences

The tax consolidated group has franking credits of $3,690,397 (2011: $6,744,284). It is the tax consolidated group's intention to assign these franking credits to dividends paid to the Trust by its subsidiaries and then distribute these franking credits to security holders where possible.

e) Tax losses

The Group has tax losses of $508,322 (2011: $508,322) which have not been recognised as they are not deemed recoverable.

f) Tax consolidation legislation

ALL and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 8 February 2005. The accounting policy in relation to this legislation is set out in Note 1(t).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, ALL.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate ALL for any current tax payable assumed and are compensated by ALL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to ALL 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 the non-current intercompany payables.

11 Earnings per security/share

	Consolidated Group 2012	Consolidated Group 2011	ALL Group 2012	ALL Group 2011
Basic earnings per security/share (cents)	3.87	11.51	0.99	0.98
Diluted earnings per security/share (cents)	3.83	11.49	0.98	0.97
Core earnings per security/share (cents)	12.91	12.54	N/A	N/A
Diluted core earnings per security/share (cents)	12.79	12.51	N/A	N/A
Earnings used in the calculation of basic and diluted earnings per security/share ($'000)	12,627	36,143	3,244	3,065
Earnings used in the calculation of core earnings per security/share (refer to calculation in table below) ($'000)	42,145	39,351	N/A	N/A
Weighted average number of stapled securities on issue used in the calculation of basic and core earnings per security/share ('000)	326,444	313,892	326,444	314,055
Weighted average number of stapled securities held by ALL employees under employee share plans (refer to Note 29) ('000)	3,133	687	3,133	524
Weighted average number of stapled securities on issue used in the calculation of diluted earnings per security/share ('000)	329,577	314,579	329,577	314,579

Calculation of core earnings

The table below outlines the Manager's adjustments to profit under Australian Accounting Standards to determine the amount the Manager believes should be available for distribution for the current year. The Manager uses this amount as guidance for distribution determination.

Core earnings is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised and non-cash items, reserve transfers and one off realised items. Under the Trust Constitution, the amount distributed to stapled security holders is at the discretion of the Manager. The Manager will use the core earnings calculated as a guide to assessing an appropriate distribution to declare.

11 Earnings per security/share (continued)

The adjustments between profit under Australian Accounting Standards and core earnings may change from time to time depending on changes to accounting standards and the Manager's assessment as to whether non-recurring or infrequent items (such as realised gains on the sale of properties) will be distributed to stapled security holders.

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000
Profit/(loss) used in calculating earnings per stapled security	12,627	36,143
Unrealised items		
— Unrealised gains on derivative financial instruments	(643)	(4,619)
— Property valuation losses/(gains) – investment properties	15,507	(7,599)
Non-cash items		
— Straight-lining of fixed rent increases	2,199	2,283
— Impairment of goodwill	—	453
— Amortisation of Goodlife intangible assets	3,180	2,887
— Tax impact of amortisation of Goodlife intangible assets	(954)	(866)
Reserve transfers		
— Transfer to asset revaluation reserve [1]	6,570	5,898
Distributable earnings	**38,486**	**34,580**
One off realised items		
— Pre-opening expenses	1,064	697
— Early termination of US$ interest rate swap	1,844	3,937
— Tax liability arising from retrospective change in tax legislation	519	—
— Business acquisition costs now expensed	166	137
— Loss on sale of freehold land and buildings	66	—
Core earnings	**42,145**	**39,351**

[1] The transfer from asset revaluation reserve represents depreciation recorded under Australian Accounting Standards effective 1 July 2005 on property, plant and equipment which were previously classified as investment properties.

12 Distributions and dividends paid and payable

a) Consolidated Group

The following distributions were paid and payable by the Trust:

	Distribution cents per stapled security	Total amount $'000	Tax deferred %	CGT concession amount %	Taxable %
2012 distributions for the half year ended:					
31 December 2011	6.50	21,075			
30 June 2012 [1]	5.20	17,379			
	11.70	**38,454**	**58.56**	—	**41.44**
2011 distributions for the half year ended:					
31 December 2010	6.50	20,330			
30 June 2011 [2]	5.00	15,907			
	11.50	**36,237**	**36.36**	—	**63.64**

[1] The distribution of 5.20 cents per stapled security for the half year ended 30 June 2012 was not declared prior to 30 June 2012. Refer to Note 44.
[2] The distribution of 5.00 cents per stapled security for the half year ended 30 June 2011 was not declared prior to 30 June 2011.

b) ALL Group

No dividends have been paid or provided for during the current or previous financial year.

13 Receivables

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Trade receivables	5,940	3,072	5,940	3,072
Receivables from the Trust	—	—	5,866	5,933
Provision for doubtful debts	(774)	(131)	(774)	(131)
	5,166	**2,941**	**11,032**	**8,874**
Deferred payment for excess land sale	—	4,640	—	—
Sundry receivable	513	111	488	119
	5,679	**7,692**	**11,520**	**8,993**

The Group has recognised an expense of $60,000 in respect of bad and doubtful trade receivables during the year ended 30 June 2012 (2011: $100,000). The expense has been included in other expenses in the Income Statement.

14 Derivative financial instruments

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Current assets				
Forward foreign exchange contracts	270	1,256	—	—
	270	**1,256**	**—**	**—**
Current liabilities				
Forward foreign exchange contracts	247	63	—	—
Interest rate swaps	—	1,875	—	—
	247	**1,938**	**—**	**—**
Non-current liabilities				
Interest rate swaps	3,204	1,296	—	—
	3,204	**1,296**	**—**	**—**

Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to buy US dollars and sell Australian dollars. These contracts total A$6.2 million (2011: A$nil).

The Group has entered into forward foreign exchange contracts to buy Euro and sell Australian dollars. These contracts total A$nil million (2011: A$0.8 million).

The Group has entered into forward foreign exchange contracts to sell US dollars and receive Australian dollars at an average exchange rate of A$1.00 = US$0.7948 (2011: A$1.00 = US$0.7696). These contracts total A$1.1 million (2011: A$3.8 million) and the last of these contracts matures in December 2012.

The Group has also entered into forward foreign exchange contracts to sell New Zealand dollars and receive Australian dollars. These contracts total A$nil (2011: A$5.3 million).

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

14 Derivative financial instruments (continued)

Interest rate swaps

The Group has entered into interest rate swap agreements totalling $80.0 million (2011: $125.0 million) that entitle it to receive interest, at quarterly intervals, at a floating rate on a notional principal and obliges it to pay interest at a fixed rate. The interest rate swap agreements allow the Group to raise long term borrowings at a floating rate and effectively swap them into a fixed rate. The Group also has forward starting interest rate swaps totalling $60.0 million (2011: $nil) with start dates of September 2013 and end dates of December 2014.

These interest rate swap contracts qualify as cash flow hedges. Accordingly, the change in fair value of these swaps is recorded in the cash flow hedge reserve. Amounts accumulated in equity are recycled in the Income Statement in the period when the hedged item impacts the Income Statement.

In the prior year, the Group held a US$45.0 million US dollar interest rate swap agreement that entitled it to receive interest at a floating rate on a notional principal amount and obliged it to pay interest at a fixed rate on the same amount. In November 2010, the US$45.0 million interest rate swap, which was due to mature in September 2012, was terminated. The Group also had a US$45.0 million forward starting interest rate swap with start date in September 2012 and end date in September 2013. During the current year, this forward starting interest rate swap was terminated.

The US dollar interest rate swaps did not qualify for hedge accounting and accordingly, all changes in fair value of these contracts were recorded through the Income Statement.

The table below shows the maturity profile of the interest rate swaps:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Less than 1 year	—	45,000	—	—
1-2 years	80,000	—	—	—
2-3 years	60,000	121,989	—	—
3-4 years	—	—	—	—
4-5 years	—	—	—	—
More than 5 years	—	—	—	—
	140,000	**166,989**	—	—

15 Inventories

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Goods held for resale	8,881	7,660	8,881	7,660
Provision for diminution	(64)	(64)	(64)	(64)
	8,817	**7,596**	**8,817**	**7,596**

There was no reversal of write downs of inventories recognised as a benefit during the year ended 30 June 2012 (2011: $nil).

16 Property held for sale

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Family entertainment centres	—	7,651	—	7,651
	—	**7,651**	**—**	**7,651**

The freehold land and building of Main Event Webster which was held for sale at 30 June 2011 was sold and leased back during the year.

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Opening	7,651	16,500	7,651	—
Transfer from property, plant and equipment	—	7,651	—	7,651
Transfer to investment properties	—	—	—	—
Disposals	(7,651)	(16,500)	(7,651)	—
	—	**7,651**	—	**7,651**

17 Other assets

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Prepayments	9,942	5,275	7,581	3,370
	9,942	**5,275**	**7,581**	**3,370**

18 Investment properties

A reconciliation of the carrying amount of investment properties at the beginning and end of the current year is set out below:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Carrying amount at the beginning of the year	96,279	84,186	—	—
Transfer from property plant and equipment	—	2,324	—	—
Additions	1,127	2,170	—	—
Revaluation (decrements)/increments	(2,491)	7,599	—	—
Carrying amount at the end of the year	**94,915**	**96,279**	**—**	**—**

Amounts recognised in the Income Statement for investment properties:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Revenue from investment properties	18,661	18,016	—	—
Property expenses incurred on investment properties	(2,587)	(2,248)	—	—

At 30 June 2012, the Group had receivables to third parties totalling $541,000 (2011: $454,000) relating to leases on its investment properties.

18 Investment properties (continued)

Consolidated Group

Property	Note	Valuer	Cost less accumulated depreciation $'000	Cumulative revaluation increments/ (decrements) $'000	Consolidated book value 2012 $'000	Consolidated book value 2011 $'000
Excess land at Dreamworld	(a)	(1)	2,874	(462)	2,412	3,500
Marinas	(b)	(2)	72,773	19,730	92,503	92,779
Total			**75,647**	**19,268**	**94,915**	**96,279**

As valued by:
[1] Peter Bouwmeester, CBRE Valuations Pty Limited, independently valued the property at 31 January 2012.
[2] Greg Thomson, FAPI, Knight Frank, Valuation Services (NSW) Pty Limited independently valued the properties at 30 June 2012.
[a] The remaining excess land has been valued by Directors at $2.4 million (2011: $3.5 million).
[b] The total carrying value of d'Albora Marinas (including plant and equipment of $5.2 million) is $97.7 million (2011: $97.7 million). All of the marinas were independently valued at 30 June 2012 and the fair value was assessed to be $97.7 million (2011: $97.7 million).

19 Property, plant and equipment

Consolidated Group

Property	Note	Cost less accumulated depreciation 2012 $'000	Cumulative revaluation increments/ (decrements) 2012 $'000	Consolidated book value 2012 $'000	Consolidated book value 2011 $'000
Theme Parks	(1) (2)	207,252	20,434	227,686	245,664
Marinas	(3)	5,197	—	5,197	4,921
Bowling centres	(4)	93,092	1,900	94,992	86,779
Family entertainment centres	(5)	25,432	(86)	25,346	31,742
Health clubs	(6)	47,754	—	47,754	43,870
Other	(7)	1,434	—	1,434	801
Total		**380,161**	**22,248**	**402,409**	**413,777**

[1] The book value of Dreamworld and WhiteWater World (including intangible assets of $1.0 million) is $215.0 million (2011: $235.0 million). In an independent valuation performed at 30 June 2012, the fair value for the theme parks was assessed to be $215.0 million (2011: $235.0 million).
[2] The book value of SkyPoint (including intangible assets of $3.6 million (2011: $3.6 million)) is $16.8 million (2011: $15.2 million). In an independent valuation performed at 30 June 2011, the fair value for SkyPoint was assessed to be $15.0 million excluding the incomplete development of the new SkyPoint Climb which had a cost as at 30 June 2011 of $0.2 million. At 30 June 2012, the Directors assessed the fair value to be $16.8 million (2011: $15.2 million).
[3] The Directors have valued the property, plant and equipment of d'Albora Marinas at $5.2 million (2011: $4.9 million).
[4] The one remaining freehold building was independently valued at 30 June 2010 at $1.9 million. At 30 June 2012, the Directors assessed the fair value of the freehold building to be $1.9 million (2011: $1.9 million) and the remaining property, plant and equipment to be $93.1 million (2011: $84.9 million).
[5] The freehold land and buildings of the two family entertainment centres were independently valued by Lowery Property Advisors at 30 June 2011 at US$14.6 million ($13.6 million). These properties were sold and leased back during the year. At 30 June 2012, the Directors assessed the fair value of the remaining property, plant and equipment to be $25.3 million (2011: $18.1 million).
[6] The Directors have valued the property, plant and equipment of Goodlife at 30 June 2012 at $47.8 million (2011: $43.9 million).
[7] The fair value of other property, plant and equipment was assessed by the Directors to be $1.4 million at 30 June 2012 (2011: $0.8 million).

19 Property, plant and equipment (continued)

Consolidated Group (continued)

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:

Property	Land and buildings $'000	Major rides and attractions $'000	Plant and equipment $'000	Plant and equipment under finance lease $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Consolidated Group – 2012							
Carrying amount at the beginning of the year	237,687	60,205	109,063	33	6,376	413	413,777
Additions	20,768	7,356	16,377	686	4,713	90	49,990
Acquired through business combinations	1,227	—	321	—	—	—	1,548
Disposals	(15,330)	—	(1,306)	(33)	—	(59)	(16,728)
Depreciation	(7,344)	(2,282)	(15,254)	(13)	(1,858)	(116)	(26,867)
Foreign exchange movements	469	—	883	—	1	—	1,353
Revaluation decrements	(20,664)	—	—	—	—	—	(20,664)
Carrying amount at the end of the year	**216,813**	**65,279**	**110,084**	**673**	**9,232**	**328**	**402,409**
Consolidated Group – 2011							
Carrying amount at the beginning of the year	244,320	59,905	108,865	62	4,292	478	417,922
Additions	10,924	2,241	28,736	—	2,924	63	44,888
Transfer to investment properties	—	—	(2,324)	—	—	—	(2,324)
Transfer from properties held for sale	(7,651)	—	—	—	—	—	(7,651)
Disposals	(44)	—	(3,225)	(15)	(1)	(11)	(3,296)
Depreciation	(6,886)	(1,941)	(17,689)	(14)	(836)	(117)	(27,483)
Foreign exchange movements	(5,073)	—	(5,300)	—	(3)	—	(10,376)
Revaluation decrements	2,097	—	—	—	—	—	2,097
Carrying amount at the end of the year	**237,687**	**60,205**	**109,063**	**33**	**6,376**	**413**	**413,777**

19 Property, plant and equipment (continued)

Property	Land and buildings $'000	Plant and equipment $'000	Plant and equipment under finance lease $'000	Total $'000
ALL Group – 2012				
Carrying amount at the beginning of the year	13,744	34,988	33	48,765
Foreign exchange movements	464	868	—	1,332
Additions	5,088	9,268	686	15,042
Acquired through business combinations	—	321	—	321
Revaluation increments	1,953	—	—	1,953
Disposals	(15,324)	(1,193)	(33)	(16,550)
Depreciation	(102)	(8,147)	(13)	(8,262)
Carrying amount at the end of the year	**5,823**	**36,105**	**673**	**42,601**
ALL Group – 2011				
Carrying amount at the beginning of the year	23,473	41,955	62	65,490
Foreign exchange movements	(5,052)	(5,225)	—	(10,277)
Additions	326	9,062	—	9,388
Acquired through business combinations	—	1,482	—	1,482
Revaluation increments	3,108	—	—	3,108
Disposals	(1)	(3,017)	(15)	(3,033)
Transfer to property held for sale	(7,651)	—	—	(7,651)
Depreciation	(459)	(9,269)	(14)	(9,742)
Carrying amount at the end of the year	**13,744**	**34,988**	**33**	**48,765**

20 Livestock

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
At 1 July				
Cost	847	806	847	806
Accumulated depreciation	(423)	(376)	(423)	(376)
Net book amount	**424**	**430**	**424**	**430**
Year ended 30 June				
Opening net book amount	424	430	424	430
Additions	24	44	24	44
Disposals	(43)	(3)	(43)	(3)
Depreciation	(52)	(47)	(52)	(47)
Closing net book amount	**353**	**424**	**353**	**424**
At 30 June				
Cost	828	847	828	847
Accumulated depreciation	(475)	(423)	(475)	(423)
Net book amount	**353**	**424**	**353**	**424**

21 Intangible assets

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Other intangible assets at cost	2,080	2,059	652	633
Accumulated amortisation	(1,760)	(1,641)	(431)	(414)
	320	418	221	219
Customer relationships at cost	15,362	13,322	15,362	13,322
Accumulated amortisation	(11,973)	(9,447)	(11,973)	(9,447)
	3,389	3,875	3,389	3,875
Brand at cost	6,539	6,539	6,539	6,539
Accumulated amortisation	(3,106)	(2,452)	(3,106)	(2,452)
	3,433	4,087	3,433	4,087
Goodwill at cost	144,253	137,293	144,253	137,293
Accumulated impairment charge	(11,557)	(11,557)	(11,557)	(11,557)
	132,696	125,736	132,696	125,736
Total intangible assets	**139,838**	**134,116**	**139,739**	**133,917**
Other intangible assets				
Opening net book amount	418	523	219	225
Additions	21	13	19	13
Amortisation	(119)	(118)	(17)	(19)
Closing net book amount	**320**	**418**	**221**	**219**
Customer relationships				
Opening net book amount	3,875	2,767	3,875	2,767
Additions	2,040	3,341	2,040	3,341
Amortisation	(2,526)	(2,233)	(2,526)	(2,233)
Closing net book amount	**3,389**	**3,875**	**3,389**	**3,875**
Brand				
Opening net book amount	4,087	4,741	4,087	4,741
Amortisation	(654)	(654)	(654)	(654)
Closing net book amount	**3,433**	**4,087**	**3,433**	**4,087**
Goodwill				
Opening net book amount	125,736	130,612	125,736	130,613
Addition	5,212	5,842	5,212	5,842
Foreign exchange movements	1,748	(10,265)	1,748	(10,266)
Impairment charge	—	(453)	—	(453)
Closing net book amount	**132,696**	**125,736**	**132,696**	**125,736**
Total intangible assets	**139,838**	**134,116**	**139,739**	**133,917**

21 Intangible assets (continued)

Other intangible assets

Other intangible assets represent registered trademarks associated with Dreamworld operations, intellectual property associated with Australian Tour Desk and liquor licences held by the Bowling centres.

Customer relationships

Customer relationships relate to the relationships with health club members which were acquired as part of the various acquisitions of health clubs.

Brand

The brand relates to the Goodlife brand acquired in September 2007.

Goodwill

Goodwill represents goodwill acquired by the Group as part of various acquisitions. The movement in goodwill at cost in the period is predominately due to the movement in the USD:AUD foreign exchange rate.

Impairment tests for goodwill

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

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

Consolidated Group and ALL Group

2012	Australia $'000	New Zealand $'000	United States $'000	Total $'000
Theme parks	4,366	—	—	4,366
Bowling centres	16,823	3,079	—	19,901
Family entertainment centres	—	—	41,728	41,728
Health clubs	66,701	—	—	66,701
	87,889	**3,079**	**41,728**	**132,696**

2011	Australia $'000	New Zealand $'000	United States $'000	Total $'000
Theme parks	4,366	—	—	4,366
Bowling centres	16,823	3,041	—	19,864
Family entertainment centres	—	—	40,017	40,017
Health clubs	61,489	—	—	61,489
	82,678	**3,041**	**40,017**	**125,736**

Key assumptions used for value in use calculations

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

	Growth rate (1)		Discount rate (2)	
	2012 % per annum	2011 % per annum	2012 % per annum	2011 % per annum
Theme parks(3)	N/A	N/A	N/A	N/A
Bowling centres	2.00	2.00	9.44	11.23
Family entertainment centres	3.00	3.00	8.23	10.95
Health clubs	2.00	2.00	9.44	11.23

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

(2) In performing the value in use calculations for each CGU, the Group has applied pre tax discount rates to discount the forecast future attributable pre-tax cash flows.

(3) All non-current assets in the Theme Parks division are already held at fair value at 30 June 2012 and were independently valued by Jones Lang LaSalle (refer to Note 19) and so no impairment testing required at that date.

21 Intangible assets (continued)

The period over which management has projected the CGU cash flows is based upon the individual CGU's lease term available. These assumptions have been used for the analysis of each CGU within the business segment. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre tax and reflect specific risks relating to the relevant segments and the countries in which they operate.

Cash outflows for financial years from 30 June 2013 onwards have been adjusted to reflect an estimated increase in energy, supply chain and transport costs arising from the introduction of the Australian Clean Energy Legislation (Clean Energy Act 2011 and supporting legislation) from 1 July 2012. It is unlikely that any of the Group's activities will be identified as being emission-intensive trade-exposed (EITE). As a result, the cash inflows do not include any allowance for EITE assistance.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on the 2013 financial year budget approved by the Board and three year forecasts approved by management. Cash flows beyond the three year period are extrapolated using the growth rates stated above. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Sensitivity to changes in assumptions

Management recognises that the calculation of recoverable amount can vary based on the assumptions used to project or discount cash flows and that changes to key assumptions can result in recoverable amounts falling below carrying amounts. In relation to the CGUs above, the recoverable amounts are well in excess of the carrying amount associated with each segment.

The Directors consider that the growth rates are reasonable, and do not consider a change in any of the other key assumptions to be reasonably possible.

22 Deferred tax assets

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Doubtful debts	43	39	43	39
Employee benefits	4,611	4,149	4,611	4,149
Provisions and accruals	117	249	117	249
Depreciation	—	2	—	2
Inventory diminution	6	19	6	19
Deferred income	106	171	106	171
Unrealised foreign exchange	—	55	—	55
Difference in overseas tax rates	2	—	2	—
Tax losses	—	613	—	613
Deferred tax assets	**4,885**	**5,297**	**4,885**	**5,297**
Movements				
Balance at the beginning of the year	5,297	5,768	5,297	5,768
Credited to the Income Statement (see Note 10)	(638)	(773)	(638)	(773)
Acquisition of businesses	226	302	226	302
Balance at the end of the year	**4,885**	**5,297**	**4,885**	**5,297**
Deferred tax assets to be recovered within 12 months	3,830	4,090	3,830	4,090
Deferred tax assets to be recovered after more than 12 months	1,055	1,207	1,055	1,207
	4,885	**5,297**	**4,885**	**5,297**

23 Payables

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Current				
Custodian fee	48	48	—	—
Interest payable	26	635	—	—
GST payable	—	261	—	—
Trade creditors	12,776	10,209	12,776	10,209
Property expenses payable	9,716	9,497	—	—
Deferred settlement for acquisition of businesses	712	5,320	—	—
Deferred income	7,146	7,196	7,146	7,196
Other creditors and accruals	29,379	24,785	28,312	25,531
Total payables	**59,800**	**57,951**	**48,234**	**42,936**

24 Interest bearing liabilities

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Current				
Finance leases	229	28	229	28
Total current	**229**	**28**	**229**	**28**
Non-current				
Finance leases	287	—	287	—
Bank loan – term debt	193,730	194,856	—	—
Less: amortised costs – bank loan	(792)	(1,300)	—	—
Loan from the Trust [1]	—	—	124,257	137,361
Total non-current	**193,225**	**193,556**	**124,544**	**137,361**
Total interest bearing liabilities	**193,454**	**193,584**	**124,773**	**137,389**

[1] Further information relating to these loans is included in Note 36.

The term debt is secured by registered mortgages over all Australian properties owned by the Group.

Total secured liabilities and assets pledged as security

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
The total secured liabilities, current and non-current are as follows:				
Finance leases	516	28	516	28
Total secured liabilities	**516**	**28**	**516**	**28**
Assets pledged as security				
Finance leases				
Plant and equipment	673	33	673	33
Total assets pledged as security	**673**	**33**	**673**	**33**

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

24 Interest bearing liabilities (continued)

Credit facilities

As at 30 June 2012, the Group had unrestricted access to the following credit facilities:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
A$ syndicated facility	200,750	210,446	—	—
Amount used	(154,675)	(166,863)	—	—
Amount unused	**46,075**	**43,583**	**—**	**—**
US$ syndicated facility	39,055	27,993	—	—
Amount used	(39,055)	(27,993)	—	—
Amount unused	**—**	**—**	**—**	**—**
Trust facility	—	—	182,657	202,609
Amount used	—	—	(124,257)	(137,361)
Amount unused	**—**	**—**	**58,400**	**65,248**
Total facility	239,805	238,439	182,657	202,609
Total amount used	(193,730)	(194,856)	(124,257)	(137,361)
Total amount unused	**46,075**	**43,583**	**58,400**	**65,248**

Consolidated

The Group has access to A$200.8 million (2011:A$210.4 million) syndicated facility and US$40 million (2011: US$30.0 million) syndicated facility. A$140.8 million (2011: A$150.4 million) of the A$ facility and the US$40.0 million (2011: US$30.0 million) facility mature on 7 December 2013. The remaining A$60.0 million of the A$ syndicated facility matures on 7 December 2014.

All of the facilities have a variable interest rate. As detailed in Note 14, the interest rates on the loans are partially fixed using interest rate swaps. The weighted average interest rates payable on the loans at 30 June 2012, including the impact of the interest rate swaps, is 6.33% per annum for AUD denominated debt (2011: 7.15% per annum) and 2.07% per annum for USD denominated debt (2011: 1.85% per annum).

ALL Group

Subject to the Trust loan facility conditions being met, the facilities may be drawn down with two business days notice.

Australian Trust loan facilities totalling $105.0 million have a maturity date of 31 August 2013. In addition, the ALL Group has a US$78.0 million facility with the Trust maturing on 31 August 2013. The ALL Group also has a $1.5 million facility with the Trust maturing on 31 August 2013 and had a US$25.0 million facility which expired on 31 August 2011 and was repaid during the financial year.

Information about the Group's exposure to interest rates and foreign exchange risk is provided in Note 39.

25 Provisions

a) Distributions to stapled security holders

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Opening balance	—	—	—	—
Distributions declared	36,982	33,453	2,461	2,512
Distributions paid	(22,467)	(24,514)	(2,461)	(2,512)
Distributions reinvested	(14,515)	(8,939)	—	—
Closing balance	**—**	**—**	**—**	**—**

A provision for the distribution relating to the half year to 30 June 2012 was not recognised as the distribution had not been declared at the reporting date.

b) Other provisions

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Current				
Employee benefits	2,307	2,395	2,307	2,395
Sundry [1]	428	1,417	428	1,417
Total current	**2,735**	**3,812**	**2,735**	**3,812**
Non-current				
Employee benefits	1,631	1,391	1,631	1,391
Total non-current	**1,631**	**1,391**	**1,631**	**1,391**
Total provisions	**4,366**	**5,203**	**4,366**	**5,203**
Movements in sundry provisions				
Carrying amount at the beginning of the year	1,417	1,202	1,417	1,202
Additional provisions recognised	257	704	257	704
Amounts utilised	(1,246)	(489)	(1,246)	(489)
Carrying amount at the end of the year	**428**	**1,417**	**428**	**1,417**

[1] Sundry provisions include employee sick leave provisions, insurance excess/deductible amounts for public liability insurance, fringe benefits tax provisions and other royalty provisions.

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave, it 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. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

26 Other liabilities

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Security deposits	1,718	1,731	1,694	1,723
	1,718	**1,731**	**1,694**	**1,723**

27 Deferred tax liabilities

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Intangible assets	1,894	2,161	1,894	2,161
Prepayments	474	353	474	353
Accrued revenue	7	—	7	—
Depreciation of property, plant and equipment	4,980	4,444	4,980	4,444
Deferred tax liabilities	**7,355**	**6,958**	**7,355**	**6,958**
Movements				
Balance at the beginning of the year	6,958	5,539	6,958	5,539
Credited to the Income Statement (refer to Note 10)	(879)	(609)	(879)	(609)
Credited to asset revaluation reserve (refer to Note 30)	646	1,026	646	1,026
Acquisition of businesses	630	1,002	630	1,002
Balance at the end of the year	**7,355**	**6,958**	**7,355**	**6,958**
Deferred tax liabilities to be settled within 12 months	482	103	482	103
Deferred tax liabilities to be settled after more than 12 months	6,873	6,855	6,873	6,855
	7,355	**6,958**	**7,355**	**6,958**

28 Contributed equity

No. of stapled securities	Details	Date of income entitlement	Note	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
308,768,308	Securities/shares on issue	30 Jun 2010			394,706		9,918
3,726,806	DRP issue	1 Jul 2010	(i)		3,695		275
271,060	ESP - securities/shares sold	1 Jul 2010	(ii)		287		—
5,311,704	DRP issue	1 Jan 2011	(i)		5,244		374
70,100	ESP - securities/shares sold	1 Jan 2011	(ii)		100		—
	Issue costs paid				**(22)**		—
318,147,978	Securities/shares on issue	30 June 2011		404,010	404,010	10,567	10,567
5,668,287	DRP issue	1 Jul 2011	(i)	7,084		532	
420,125	Security-based payments securites/shares issued	1 Jul 2011	(iii)	468		35	
7,377,472	DRP issue	1 Jan 2012	(i)	7,431		594	
2,595,539	Prahran placement	15 Mar 2012	(iv)	2,907		232	
334,209,401	**Securities/shares on issue**	**30 Jun 2012**		**421,900**	**404,010**	**11,960**	**10,567**

(i) ***Distribution Reinvestment Plan (DRP)***
The Group has established a DRP under which stapled security holders may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than being paid in cash. The discount available on stapled securities issued under the DRP is 2.0% on the market price.

(ii) ***Executive Securities Plan (ESP)***
Stapled securities in the Group have been acquired by the employees of ALL, funded by a loan from the Trust, as part of ALL's ESP. These stapled securities will be given to employees in the future if certain performance targets are achieved. As there are vesting conditions attached to these contracts, the Group is deemed to have acquired and to hold the securities purchased. In accordance with Australian Accounting Standards, the purchase of stapled securities under the ESP is treated as a purchase of the Group's own stapled securities and accordingly, the contributed equity account has been reduced.

(iii) ***Security-based payments***
The Group has Deferred Short Term Incentive and Long Term Incentive remuneration plans under which performance rights are issued to certain management and other personnel within the Group as part of their remuneration arrangements. These performance rights are subject to vesting conditions as set out in Note 29. Upon vesting, the Group issues stapled securities to these personnel.

(iv) ***Prahran placement***
On 14 March 2012, the Group issued 2,595,539 stapled securities as part of the consideration to acquire the Prahran health club. Refer to Note 32 for further details.

29 Security-based payments

a) Deferred Short Term Incentive Plan (DSTI)

Who can participate?
All employees are eligible for participation at the discretion of the Board.

Types of securities issued?
Performance rights that can be converted into fully paid securities 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.

Treatment of non-Australian residents
Due to restrictions on the issue of securities to employees who are not Australian residents, the DSTI contemplates that cash awards will be granted to those executives and will be subject to the same tenure hurdles.

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 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.

Did any of the securities vest?
The first half of the performance rights granted on 16 December 2010 vested on 19 August 2011, resulting in the issue of 420,125 securities to employees of the Group. No other performance rights reached vesting date during the year.

Australian Employees
Since the DSTI was approved in December 2010, long term incentives have been provided to certain executives under the DSTI. Under the terms of the DSTI, participants may be granted performance rights of which one half will vest one year after grant date and one half will vest two years after grant date. The first set of performance rights were granted under the DSTI on 17 December 2010, with the first possible vesting date being the day after the full year results announcement for the year ended 30 June 2011. A total of 420,125 performance rights vested on 19 August 2011 and a corresponding number of stapled securities were issued to employees under the terms of the DSTI (2011: nil).

The DSTI awards are considered to be equity settled share-based payments as the participants are entitled to the securities as long as they meet the DSTI service criteria.

Fair value – Australian employees
The characteristics of the DSTI indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment under AASB2 Share-based Payment as the holders are entitled to the securities as long as they meet the DSTI's service criteria. However, as ALL is considered to be a subsidiary of the Trust in the financial statements of the ALL Group, the DSTI is accounted for as a cash settled share-based payment.

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

The fair value of the performance rights granted under the DSTI is recognised in the ALL Group financial statements as an employee benefit expense with a corresponding increase in liabilities. The fair value of each grant of performance rights is determined at each reporting date using a binomial tree valuation model with the movement in fair value of the liability being recognised in the Income Statement.

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

US employees
Due to restrictions on the issue of securities to US residents, those US executives eligible for the DSTI are subject to a shadow performance rights scheme whereby a cash payment is made instead of performance rights being granted. At the end of each vesting period for each grant of performance rights, the number of performance rights which would have vested is multiplied by the Group stapled security volume weighted average price (VWAP) for the five trading days immediately following the vesting date and an equivalent cash payment is made. Due to the nature of the scheme, this is considered to be a cash settled share-based payment under AASB 2.

Fair value – US employees
The fair value of each grant of performance rights is determined at each reporting date using a binomial tree valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

At each reporting date, the Group revises its estimate of the number of performance rights that are expected to vest and the corresponding number of securities to be acquired. The employee benefit expense recognised each period takes into account the most recent estimate.

29 Security-based payments (continued)

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

Valuation inputs

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 date of grant:

Tranche	1	2
Issue date	16 Dec 2010	12 Sept 2011
Vesting dates - year 1	19 Aug 2011	31 Aug 2012
Vesting date - year 2	31 Aug 2012	31 Aug 2013
Average risk free rate	4.85% per annum	3.75% per annum
Expected price volatility	45% per annum	40% per annum
Expected distribution yield	10% per annum	11% per annum
Stapled security price at grant date	$1.065	$1.055
Valuation per performance right on issue	$0.95	$0.90

The table below shows the fair value of the performance rights in each grant as at 30 June 2012 as well as the factors used to value the performance rights as at 30 June 2012:

Tranche	1	2
Issue date	16 Dec 2010	12 Sept 2011
Vesting date - year 1	19 Aug 2011	31 Aug 2012
Vesting date - year 2	31 Aug 2012	31 Aug 2013
Average risk free rate	2.93% per annum	2.79% per annum
Expected price volatility	N/A	17.5% per annum
Expected distribution yield	10% per annum	10% per annum
Stapled security price at grant date	$1.28	$1.28
Valuation per performance right on issue	$1.20	$1.21

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 employee benefit expense recognised each period takes into account the most recent estimate.

	Consolidated Group 2012 Rights	Consolidated Group 2011 Rights	ALL Group 2012 Rights	ALL Group 2011 Rights
Performance rights issued to participating executives:				
Performance rights	1,430,238	896,843	1,430,238	896,843

Grant date	Expiry date	Exercise price	Valuation per right	Balance at beginning of the year	Granted	Exercised	Fail to vest	Cancelled	Balance at the end of the year
16 Dec 2010	31 Aug 2012	nil	95.0 cents	896,843	—	(460,938)	—	(55,526)	380,379
12 Dec 2011	31 Aug 2013	nil	90.0 cents	—	1,106,539	—	—	(56,680)	1,049,859
				896,843	**1,106,539**	**(460,938)**	**—**	**(112,206)**	**1,430,238**

The rights have an average maturity of 6 months.

29 Security-based payments (continued)

b) Long Term Incentive Plan (LTIP)

Who can participate?
All employees are eligible for participation at the discretion of the Board.

Types of securities issued?
Performance rights that can be converted into fully paid securities 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.

Treatment of non-Australian residents
Due to restrictions on the issue of securities to employees who are not Australian residents, the LTIP contemplates that cash awards will be granted to those executives and will be subject to the same performance hurdles.

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 in the second, third and fourth financial years following the grant date assuming the total shareholder return (TSR) performance hurdle has been met.

What are the vesting conditions?
In order for any or all of the performance rights to vest under the TSR performance hurdle, the Group's TSR for the performance period must exceed the 50th percentile of the TSRs of the benchmark for the same period. A sliding scale of vesting applies above the 50th percentile threshold.

What does total shareholder return (TSR) include?
TSR is the total return an investor would receive over a set period of time assuming that all distributions were reinvested in the Group's securities. The TSR definition takes account of both capital growth and distributions.

What is the benchmark group?
The benchmark group comprises the ASX Small Industrials Index.

Did any of the securities vest?
The first third of the performance rights granted on 4 December 2009 reached vesting date on 19 August 2011; however, these did not vest as TSR performance hurdles were not met. No other performance rights reached vesting date since the date of grant.

Australian Employees
Since 1 July 2009, long term incentives have been provided to certain executives under the LTIP. Under the terms of the LTIP and the initial grant, employees may be granted performance rights of which one third will vest two years after grant date, one third will vest three years after grant date and one third will vest four years after grant date. The percentage of performance rights which may vest is subject to the performance of the Group relative to its peer group, which is the ASX Small Industrials Index. The first set of performance rights were granted under the scheme on 4 December 2009, with the first possible vesting date being the day after the full year results announcement for the year ended 30 June 2011. The relative TSR performance of the Group was tested in accordance with the LTIP rules and, as the Group's performance over the period fell below the 51st percentile, none of the first tranche of performance rights vested to participants and they automatically lapsed.

Fair value – Australian employees
The characteristics of the LTIP indicate that, at the Ardent Leisure Group level, it is an equity settled share-based payment under AASB 2 Share-based Payment as the holders are entitled to the securities as long as they meet the LTIP's service and performance criteria. However, as ALL is considered to be a subsidiary of the Trust in the financial statements of the ALL Group, the LTIP is accounted for as a cash settled share-based payment.

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

The fair value of the performance rights granted under the LTIP is recognised in the ALL Group financial statements as an employee benefit expense with a corresponding increase in liabilities. The fair value of each grant of performance rights is determined at each reporting date using a Monte Carlo simulation valuation model with the movement in fair value of the liability being recognised in the Income Statement.

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

US employees
Due to restrictions on the issue of securities to US residents, those US executives eligible for the LTIP are subject to a shadow performance rights scheme whereby a cash payment is made instead of performance rights being granted. At the end of each vesting period for each grant of performance rights, a calculation is made of the number of performance rights which would have been granted and payment is made based on the Group stapled security volume weighted average price for the five trading days immediately following the vesting date. Due to the nature of the scheme, this is considered to be a cash settled share-based payment under AASB 2.

29 Security-based payments (continued)

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

Fair value – US employees

The fair value of each grant of performance rights is determined at each reporting date using a Monte Carlo simulation valuation model. This is recorded as a liability with the difference in the movement in the fair value of the financial liability being recorded through the Income Statement.

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 period takes into account the most recent estimate.

Valuation inputs

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. This valuation is used to value the performance rights granted to Australian employees at 30 June 2012:

Tranche	1	2	3
Issue date	4 Dec 2009	16 Dec 2010	12 Sept 2011
Vesting date - year 2	19 Aug 2011	31 Aug 2012	31 Aug 2013
Vesting date - year 3	31 Aug 2012	31 Aug 2013	31 Aug 2014
Vesting date - year 4	31 Aug 2013	31 Aug 2014	31 Aug 2015
Average risk free rate	4.64% per annum	5.10% per annum	3.49% per annum
Expected distribution yield	55% per annum	45% per annum	40% per annum
Expected price volatility	10% per annum	10% per annum	11% per annum
Stapled security price at grant date	$1.635	$1.065	$1.055
Valuation per performance right on issue	$0.89	$0.52	$0.44

The table below shows the fair value of the performance rights for each grant as at 30 June 2012 as well as the factors used to value the performance rights at 30 June 2012. This valuation is used to value the performance rights granted to US employees at 30 June 2012:

Tranche	1	2	3
Issue date	4 Dec 2009	16 Dec 2010	12 Sept 2011
Vesting date - year 2	19 Aug 2011	31 Aug 2012	31 Aug 2013
Vesting date - year 3	31 Aug 2012	31 Aug 2013	31 Aug 2014
Vesting date - year 4	31 Aug 2013	31 Aug 2014	31 Aug 2015
Average risk free rate	2.79% per annum	2.67% per annum	2.50% per annum
Expected distribution yield	10% per annum	10% per annum	10% per annum
Expected price volatility	11.7% per annum	23.3% per annum	35.0% per annum
Stapled security price at grant date	$1.28	$1.28	$1.28
Valuation per performance right on issue	$0.41	$1.03	$0.68

Performance hurdles

In order for any or all of the performance rights to vest under the LTIP, the Group's TSR for the performance period must exceed the 50th percentile of the TSRs of the benchmark for the same period. A sliding scale of vesting applies above the 50th percentile threshold.

TSR of the Group relative to TSRs of comparators	Proportion of performance rights vesting
Below 51st percentile	0%
51st percentile	50%
Between 51st percentile and 75th percentile	Straight line vesting between 50% and 100%
75th percentile or higher	100%

TSR over a performance period is measured against the benchmark group securities calculated at the average closing price of securities on the ASX for the calendar month period up to and including each of the first and last dates of the performance period. Distributions are assumed to be re-invested at the distribution date and any franking credits (or similar) are ignored.

29 Security-based payments (continued)

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

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

	Consolidated Group 2012 Rights	Consolidated Group 2011 Rights	ALL Group 2012 Rights	ALL Group 2011 Rights
Performance rights issued to participating executives:				
Performance rights	3,870,399	3,269,276	3,870,399	3,269,276

Grant date	Expiry date	Exercise price	Valuation per right	Balance at beginning of the year	Granted	Exercised	Fail to vest	Cancelled	Balance at the end of the year
4 Dec 2009	31 Aug 2013	nil	89.0 cents	1,778,086	—	—	(621,920)	(129,575)	1,026,591
16 Dec 2010	31 Aug 2014	nil	52.3 cents	1,491,190	—	—	—	(140,489)	1,350,701
16 Sept 2011	31 Aug 2015	nil	43.7 cents	—	1,590,450	—	—	(97,343)	1,493,107
				3,269,276	**1,590,450**	—	**(621,920)**	**(367,407)**	**3,870,399**

The rights have an average maturity of 1 year and 5 months.

The expense recorded in the Group financial statements in the year in relation to the options and performance rights was $1,700,804 (2011: $1,276,693). The expense recorded in the ALL Group financial statements in the year in relation to the options and performance rights was $2,363,905 (2011: $1,027,384).

30 Reserves

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Asset revaluation reserve				
Opening balance	15,274	20,101	2,082	—
Revaluation – Dreamworld	(13,183)	(4,041)	—	—
Revaluation – Bowling Group	1,305	1,292	—	—
Revaluation – Goodlife	2,277	1,738	—	—
Revaluation – Main Event	1,980	3,108	1,980	3,108
Tax on Main Event revaluation	(646)	(1,026)	(646)	(1,026)
Transfer to retained profits – realised items	(6,570)	(5,898)	—	—
Closing balance	**437**	**15,274**	**3,416**	**2,082**
Capital reserve				
Opening balance	(4,848)	(4,052)	—	—
Pre-opening expenses	(1,064)	(697)	—	—
Transfer to retained profits – unrealised items	—	(99)	—	—
Closing balance	**(5,912)**	**(4,848)**	**—**	**—**
Cash flow hedge reserve				
Opening balance	(1,307)	(1,993)	—	—
Movement in effective cash flow hedges	(1,791)	686	—	—
Closing balance	**(3,098)**	**(1,307)**	**—**	**—**
Foreign currency translation reserve				
Opening balance	(39,906)	(21,904)	(4,696)	(1,473)
Translation of foreign operations	1,383	(18,002)	542	(3,223)
Closing balance	**(38,523)**	**(39,906)**	**(4,154)**	**(4,696)**
Stapled security-based payment reserve				
Opening balance	1,710	388	—	—
Option expense	1,019	1,322	—	—
Closing balance	**2,729**	**1,710**	**—**	**—**
Employee share plan reserve				
Opening balance	—	(4)	—	—
Expense	—	4	—	—
Closing balance	—	—	—	—
Performance fee reserve				
Opening balance	1,132	1,132	—	—
Closing balance	**1,132**	**1,132**	**—**	**—**
Goodlife put and call option reserve				
Opening balance	(2,269)	(2,269)	(2,310)	(2,310)
Closing balance	**(2,269)**	**(2,269)**	**(2,310)**	**(2,310)**
Total reserves	**(45,504)**	**(30,214)**	**(3,048)**	**(4,924)**

30 Reserves (continued)

The asset revaluation reserve is used to record increments and decrements on the revaluation of property, plant and equipment.

The capital reserve is used to record one off costs incurred in the identification of new acquisitions or development of new sites which are not able to be capitalised by the Group as well as the difference between the amount paid and the net assets acquired in the acquisition of non-controlling interests.

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity as described in Note 1(p)(ii).

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

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

The employee share plan reserve was used to recognise the interest expense charged to employees on the loan and the distributions paid to employees on the stapled securities issued as part of ALL's ESP.

The performance fee reserve was used to recognise the fair value of stapled securities not yet issued to the Manager in settlement for the performance fee earned in the relevant period. The performance fee of $1.1 million was earned in the period to 30 June 2009. On the internalisation of the Manager, the performance fee payment was waived by Macquarie Group Limited but under the accounting standards, the reserve is not reversed.

The Group had the option to acquire the non-controlling interests in Ardent Leisure Health Clubs 1 Pty Limited. In accordance with AASB 132 Financial Instruments: Presentation, on first recognition the Group recorded the potential obligation under the put option on the Balance Sheet as a financial liability calculated as the present value of the redemption amount on the first exercise date. Under the Group's economic equity approach, the initial recognition of the redemption amount was recorded in the Goodlife put and call option reserve. Movements in the financial liability due to changes in the expected redemption amount and unwinding of the present value discount was taken to the Income Statement as finance costs in subsequent periods. During the prior period, the Group acquired the remaining interest in Ardent Leisure Health Clubs 1 Pty Limited but due to the accounting standards, the reserve remained.

31 Retained profits/(accumulated losses)

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Opening balance	46,980	37,596	(7,093)	(7,646)
Net profit for the year	12,627	36,143	3,244	3,065
Available for distribution	59,607	73,739	(3,849)	(4,581)
Transfer from asset revaluation reserve	6,570	5,898	—	—
Transfer from capital reserve	1,064	796	—	—
Distribution paid and payable	(36,982)	(33,453)	(2,461)	(2,512)
Closing balance	**30,259**	**46,980**	**(6,310)**	**(7,093)**

The distribution of 5.2 cents per stapled security for the half year ended 30 June 2012 totalling $17.4 million had not been declared at year end. This will be paid on or before 31 August 2012 as described in Note 44.

32 Business combinations

Current period

Waverley Park Health Club

On 9 December 2011, the Group acquired a health club at Waverley Park, Victoria, for $1.6 million. Of this, $0.3 million of the purchase price was deferred until June 2012 and a further $0.3 million has been deferred until December 2012. Transaction costs totalling $11,974 were incurred on this project and expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $1.0 million and a net profit before tax of $0.1 million to the Group for the period from 9 December 2011 to 30 June 2012. If the acquisition had occurred on 1 July 2011, this would have contributed revenues of $1.8 million and a profit of $0.2 million for the year ended 30 June 2012.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	902	902
Deferred consideration	628	628
Total purchase consideration	**1,530**	**1,530**
Fair value of the net identifiable asset acquired	243	243
Goodwill	**1,287**	**1,287**

The goodwill is attributable to the health club's strong market position and profitable trading history and synergies expected to arise after the Group's acquisition. None of the goodwill is expected to be deductible for tax purposes.

	Consolidated Group Acquiree's carry amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carry amount $'000	ALL Group Fair value $'000
Customer relationship intangible assets	—	470	—	470
Property, plant and equipment	92	80	92	80
Net deferred tax liabilities	—	(70)	—	(70)
Payables	(229)	(229)	(229)	(229)
Employee benefits provision	(8)	(8)	(8)	(8)
Net identifiable assets acquired	**(145)**	**243**	**(145)**	**243**

	Consolidated Group $'000
Outflow of cash to acquire business:	
Cash consideration	1,562
Less balances acquired	—
Less deferred settlement	(330)
Outflow of cash	**1,232**

32 Business combinations (continued)

Current period (continued)

Caroline Springs Health Club

On 1 March 2012, the Group acquired a health club at Caroline Springs, Victoria, for $2.4 million. Of this, $0.4 million of the purchase price was deferred until May 2012 and a further $0.4 million has been deferred until September 2012. Transaction costs totalling $10,142 were incurred on this project and expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $0.7 million and a net profit before tax of $0.1 million to the Group for the period from 1 March 2012 to 30 June 2012. If the acquisition had occurred on 1 July 2011, this would have contributed revenues of $2.3 million and a profit of $0.4 million for the year ended 30 June 2012.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	1,581	1,581
Deferred consideration	779	779
Total purchase consideration	**2,360**	**2,360**
Fair value of the net identifiable asset acquired	851	851
Goodwill	**1,509**	**1,509**

The goodwill is attributable to the health club's strong market position and profitable trading history and synergies expected to arise after the Group's acquisition. None of the goodwill is expected to be deductible for tax purposes.

	Consolidated Group Acquiree's carry amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carry amount $'000	ALL Group Fair value $'000
Other current assets	43	43	43	43
Customer relationship intangible assets	—	590	—	590
Property, plant and equipment	635	598	635	598
Net deferred tax liabilities	—	(96)	—	(96)
Payables	(271)	(271)	(271)	(271)
Employee benefits provision	(13)	(13)	(13)	(13)
Net identifiable assets acquired	**394**	**851**	**394**	**851**

	Consolidated Group $'000
Outflow of cash to acquire business:	
Cash consideration	2,381
Less balances acquired	—
Less deferred settlement	(400)
Outflow of cash	**1,981**

32 Business combinations (continued)

Current period (continued)

Prahran Health Club

On 14 March 2012, the Group acquired a health club at Prahran, Victoria, for $3.9 million. Of this, $2.9 million was issued as securities for the AAD Group. Transaction costs totalling $9,353 were incurred on this project and expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business increased contributed revenues of $0.7 million and a net profit before tax of $0.1 million to the Group for the period from 14 March 2012 to 30 June 2012. If the acquisition had occurred on 1 July 2011, this would have contributed revenues of $2.2 million and a profit of $0.7 million for the year ended 30 June 2012.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	900	900
Equity issued	2,907	2,907
Total purchase consideration	**3,807**	**3,807**
Fair value of the net identifiable asset acquired	1,391	1,391
Goodwill	**2,416**	**2,416**

The goodwill is attributable to the health club's strong market position and profitable trading history and synergies expected to arise after the Group's acquisition. None of the goodwill is expected to be deductible for tax purposes.

	Consolidated Group Acquiree's carry amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carry amount $'000	ALL Group Fair value $'000
Other current assets	14	14	14	14
Customer relationship intangible assets	—	980	—	980
Property, plant and equipment	2,379	870	2,379	870
Net deferred tax liabilities	—	(236)	—	(236)
Payables	(214)	(214)	(214)	(214)
Employee benefits provision	(23)	(23)	(23)	(23)
Net identifiable assets acquired	**2,156**	**1,391**	**2,156**	**1,391**

	Consolidated Group $'000
Outflow of cash to acquire business:	
Cash consideration	900
Outflow of cash	**900**

32 Business combinations (continued)

Prior period

Recreation

On 7 March 2011, the Group acquired three health clubs in Victoria. The purchase consideration was $10.1 million, of which $2.5 million was deferred for six months and $2.5 million deferred for 12 months.

Transaction costs totalling $44,000 were incurred on this project and expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $2.8 million and a net profit of $0.4 million to the Group for the period from 7 March 2011 to 30 June 2011. If the acquisition had occurred on 1 July 2010, this would have contributed revenues of $9.1 million and a profit of $1.2 million for the year ended 30 June 2011.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	4,983	2,962
Deferred consideration	4,775	4,775
Total purchase consideration	**9,758**	**7,737**
Fair value of the net identifiable asset acquired	4,772	2,751
Goodwill	**4,986**	**4,986**

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group Acquiree's carry amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carry amount $'000	ALL Group Fair value $'000
Cash and cash equivalents	1	1	1	1
Inventories	3	3	3	3
Other current assets	180	180	97	97
Property, plant and equipment	3,875	3,259	1,936	1,320
Customer relationship intangible assets	—	2,850	—	2,850
Deferred tax assets	248	248	248	248
Payables	(851)	(851)	(850)	(850)
Employee provision	(63)	(63)	(63)	(63)
Deferred tax liabilities	—	(855)	—	(855)
Net identifiable assets acquired	**3,393**	**4,772**	**1,372**	**2,751**

The goodwill is attributable to the health clubs' strong market position and profitable trading history within the Victorian health club industry and synergies expected to arise after the Group's acquisition of these health clubs. None of the goodwill is expected to be deductible for tax purposes.

32 Business combinations (continued)

Prior period (continued)

Cottesloe

On 18 April 2011, the Group acquired one health club in Cottesloe, Western Australia. The purchase consideration was $1.5 million, of which $0.5 million was deferred for 12 months.

Transaction costs totalling $81,000 were incurred on this project and expensed in the Income Statement and recognised within operating cash flows in the Statement of Cash Flows.

The acquired business contributed revenues of $0.3 million and a net profit of $48k to the Group for the period from 18 April 2011 to 30 June 2011. If the acquisition had occurred on 1 July 2010, this would have contributed revenues of $1.5 million and a profit of $0.2 million for the year ended 30 June 2011.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group $'000	ALL Group $'000
Purchase consideration:		
Cash paid	1,000	790
Deferred consideration	457	457
Total purchase consideration	**1,457**	**1,247**
Fair value of the net identifiable asset acquired	579	369
Goodwill	**878**	**878**

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Consolidated Group Acquiree's carry amount $'000	Consolidated Group Fair value $'000	ALL Group Acquiree's carry amount $'000	ALL Group Fair value $'000
Inventories	2	2	2	2
Other current assets	10	10	—	—
Property, plant and equipment	533	362	333	162
Customer relationship intangible assets	—	491	—	491
Deferred tax assets	54	54	54	54
Payables	(188)	(188)	(188)	(188)
Employee provision	(5)	(5)	(5)	(5)
Deferred tax liabilities	—	(147)	—	(147)
Net identifiable assets acquired	**406**	**579**	**196**	**369**

The goodwill is attributable to the health club's strong market position and profitable trading history within the West Australian health club industry and synergies expected to arise after the Group's acquisition of this health club. None of the goodwill is expected to be deductible for tax purposes.

32 Business combinations (continued)

Summary of Group and parent purchase considerations during the year

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group ALL Group 2011 $'000
Outflow of cash to acquire businesses, net of cash acquired				
Cash consideration	5,519	11,215	5,519	8,984
Less balances acquired:				
Cash and cash equivalents	—	(1)	—	(1)
Less:				
Deferred settlement	—	(5,232)	—	(5,232)
	—	(5,233)	—	(5,233)
Outflow of cash	**5,519**	**5,982**	**5,519**	**3,751**

33 Cash and cash equivalents

For the purposes of the Statements of Cash Flows, cash includes cash at banks. Cash as at 30 June 2012 as shown in the Statements of Cash Flows is reconciled to the related items in the Balance Sheets as follows:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Cash at bank	11,566	9,635	8,427	9,253
Cash on deposit	127	71	127	149
Total cash and cash equivalents	**11,693**	**9,706**	**8,554**	**9,402**

Cash on deposit at call in the Group bears an average floating interest rate of 3.43% per annum (2011: 4.75% per annum). These deposits have an average maturity of 30 days.

Cash on deposit at call in the ALL Group bears an average floating interest rate of 3.50% per annum (2011: 3.59% per annum). These deposits have an average maturity date of 30 days.

34 Cash flow information

a) Reconciliation of profit/(loss) to net cash flows from operating activities

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Profit for the year	12,627	36,143	3,244	3,065
Non-cash items				
Finance charge attributable to non-controlling interests	—	(468)	—	(468)
Depreciation of PPE	26,867	27,483	8,262	9,742
Amortisation	3,299	3,005	3,197	2,906
Depreciation of livestock	52	47	52	47
Impairment of goodwill	—	453	—	453
Security-based payments	1,701	1,276	2,364	1,027
Provision for doubtful debts	60	100	60	100
Loss/(gain) on sale of PPE & livestock	66	(176)	45	(787)
Net foreign exchange difference	32	216	6	254
Property valuation losses/(gains)	15,507	(7,599)	—	—
Classified as financing activities				
Borrowing costs	12,914	15,922	7,501	8,202
Classified as investing activities				
Unrealised gains on derivatives	(643)	(4,619)	—	—
Changes in asset and liabilities:				
Decrease/(increase) in assets				
— Receivables	(2,984)	(183)	(2,528)	190
— Inventories	(1,222)	580	(1,222)	580
— Deferred tax assets	413	—	413	772
— Other assets	(6,254)	3,927	(4,211)	3,008
Increase/(decrease) in liabilities				
— Payables and other liabilities	5,376	123	3,619	(3,201)
— Provisions	(836)	380	(836)	380
— Payable to the Trust	—	—	(3,365)	(9)
— Current tax liabilities	1,888	1,436	1,888	1,436
— Deferred tax liabilities	(250)	(608)	(250)	(608)
Net cash flows from operating activities	**68,613**	**77,442**	**18,239**	**27,089**

b) Non-cash financing and investing activities

The following items are not reflected in the Cash Flow Statement:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Distributions by the Group satisfied during the year by the issue of stapled securities under the DRP	14,515	8,939	1,126	649

35 Net tangible assets

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000
Net tangible assets are calculated as follows:		
Total assets	678,801	689,437
Less: Intangible assets	(139,838)	(134,116)
Less: Total liabilities	(272,146)	(268,661)
Net tangible assets	**266,817**	**286,660**
Total number of stapled securities on issue	334,209,401	318,147,978
Net tangible asset backing per stapled security	$0.80	$0.90

36 Related party disclosures

a) Directors

The following persons have held office as Directors of the Manager and ALL during the period and up to the date of this report:

- Neil Balnaves, AO (Chairman)
- Roger Davis
- Anne Keating
- Don Morris, AO (appointed 1 January 2012)
- Greg Shaw
- George Venardos.

b) Parent entity

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

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

c) Controlled entities

These financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy disclosure as described in Note 1(b):

Entity	Activity	Country of establishment	Class of equity securities
Controlled entities of Ardent Leisure Trust:			
Ardent Leisure Limited	Theme Parks, Marinas	Australia	Ordinary
Ardent Leisure (NZ) Trust	Principal Lessee: Bowling	New Zealand	Ordinary
Goodlife Subtrust	Principal Lessee: Health Clubs	Australia	Ordinary
Controlled entities of Ardent Leisure Limited:			
Bowling Centres Australia Pty Limited	Bowling Centres	Australia	Ordinary
Ardent Leisure Operations (NZ) Limited	Bowling Centres	New Zealand	Ordinary
Goodlife Operations Pty Limited	Health Clubs	Australia	Ordinary
Main Event Holdings, Inc	Family Entertainment	America	Ordinary

d) Transactions with related parties

Key management personnel

Transactions with key management personnel are shown in Note 37.

e) Transactions with controlled entities

All transactions with controlled entities were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Outstanding balances are unsecured and are repayable in cash. The terms and conditions of the tax funding agreement are set out in Note 10(f). The transactions incurred in the year with controlled entities were:

	Consolidated Group 2012 $	Consolidated Group 2011 $	ALL Group 2012 $	ALL Group 2011 $
Purchases of goods				
Reimbursable expense to related parties	(124)	(1,576)	(124)	(1,576)
Tax consolidation legislation				
Current tax payable assumed from wholly-owned tax consolidated entities	—	—	(2,968,627)	(1,736,473)
Loans from Ardent Leisure Trust				
Beginning of the year	—	—	(137,360,880)	(148,372,876)
Loans advanced	—	—	(50,403,197)	(43,633,871)
Loan repayments made	—	—	72,912,199	45,917,880
Foreign exchange movement	—	—	(2,416,551)	16,105,201
Interest charged	—	—	(6,989,190)	(7,377,214)
End of the year	**—**	**—**	**(124,257,619)**	**(137,360,880)**

37 Key management personnel

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. Prior to the internalisation of the Manager on 1 September 2009, the Manager and the Directors of ALL met the definition of KMP as they had this authority in relation to the activities of the Group. These powers had not been delegated by the Manager or Directors of ALL to any other person. The management fee paid to the Manager is disclosed in Note 7.

For the year ended 30 June 2012, KMP is considered to also include the Directors, Chief Executive Officer, Greg Shaw, the Chief Financial Officer, Richard Johnson, as well as other senior executives employed by the Group.

As at 30 June 2012, the KMP are considered to be:

- Neil Balnaves, AO (Chairman)
- Roger Davis (Director)
- Anne Keating (Director)
- Don Morris, AO (Director)
- Greg Shaw (Managing Director and CEO)
- George Venardos (Director)
- Marcus Anketell (CEO – Marinas)
- Todd Coates (CEO – Theme Parks)
- Richard Johnson (CFO)
- Charlie Keegan (CEO – Main Event)
- Roy Menachemson (CEO – Development)
- Greg Oliver (CEO – Health clubs)

Jordan Rodgers (CEO – Bowling) resigned from the Group on 20 April 2012, but was considered to be KMP up to the date of leaving the Group.

Noel Dempsey (former CEO – Theme Parks) resigned from the Group on 31 July 2011, but was considered to be KMP up to the date of leaving the Group.

a) Key remuneration objectives

In September 2011, the Remuneration and Nomination Committee engaged Ernst & Young to benchmark the salary packages of the Managing Director and the Chief Financial Officer prior to remuneration and performance reviews undertaken after the financial year end. Although the benchmark exercise undertaken by Ernst & Young did not directly provide a recommendation for remuneration, the Chairman of the Remuneration and Nomination Committee executed the engagement agreement and liaised directly with Ernst & Young independently of management. The final benchmark report was provided directly to the Chairman of the Remuneration and Nomination Committee.

As part of the September 2011 benchmarking review, the Directors confirmed the target total remuneration packages for the Managing Director and the Chief Financial Officer at the median of the market. Previous benchmarking exercises by both Ernst & Young and Deloitte Touche Tohmatsu have compared the Group's remuneration against that of comparable companies on a scale of between 50% and 200% of the Group based upon both market capitalisation and revenue.

These remuneration packages of the Managing Director and the Chief Financial Officer for the financial year are set out in the table below:

Position	Base salary	(STI)	(DSTI)	(LTI)	Total target remuneration
Chief Executive Officer	$750,000	50%	25%	37.5%	$1,593,750
Chief Financial Officer	$400,000	50%	25%	37.5%	$850,000

It should be noted that the STI, DSTI and LTI figures set out above are considered "at risk" and will only be paid if performance targets have been achieved.

b) Remuneration framework and strategy

The objective of the Group's executive framework is to attract and retain high quality executives by ensuring that executive remuneration is competitive with prevailing employment market conditions and also providing sufficient motivation to ensure remuneration is aligned to the Group's results. The framework seeks to align executive reward with the achievement of strategic objectives and in particular, the creation of sustainable earnings growth for investors. In addition, the Board seeks to have reference to market best practice to ensure that executive remuneration remains competitive, fair and reasonable.

i) Non-Executive Directors

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 and Nomination Committee.

Non-Executive Directors are paid solely by the way of directors' fees and do not participate in any equity or short term cash-based incentives 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 aggregate of directors' fees payable to Directors of the Group is set out in clause 16.1 of the Constitution of Ardent Leisure Limited. The maximum total aggregate level of directors' fees payable by the Group is $940,000 per annum and was set by investors at the 27 October 2011 general meeting.

In 2009, the Board approved a simplified structure for calculating directors' fees. The simplified fee structure takes into account individual Directors' duties and service and was applied from 1 September 2009.

Position	Annual fee
Chairman	$175,000
Other Non-Executive Director	$110,000
Audit & Risk Committee – Chair	$20,000
– Member	$15,000
Remuneration & Nomination Committee Membership	$7,500
Safety, Sustainability & Environment Committee Membership	$7,500

ii) Executive pay

The executive pay and reward framework has three components:

- base pay and benefits;
- performance incentives; and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base Pay	Performance incentives		
	STI	DSTI	LTI
A total employment cost which can be made up of a mix of cash salary, non-financial benefits such as provision of a motor vehicle and employer superannuation contributions.	Cash performance bonus set against pre-determined key performance indicators	Equity incentive based upon actual cash bonus paid and deferred for 1 and 2 years.	Equity incentive aligned to targeted investor returns.
SECURE	AT RISK	AT RISK	AT RISK

Base pay

Base pay includes salary, employer superannuation contributions and non-cash benefits such as provision of motor vehicle. Base pay is reviewed annually to ensure that executive pay is competitive with the market. There are no guaranteed base pay increases in the contracts. Base pay is also reviewed on promotion.

Performance incentives

Performance incentives may take the form of either short term incentive (STI), Deferred short term incentive (DSTI) or long term incentive (LTI).

STI

The STI or bonus programme is designed to reward executives for achievement of a number of key performance indicators (KPIs). These KPIs are split into financial and personal categories with the financial measures representing 60% of an executive's STI entitlement and personal measures representing the remaining 40%.

KPI	Maximum STI Entitlement
Earnings Based Financial Measures	60%
Personal & Board Discretionary	40%
Total	**100%**

For executives who act in Group-wide roles, the financial KPIs are based on Group earnings related measures. In contrast, divisional earnings measures are used for those executives who occupy divisional roles.

Personal KPIs for executives are not financial in nature and are set around execution of improvements and initiatives in such functions as risk management, compliance, relationship management, customer satisfaction, employee engagement and other strategic initiatives. Examples of personal KPIs are set out in the table below:

Example of personal KPIs
— Develop, test and implement a process to measure guest traffic and increase sales conversion rates.
— Finalise the divisional capital management plan to identify and realise the maximum Group benefits.
— Review and develop the Group IT strategy for the next three years addressing the IT platform and business critical applications in the areas of finance, customer relationship management, retail sales and infrastructure.

The extent to which an executive achieves their personal and financial KPIs is assessed by the Remuneration and Nomination Committee based upon recommendations from the Managing Director. The resulting cash bonuses are traditionally payable in cash by 30 September each year. Using a profit target ensures variable award is only available when value has been created for investors and when profit is consistent with the Group's business plan.

Maximum achievable awards to key management personnel under the STI range between 25% and 50% of an executive's base salary (including superannuation) dependent upon the executive's position.

DSTI

The DSTI programme was established by the Directors on 16 December 2010 to provide a retention incentive for key employees. The DSTI plan is linked to the actual achievement of KPIs under the STI plan with a percentage of the actual STI paid to an executive being matched in performance rights to acquire fully paid Group stapled securities for nil exercise price. The performance rights issued under the DSTI vest in two equal tranches in 12 months and 24 months.

It should be noted that KMP are required to forego a component of their LTIP entitlement in order to participate in the DSTI. In this way, a component of the LTIP is simply moved into the DSTI and overall remuneration packages remain broadly unchanged.

LTIP

The Long Term Incentive Plan (LTIP) was established by the Board of Directors in 2009 to replace the Executive Securities Plan (ESP) and to take into account changes to the Australian taxation regime in relation to employee share plans. Awards of performance rights under the LTIP range between 10% and 50% of an executive's base salary (including superannuation) dependent upon the executive's role. Further details of the LTIP are set out in Note 29(b) and section (iii) below.

iii) Alignment with investor interests

The Directors are committed to the alignment of executives' remuneration with investors' interests and seek to achieve this through the most appropriate mix of base pay, short term and long term incentives.

In the 2012 financial year, key management personnel KPIs were set to drive divisional and Group earnings with targets set within the Group's budgetary framework. In this way, the KPIs used to determine performance under the STI are used to align KMP remuneration with sustainable earnings growth and other operational long term goals. The DSTI plan is aligned to these KPIs and acts as a two year retention tool to ensure that earnings targets are not achieved at the expense of long term profitability and growth.

The LTIP plan further aligns executives' remuneration with long term investor returns through the total shareholder return performance hurdle. In this way, the LTIP provides a direct link between executive reward and investor return and offers no benefit to individual executives unless the Group's performance exceeds the 50th percentile of the benchmark ASX Small Industrials index.

37 Key management personnel (continued)

c) Details of remuneration – key management personnel

Key management personnel are defined in AASB 124 Related Party Disclosures as those having authority and responsibility for planning, directing and controlling the activities of the Group. Prior to the internalisation of the Manager on 1 September 2009, the Manager and the Directors of ALL met the definition of KMP as they had this authority in relation to the activities of the Group. These powers had not been delegated by the Manager or Directors of ALL to any other person. The management fee paid to the Manager is disclosed in Note 7.

For the year ended 30 June 2012, KMP is considered to also include the Chief Executive Officer, Greg Shaw, the Chief Financial Officer, Richard Johnson, as well as other senior executives employed by the Group.

Details of the remuneration of KMP of the Group for 2012 and 2011 are set out in the tables on the following pages. The tables set out the total cash benefits paid to the KMP in the relevant period and, under the heading "Security-based Payments", shows a component of the fair value of the performance rights. The fair value of the performance rights at grant date is recognised over the vesting period as an employee benefit/expense. Further details of the fair value calculations are set out in Notes 29(a) and 29(b).

37 Key management personnel (continued)

		Short-term benefits		Post-employment benefits		Other long-term benefits						
	Year	Salary $	Cash bonus $	Super-annuation $	Retirement $	Retention $	Other $	Termination $	Total cash payment $	Security-based payment $	Total $	Security-based payment % of total
Independent Directors												
Neil Balnaves, AO Chairman	2012	181,725	—	15,775	—	—	—	—	197,500	—	197,500	—
	2011	182,300	—	15,200	—	—	—	—	197,500	—	197,500	—
Roger Davis	2012	128,440	—	11,560	—	—	—	—	140,000	—	140,000	—
	2011	128,440	—	11,560	—	—	—	—	140,000	—	140,000	—
Anne Keating	2012	121,560	—	10,940	—	—	—	—	132,500	—	132,500	—
	2011	113,020	—	10,172	—	—	—	—	123,192	—	123,192	—
Donald Morris, AO (1)	2012	58,198	—	5,238	—	—	—	—	63,436	—	63,436	—
	2011	—	—	—	—	—	—	—	—	—	—	—
George Venardos	2012	133,027	—	11,973	—	—	—	—	145,000	—	145,000	—
	2011	131,613	—	11,845	—	—	—	—	143,458	—	143,458	—
Executive Directors												
Greg Shaw Managing Director & Chief Executive Officer	2012	734,225	345,000	15,775	—	—	—	—	1,095,000	506,179	1,601,179	31.6%
	2011	700,000	226,875	50,000	—	—	—	—	976,875	357,422	1,334,297	26.8%
Key Management Personnel												
Marcus Anketell (2) CEO – Marinas	2012	189,055	33,812	13,322	—	—	—	—	236,189	18,680	254,869	7.3%
	2011	78,723	—	4,870	—	—	—	—	83,593	—	83,593	—
Todd Coates (3) CEO – Theme Parks	2012	241,037	37,115	11,831	—	—	—	—	289,983	—	289,983	—
	2011	—	—	—	—	—	—	—	—	—	—	—
Richard Johnson Chief Financial Officer	2012	384,225	185,080	15,775	—	—	—	—	585,080	272,578	857,658	31.8%
	2011	375,000	131,000	25,000	—	—	—	—	531,000	193,922	724,922	26.7%
Charlie Keegan CEO – Main Event	2012	288,628	92,602	—	—	—	—	—	381,230	158,779	540,009	29.4%
	2011	248,543	40,333	—	—	—	—	—	288,876	52,887	341,763	15.5%
Roy Menachemson CEO – Development	2012	345,075	145,242	15,775	—	—	—	—	506,092	107,135	613,227	17.5%
	2011	325,850	161,875	50,000	—	—	—	—	537,725	80,484	618,209	13.0%
Greg Oliver CEO – Health Clubs	2012	344,225	98,100	15,775	—	—	—	—	458,100	114,339	572,439	20.0%
	2011	305,863	—	15,199	—	—	—	—	321,062	37,269	358,331	10.4%
Past Executives												
Noel Dempsey (4) CEO – Theme Parks	2012	55,363	—	1,315	—	—	—	243,349	300,027	9,020	309,047	—
	2011	321,174	41,038	13,826	—	—	—	—	376,038	28,530	404,568	7.1%
Jordan Rodgers (5) CEO – Bowling	2012	275,318	51,012	15,775	—	—	—	39,074	381,179	(45,909)	335,270	—
	2011	311,801	59,063	15,199	—	—	—	—	386,063	100,906	486,969	20.7%
Craig Karpin (6) CEO – Marinas	2012	—	—	—	—	—	—	—	—	—	—	—
	2011	41,148	—	3,849	—	—	—	—	44,997	(13,507)	31,490	—
Total 2012		**3,480,101**	**987,963**	**160,829**	**—**	**—**	**—**	**282,423**	**4,911,316**	**1,140,801**	**6,052,117**	**18.8%**
Total 2011		**3,263,475**	**660,184**	**226,720**	**—**	**—**	**—**	**—**	**4,150,379**	**837,913**	**4,988,292**	**16.8%**

(1) Don Morris AO was appointed a Non-Executive Director of the Group effective 1 January 2012 and is considered KMP from this date.
(2) Marcus Anketell was appointed CEO of the Marina division on 1 February 2011 and is considered KMP from this date.
(3) Todd Coates was appointed CEO of the Theme Parks division on 3 October2011and is considered KMP from this date.
(4) Noel Dempsey resigned from the Group effective 31 July 2011.
(5) Jordan Rodgers resigned from the Group effective 20 April 2012.
(6) Craig Karpin resigned from the Group effective 18 August 2010.

37 Key management personnel (continued)

There are no cash bonuses or options forfeited with respect to specified executives not previously disclosed. No payments were made to KMP by the Group before they became employees.

Security-based payments included in the tables above reflect the amounts in the Income Statements of the Group. This amount is based on the fair value of the equity instruments at the date of the grant rather than at vesting date or at year end for those instruments not yet vested. During the year, 420,125 securities were issued to employees under the terms of the DSTI (2011: nil). If the fair value recorded in the Income Statement was based on the movement in the fair value of the instruments between reporting dates, the amount included in KMP compensation would be increased by $503,000 to $1,644,000 (2011: reduced by $184,000 to $654,000).

d) Services agreements of key management personnel

Remuneration and other terms of employment for KMP are formalised in service agreements. Each of these agreements provides for the payment of performance related cash bonuses and participation in the Group's long term incentive plans. Other major provisions of the agreements relating to remuneration are set out below:

Greg Shaw
Chief Executive Officer
Initial Term
3 years commencing 1 September 2009 with automatic renewal on a year by year basis thereafter.
Base Salary
$750,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless the executive gives the Group 6 months notice in writing, or the Group gives the executive 12 months notice in writing.

Richard Johnson
Chief Financial Officer
Initial Term
3 years commencing 1 September 2009 with automatic renewal on a year by year basis thereafter.
Base Salary
$400,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives 6 months notice in writing.

Todd Coates
CEO – Theme Parks
Initial Term
No fixed term.
Base Salary
$350,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Roy Menachemson
CEO – Development
Initial Term
No fixed term.
Base Salary
$360,850 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives six months notice in writing.

Jordan Rodgers
CEO – Bowling (Until 20 April 2012)
Initial Term
No fixed term.
Base Salary
$340,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Greg Oliver
CEO – Health Clubs
Initial Term
No fixed term.
Base Salary
$360,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

Charlie Keegan
CEO – Main Event
Initial Term
Contract to 19 October 2010 with automatic renewal on a year by year basis thereafter.
Base Salary
USD$300,000 for the year ended 30 June 2012.
Termination
During the contract term, employment shall continue with the Group unless the executive gives 60 days notice to the Group. An early termination payment equal to one year's salary is payable to the executive, if the Group terminates the executive during the contract, other than for gross misconduct.

Marcus Anketell
CEO – Marinas Division
Initial Term
No fixed term.
Base Salary
$200,000 for the year ended 30 June 2012.
Termination
Employment shall continue with the Group unless either party gives three months notice in writing.

All base salary amounts are inclusive of any superannuation payment and will be reviewed annually. There are no contracted termination benefits payable to any KMP except for normal contractual base salary to the end of the KMP's employment.

37 Key management personnel (continued)

e) Directors and KMP equity holdings

The number of stapled securities held directly, indirectly or beneficially by the Directors and KMP or their related entities is:

	Stapled securities held 2010	Acquisitions 2011	Disposals 2011	Stapled securities held 2011	Acquisitions 2012	Disposals 2012	Stapled securities held 2012
Independent Directors							
Neil Balnaves, AO	209,043	89,062	—	298,105	870,957	—	1,169,062
Roger Davis	20,000	30,857	—	50,857	—	—	50,857
Anne Keating	62,743	—	—	62,743	—	—	62,743
George Venardos	45,502	39,079	—	84,581	—	—	84,581
Don Morris, AO	N/A	N/A	N/A	N/A	—	—	—
Executive Directors							
Greg Shaw	143,294	15,983	—	159,277	109,494	—	268,771
Key management personnel							
Current							
Marcus Anketell	N/A	—	—	1,726	185	—	1,911
Todd Coates	N/A	—	—	N/A	—	—	—
Richard Johnson	—	—	—	—	39,939	—	39,939
Charlie Keegan	—	—	—	—	—	—	—
Roy Menachemson1	71,696	—	(33,298)	38,398	24,676	—	63,074
Greg Oliver	—	—	—	—	26,532	—	26,532
Past							
Noel Dempsey	—	—	—	—	25,023	—	N/A
Jordan Rodgers(1),(2)	45,520	—	(45,520)	—	36,014	(35,000)	N/A

(1) Stapled securities held include securities held under the ESP
(2) Executive no longer considered KMP at 30 June 2012

37 Key management personnel (continued)

f) Loans to KMP

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

g) Other transactions with KMP

During the year, the Group entered into commercial arm's length agreements with companies of interest to Anne Keating and Roger Davis by virtue of their positions as Non-Executive Directors of those companies or their subsidiaries. The Directors fully disclose their interest in accordance with section 195(1) of the Corporations Act 2001.

All agreements have been entered into on normal commercial bases. The above fees and transactions were all based on normal commercial terms and conditions. Related party balances above are on interest free terms.

Apart from the details disclosed in these financial statements, 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.

h) Deferred Short Term Incentive Plan (DSTI)

The DSTI is a long term incentive scheme awarded to executives of the Group from 1 July 2010. Details of how the DSTI operated and the valuation inputs are disclosed in Note 29(a).

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

30 June 2012	Opening balance	Granted as compensation	Exercised	Lapsed	Closing balance	Vested and exercisable	Unvested
Current Executives							
Marcus Anketell	—	21,991	—	—	21,991	—	21,991
Todd Coates	—	—	—	—	—	—	—
Richard Johnson	79,878	102,822	(39,939)	—	142,761	—	142,761
Roy Menachemson	49,352	40,345	(24,676)	—	65,021	—	65,021
Greg Oliver	49,848	109,000	(24,924)	—	133,924	—	133,924
Greg Shaw	138,338	191,667	(69,169)	—	260,836	—	260,836
Equity-settled	**317,416**	**465,825**	**(158,708)**	**—**	**624,533**	**—**	**624,533**
Charlie Keegan	52,713	102,535	(26,356)	—	128,892	—	128,892
Cash-settled	**52,713**	**102,535**	**(26,356)**	**—**	**128,892**	**—**	**128,892**
Past Executives							
Noel Dempsey	25,023	—	(25,023)	—	—	—	—
Jordan Rodgers	72,028	56,680	(36,014)	(92,694)	—	—	—
Total performance rights	**467,180**	**625,040**	**(246,101)**	**(92,694)**	**753,425**	**—**	**753,425**

Performance rights granted to executives vest over varying periods of one and two years, provided the vesting conditions are met. No performance rights will vest if the conditions are not satisfied, hence the minimum value of the plan securities and performance rights yet to vest is $nil.

Under the terms of the initial 2010 grant, performance rights under the DSTI were allocated on the basis of a valuation dated 23 August 2010. A valuation difference of $0.13 per performance right between the allocation date and the grant date was caused by an increase in the Group's security price between these dates and a shorter vesting period.

Under the terms of the 2011 grant, performance rights were allocated on the basis of a valuation dated 12 September 2011 and there was no valuation difference.

A table setting out the maximum number of performance rights under the DSTI yet to vest is shown in section (i).

37 Key management personnel (continued)

i) Long term incentive plan (LTIP)

The LTIP is the long term incentive scheme awarded to executives of the Group from 1 July 2009. Details of how the LTIP operated and the valuation inputs are disclosed in Note 29(b).

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

30 June 2012	Opening balance	Granted as compensation	Exercised	Lapsed	Closing balance	Vested and exercisable	Unvested
Current Executives							
Marcus Anketell	—	45,809	—	—	45,809	—	45,809
Todd Coates	—	—	—	—	—	—	—
Richard Johnson	640,207	343,564	—	(104,706)	879,065	—	879,065
Roy Menachemson	227,610	123,975	—	(36,647)	314,938	—	314,938
Greg Oliver	88,859	103,069	—	—	191,928	—	191,928
Greg Shaw	1,200,387	644,182	—	(196,324)	1,648,245	—	1,648,245
Equity-settled	**2,157,063**	**1,260,599**	**—**	**(337,677)**	**3,079,985**	**—**	**3,079,985**
Charlie Keegan	132,948	65,880	—	(25,862)	172,966	—	172,966
Cash-settled	**132,948**	**65,880**	**—**	**(25,862)**	**172,966**	**—**	**172,966**
Past Executives							
Noel Dempsey	43,846	—	—	(43,846)	—	—	—
Jordan Rodgers	212,544	97,343	—	(309,887)	—	—	—
Total performance rights	**2,546,401**	**1,423,822**	**—**	**(717,272)**	**3,252,951**	**—**	**3,252,951**

Performance rights granted to executives vest over varying periods of two, three and four years, provided the vesting conditions are met. No performance rights will vest if the conditions are not satisfied, hence the minimum value of the plan securities and performance rights yet to vest is $nil.

Under the terms of the 2010 grant, performance rights were allocated on the basis of a valuation dated 23 August 2010 being the date 24 hours after the release of the 2010 financial year results. A valuation difference of $0.06 per performance right between the allocation date and the grant date was caused by an increase in the Group's security price between these dates.

Under the terms of the 2011 grant, performance rights were allocated on the basis of a valuation dated 12 September 2011 and there was no valuation difference

37 Key management personnel (continued)

i) Long term incentive plan (LTIP) (continued)

		Financial year granted	Financial years in which Performance Rights may vest		Number lapsed	Number vested	Cash STI % awarded	Cash STI % forteited
			Year	Number	$	$	%	%
Marcus Anketell	LTI	2012	2014	15,270	—	—	95.0	5.0
			2015	15,270	—	—	—	—
			2016	15,269	—	—	—	—
	DSTI	2012	2013	10,996	—	—	—	—
			2014	10,995	—	—	—	—
Todd Coates	LTI	—	—	—	—	—	—	—
	DSTI	—	—	—	—	—	—	—
Richard Johnson	LTI	2010	2012	104,706	(104,706)	—	92.5	7.5
		2011	2013	213,403	—	—	—	—
		2012	2014	327,924	—	—	—	—
			2015	223,216	—	—	—	—
			2016	114,522	—	—	—	—
	DSTI	2011	2012	39,939	—	(39,939)	—	—
		2012	2013	91,350	—	—	—	—
			2014	51,411	—	—	—	—
Roy Menachemson	LTI	2010	2012	36,647	(36,647)	—	80.5	19.5
		2011	2013	75,870	—	—	—	—
		2012	2014	117,196	—	—	—	—
			2015	80,547	—	—	—	—
			2016	41,325	—	—	—	—
	DSTI	2011	2012	24,676	—	(24,676)	—	—
		2012	2013	44,849	—	—	—	—
			2014	20,172	—	—	—	—
Greg Oliver	LTI	2011	2013	29,620	—	—	100	—
		2012	2014	63,976	—	—	—	—
			2015	63,975	—	—	—	—
			2016	34,357	—	—	—	—
	DSTI	2011	2012	24,924	—	(24,924)	—	—
		2011	2013	79,424	—	—	—	—
			2014	54,500	—	—	—	—
Greg Shaw	LTI	2010	2012	196,324	(196,324)	—	92.0	8.0
		2011	2013	400,129	—	—	—	—
		2012	2014	614,856	—	—	—	—
			2015	418,532	—	—	—	—
			2016	214,728	—	—	—	—
	DSTI	2011	2012	69,169	—	(69,169)	—	—
		2012	2013	165,003	—	—	—	—
			2014	95,833	—	—	—	—

37 Key management personnel (continued)

i) Long term incentive plan (LTIP) (continued)

		Year Granted	Financial years in which Performance Rights may vest		Number lapsed	Number vested	Cash STI % awarded	Cash STI % forteited
			Year	Number	$	$	%	%
Cash Settled								
Charlie Keegan	LTI	2010	2012	25,862	(25,862)	—	100	—
		2011	2013	44,315	—	—	—	—
		2012	2014	66,277	—	—	—	—
			2015	40,414	—	—	—	—
			2016	21,960	—	—	—	—
	DSTI	2011	2012	26,356	—	(26,356)	—	—
		2012	2013	77,624	—	—	—	—
			2014	51,268	—	—	—	—
Past Executives								
Noel Dempsey	LTI	2010	2012	43,846	(43,846)	—	88.5	11.5
	DSTI	2011	2012	25,023	—	(25,023)	—	—
Jordan Rodgers	LTI	2010	2012	41,228	(41,228)	—	52.0	48.0
		2011	2013	70,848	(70,848)	—	—	—
		2012	2014	103,296	(103,296)	—	—	—
			2015	62,068	(62,068)	—	—	—
			2016	32,448	(32,448)	—	—	—
	DSTI	2011	2012	36,014	—	(36,014)	—	—
		2011	2013	64,354	(64,354)	—	—	—
			2014	28,340	(28,340)	—	—	—

38 Segment information

Business segments

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

Theme Parks
This segment comprises Dreamworld and WhiteWater World in Coomera, Queensland and the Sky Point observation deck in Surfers Paradise, Queensland.

Marinas
This segment comprises 7 d'Albora Marina properties, located in New South Wales and Victoria.

Bowling centres
This segment comprises 49 centres located in Australia and New Zealand.

Family entertainment centres
This segment comprises of 10 Main Event sites in Texas, United States of America.

Health clubs
This comprises 46 centres in Queensland, New South Wales, Victoria, South Australia and Western Australia.

Other
This segment includes commission revenue received for Australian Tour Desk and, in the past, has included a fractional boat ownership business in Sydney, New South Wales and consultancy fees earned from the Adventure World theme park in Perth, Western Australia.

The main income statement items used by management to assess each of the divisions are divisional revenue and divisional EBITDA before property costs and after property costs. In addition, depreciation and amortisation are analysed by division. Each of these income statement items is looked at after adjusting for pre-opening expenses, straight lining of fixed rent increases, IFRS depreciation, amortisation of Goodlife intangible assets and impairment of goodwill. As shown in Note 11, these items are excluded from management's definition of core earnings.

38 Segment information (continued)

The Group's principal activity is to invest in the leisure and entertainment businesses in Australia, New Zealand and the United States of America.

Business segment 2012
Consolidated Group

	Theme Parks $'000	Marinas $'000	Bowling $'000	Family entertainment centres $'000	Health clubs $'000	Other $'000	Total $'000
Revenue	**93,707**	**23,672**	**114,241**	**55,236**	**102,577**	**641**	**390,074**
Divisional EBITDA before property costs [1]	30,485	13,256	36,718	19,336	40,224	177	140,196
Divisional EBITDA [2]	28,904	10,669	14,825	12,312	19,959	177	86,846
Depreciation and amortisation [3]	(5,469)	(733)	(6,363)	(4,171)	(3,607)	(125)	(20,468)
Divisional EBIT [4]	**23,435**	**9,936**	**8,462**	**8,141**	**16,352**	**52**	**66,378**
Pre-opening expenses, straight lining of rent, IFRS depreciation, Goodlife intangible asset amortisation and impairment of goodwill not included in divisional EBIT							(13,013)
Property valuation losses							(15,507)
Net losses from derivative financial instruments							(392)
Corporate costs including gains on sale of assets, interest income and foreign exchange gains and losses							(9,365)
Borrowing costs							(12,914)
Net tax expense							(2,560)
Finance costs attributable to non-controlling interest holders							—
Profit							**12,627**
Total assets	241,293	99,900	119,143	69,440	125,693	23,332	**678,801**
Acquisitions of property, plant and equipment, investment properties and intangible assets	15,575	2,204	14,425	11,041	14,809	1,884	**59,938**

(1) Excludes pre-opening expenses of $1,064,000.
(2) Excludes straight lining of fixed rent increases of $2,199,000 and pre-opening expenses of $1,064,000.
(3) Excludes IFRS depreciation of $6,570,000 and amortisation of Goodlife intangible assets totalling $3,180,000.
(4) Comprises of pre-opening expenses of $1,064,000, straight lining of fixed rent increases of $2,199,000, IFRS depreciation of $6,570,000 and amortisation of Goodlife intangible assets of $3,180,000.

38 Segment information (continued)

Business segment 2011
Consolidated Group

	Theme Parks $'000	Marinas $'000	Bowling $'000	Family entertainment centres $'000	Health clubs $'000	Other $'000	Total $'000
Revenue	**101,550**	**23,651**	**108,680**	**50,587**	**90,022**	**1,366**	**375,856**
Divisional EBITDA before property costs [1]	34,181	13,244	36,003	16,964	33,709	539	134,640
Divisional EBITDA [2]	32,263	10,996	14,598	11,012	16,443	539	85,851
Depreciation and amortisation [3]	(4,783)	(701)	(7,526)	(4,557)	(3,588)	(596)	(21,751)
Divisional EBIT [4]	**27,480**	**10,295**	**7,072**	**6,455**	**12,855**	**(57)**	**64,100**
Pre-opening expenses, straight lining of rent, IFRS depreciation, Goodlife intangible asset amortisation and impairment of goodwill not included in divisional EBIT							(12,218)
Property valuation gains							7,599
Net gain from derivative financial instruments							1,389
Corporate costs including gains on sale of assets, interest income and foreign exchange gains and losses							(8,269)
Borrowing costs							(15,922)
Net tax expense							(1,004)
Finance costs attributable to non-controlling interest holders							468
Profit							**36,143**
Total assets	262,113	98,912	114,152	82,725	114,155	17,380	**689,437**
Acquisitions of property, plant and equipment, investment properties and intangible assets	13,583	2,861	14,779	3,215	21,391	425	**56,254**

(1) Excludes pre-opening expenses of $697,000.
(2) Excludes straight lining of fixed rent increases of $2,283,000 and pre-opening expenses of $697,000.
(3) Excludes IFRS depreciation of $5,898,000 and amortisation of Goodlife intangible assets totalling $2,887,000.
(4) Excludes pre-opening expenses of $697,000, straight lining of fixed rent increases of $2,283,000, IFRS depreciation of $5,898,000, amortisation of Goodlife intangible assets of $2,887,000 and impairment of goodwill of $453,000.

38 Segment information (continued)

Business segment 2012
ALL Group

	Theme Parks $'000	Marinas $'000	Bowling $'000	Family entertainment centres $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**93,707**	**23,672**	**114,242**	**55,236**	**102,577**	**640**	**390,074**
Divisional EBITDA before rent to Trust (1)	30,485	13,256	36,717	12,312	40,224	177	133,171
Divisional EBITDA after rent to Trust (1)	2,604	973	5,580	12,312	12,524	177	34,170
Depreciation and amortisation (2)	(195)	—	(327)	(4,171)	(3,508)	(125)	(8,326)
Divisional EBIT (3)	**2,409**	**973**	**5,253**	**8,141**	**9,016**	**52**	**25,844**
Pre-opening expenses, Goodlife intangible asset amortisation, goodwill impairment and devaluation of PP&E not included in divisional EBIT							(9,372)
Corporate costs including head office costs borrowing costs, foreign exchange gains and loss and losses on disposal of assets							(10,845)
Tax expense							(2,383)
Finance costs attributable to non-controlling interest holders							—
Profit							**3,244**
Total assets	14,843	1,746	26,585	69,484	90,436	20,956	**224,050**
Acquisitions of property, plant and equipment, investment properties and intangible assets	—	—	475	10,999	9,922	1,238	**22,634**

(1) Excludes pre-opening costs of $1,064,000.
(2) Excludes amortisation of Goodlife intangible assets of $3,180,000.
(3) Excludes pre-opening costs of $1,064,000 and amortisation of Goodlife intangible assets of $3,180,000.

38 Segment information (continued)

Business segment 2011

ALL Group

	Theme Parks $'000	Marinas $'000	Bowling $'000	Family entertainment centres $'000	Health clubs $'000	Other $'000	Total $'000
Revenue from operating activities	**101,550**	**23,651**	**108,680**	**50,587**	**90,022**	**1,366**	**375,856**
Divisional EBITDA before rent to Trust [1]	34,180	13,244	36,004	11,011	32,825	540	127,804
Divisional EBITDA after rent to Trust [1]	2,928	971	5,300	11,011	9,923	540	30,673
Depreciation and amortisation [2]	(225)	—	(849)	(4,557)	(3,582)	(595)	(9,808)
Divisional EBIT [3]	**2,703**	**971**	**4,451**	**6,454**	**6,341**	**(55)**	**20,865**
Pre-opening expenses, Goodlife intangible asset amortisation, goodwill impairment and devaluation of PP&E not included in divisional EBIT[3]							(4,037)
Corporate expenses (includes head office costs borrowing costs, foreign exchange gains and loss and losses on disposal of assets)							(13,450)
Tax expense							(781)
Finance costs attributable to non-controlling interest holders							468
Profit							**3,065**
Total assets	13,164	1,718	26,832	82,923	84,348	16,798	**225,783**
Acquisitions of property, plant and equipment, investment properties and intangible assets	—	—	396	3,215	16,346	109	**20,066**

(1) Excludes pre-opening costs of $697,000.

(2) Excludes amortisation of Goodlife intangible assets of $2,887,000.

(3) Excludes pre-opening costs of $697,000, amortisation of Goodlife intangible assets of $2,887,000 and impairment of goodwill of $453,000.

39 Capital and financial risk management

a) Capital risk management

The Group's objectives when managing capital is to optimise stapled security holder value through the mix of available capital sources whilst complying with statutory and constitutional capital and distribution 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 stapled securities, activating the DRP, electing to have the DRP underwritten, adjusting the amount of distributions paid, activating a stapled security buy-back programme or selling assets to reduce borrowings.

The Group has a target gearing ratio of 30% to 35% of debt to debt plus equity. At 30 June 2012, gearing was 32.3% (2011: 31.5%) compared to Group's banking covenant of 40% and the Group has complied with the financial covenants of its borrowing facilities in the current and previous financial years.

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

The Trust 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 currency 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 future rolling cash flow forecasts.

The Group uses derivative financial instruments such as forward foreign exchange contracts, interest rate swaps and cross currency swaps 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

Foreign exchange risk

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

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

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

The majority of derivatives utilised to manage this consolidated exposure are held by the Trust. Therefore, the information provided below is only meaningful for the Group.

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.

39 Capital and financial risk management (continued)

c) Foreign Investment (continued)

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

	Australian dollars		New Zealand dollars		US dollars	
Consolidated Group	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Assets						
Cash and cash equivalents	8,447	6,810	562	474	2,685	2,422
Receivables and other current assets	20,714	18,153	337	360	3,387	2,418
Derivative financial instruments	270	1,256	—	—	—	—
Properties held for sale	—	—	—	—	—	7,651
Investment properties	94,915	96,279	—	—	—	—
Property, plant and equipment	375,266	372,549	1,600	1,638	25,543	39,590
Intangible assets	98,202	94,229	3,028	2,991	38,607	36,896
Other non-current assets	4,864	4,894	33	29	341	798
Total assets	**602,678**	**594,170**	**5,560**	**5,492**	**70,563**	**89,775**
Liabilities						
Payables and other current liabilities	57,568	59,432	518	502	8,172	3,560
Derivative financial instruments	3,451	1,421	—	—	—	1,813
Interest bearing liabilities	154,399	165,591	—	—	39,055	27,993
Other non-current liabilities	4,182	3,990	—	—	4,804	4,359
Total liabilities	**219,600**	**230,434**	**518**	**502**	**52,031**	**37,725**
Net assets	**383,078**	**363,736**	**5,042**	**4,990**	**18,532**	**52,050**
Notional value of derivatives to hedge foreign exchange exposure	—	—	—	(4,919)	4,970	(2,696)
Net exposure to foreign exchange movements	**383,078**	**363,736**	**5,042**	**71**	**23,502**	**49,354**

39 Capital and financial risk management (continued)

c) Foreign Investment (continued)

ALL Group	Australian dollars 2012 $'000	Australian dollars 2011 $'000	New Zealand dollars 2012 $'000	New Zealand dollars 2011 $'000	US dollars 2012 $'000	US dollars 2011 $'000
Assets						
Cash and cash equivalents	5,953	6,699	330	282	2,271	2,421
Receivables and other current assets	24,415	19,511	116	150	3,387	666
Properties held for sale	—	—	—	—	—	7,651
Property, plant and equipment	17,058	15,320	—	—	25,543	33,445
Intangible assets	98,103	93,784	3,028	2,991	38,607	37,142
Other non-current assets	4,864	4,894	33	29	341	798
Total assets	**150,393**	**140,208**	**3,507**	**3,452**	**70,149**	**82,123**
Liabilities						
Payables and other current liabilities	46,260	44,515	297	231	8,108	3,725
Interest bearing liabilities	83,562	78,932	—	—	41,211	58,457
Other non-current liabilities	4,182	3,990	—	—	4,804	4,359
Total liabilities	**134,004**	**127,437**	**297**	**231**	**54,123**	**66,541**
Net assets	**16,389**	**12,771**	**3,210**	**3,221**	**16,026**	**15,582**
Net exposure to foreign exchange movements	**16,389**	**12,771**	**3,210**	**3,221**	**16,026**	**15,582**

The table below demonstrates the sensitivity 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, core earnings or equity, while a positive amount reflects a potential net increase.

Consolidated Group	Profit movement 2012 $'000	Profit movement 2011 $'000	Core earnings movement 2012 $'000	Core earnings movement 2011 $'000	Total equity movement 2012 $'000	Total equity movement 2011 $'000
AUD:NZD – increase 10%	(458)	(6)	—	—	(458)	(6)
AUD:NZD – decrease 10%	560	7	—	—	560	7
AUD:USD – increase 10%	(2,136)	(3,791)	—	—	(2,136)	(3,791)
AUD:USD – decrease 10%	2,611	4,170	—	—	2,611	4,170

ALL Group	Profit movement 2012 $'000	Profit movement 2011 $'000	Total equity movement 2012 $'000	Total equity movement 2011 $'000
AUD:NZD – increase 10%	(292)	(293)	(292)	(293)
AUD:NZD – decrease 10%	357	322	357	322
AUD:USD – increase 10%	(1,457)	(1,417)	(1,457)	(1,417)
AUD:USD – decrease 10%	1,781	1,558	1,781	1,558

39 Capital and financial risk management (continued)

c) Market risk (continued)

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.

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 is approximately 40 to 50% hedged for the next six months (2011: 40% to 50% hedged for the next 18 months) for US dollar core earnings at an average exchange rate of A$1.00 = US$0.7948 (2011: A$1.00 = US$0.7696). No hedging has been done over NZD income given the small level of NZD profits.

Interest rate risk

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

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

The Group has exposures to interest rate risk on its monetary assets and liabilities, mitigated by the use of interest rate swaps, as shown in the table below. The table also demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in the profit, core earnings or equity, while a positive amount reflects a potential net increase.

	Australian interest		US interest	
Consolidated Group	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Fixed rates				
Interest bearing liabilities	(516)	(28)	—	—
	(516)	**(28)**	**—**	**—**
Floating rates				
Cash and cash equivalents	9,008	7,284	2,685	2,422
Interest bearing liabilities	(154,675)	(166,863)	(39,055)	(27,993)
	(145,667)	**(159,579)**	**(36,370)**	**(25,571)**
Interest rate swaps	80,000	125,000	—	—
Net interest rate exposure	**(65,667)**	**(34,579)**	**(36,370)**	**(25,571)**

Refer to note 14 for further details on the interest rate swaps.

	Australian interest		US interest	
Consolidated Group	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Fixed rates				
Interest bearing liabilities	(516)	(28)	—	—
	(516)	**(28)**	**—**	**—**
Floating rates				
Cash and cash equivalents	6,283	6,981	2,271	2,421
Interest bearing liabilities	(83,046)	(78,904)	(41,211)	(58,457)
	(76,763)	**(71,923)**	**(38,940)**	**(56,036)**
Net interest rate exposure	**(76,763)**	**(71,923)**	**(38,940)**	**(56,036)**

39 Capital and financial risk management (continued)

c) Interest rate risk (continued)

Sensitivity

Consolidated Group	Profit movement 2012 $'000	Profit movement 2011 $'000	Core earnings movement 2012 $'000	Core earnings movement 2011 $'000	Total equity movement 2012 $'000	Total equity movement 2011 $'000
1% increase in USD rates	(140)	407	(140)	—	(140)	407
1% decrease in USD rates	140	(407)	140	—	140	(407)
1% increase in AUD rates	(652)	(376)	(657)	(346)	854	1,519
1% decrease in AUD rates	652	376	657	346	(854)	(1,519)

ALL Group	Profit movement 2012 $'000	Profit movement 2011 $'000	Total equity movement 2012 $'000	Total equity movement 2011 $'000
1% increase in USD rates	(254)	(560)	(254)	(560)
1% decrease in USD rates	254	560	254	560
1% increase in AUD rates	(768)	(722)	(768)	(722)
1% decrease in AUD rates	768	722	768	722

At reporting date, the Group has fixed 41.5% (2011: 64.2%) of its net 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 securities, 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 and ALL Group's fixed and floating rate financial liabilities and derivatives as at 30 June 2012. The amounts presented represent the future contractual undiscounted principal and interest cash flows and therefore do not equate to the value shown in the Balance Sheet. Repayments which are subject to notice are treated as if notice were given immediately.

Consolidated Group	Book value 2012 $'000	Less than 1 year 2012 $'000	1 to 2 years 2012 $'000	2 to 3 years 2012 $'000	3 to 4 years 2012 $'000	4 to 5 years 2012 $'000	Over 5 years 2012 $'000	Total 2012 $'000
Payables	59,800	59,800	—	—	—	—	—	59,800
Finance leases	516	436	249	62	—	—	—	747
Term debt	192,938	8,875	184,114	14,256	—	—	—	207,245
Interest rates swaps designated as hedges of the term debt	—	911	511	183	—	—	—	1,605
FX swaps – payable leg	—	7,035	—	—	—	—	—	7,035
Total undiscounted financial liabilities	**253,254**	**77,057**	**184,874**	**14,501**	**—**	**—**	**—**	**276,432**

39 Capital and financial risk management (continued)

d) Liquidity risk (continued)

Consolidated Group	Book value 2011 $'000	Less than 1 year 2011 $'000	1 to 2 years 2011 $'000	2 to 3 years 2011 $'000	3 to 4 years 2011 $'000	4 to 5 years 2011 $'000	Over 5 years 2011 $'000	Total 2011 $'000
Payables	57,951	57,951	—	—	—	—	—	57,951
Finance leases	28	29	—	—	—	—	—	29
Term debt	193,556	11,562	11,562	184,125	16,905	—	—	224,154
Interest rates swaps designated as hedges of the term debt	—	661	2,197	682	—	—	—	3,540
FX swaps – payable leg	—	2,695	838	—	—	—	—	3,533
Total undiscounted financial liabilities	**251,535**	**72,898**	**14,597**	**184,807**	**16,905**	**—**	**—**	**289,207**

ALL Group	Book value 2012 $'000	Less than 1 year 2012 $'000	1 to 2 years 2012 $'000	2 to 3 years 2012 $'000	3 to 4 years 2012 $'000	4 to 5 years 2012 $'000	Over 5 years 2012 $'000	Total 2012 $'000
Payables	48,234	48,234	—	—	—	—	—	48,234
Finance leases	516	436	249	62	—	—	—	747
Loan from Trust	124,257	6,774	125,408	—	—	—	—	132,182
Total undiscounted financial liabilities	**173,007**	**55,444**	**125,657**	**62**	**—**	**—**	**—**	**181,163**

ALL Group	Book value 2011 $'000	Less than 1 year 2011 $'000	1 to 2 years 2011 $'000	2 to 3 years 2011 $'000	3 to 4 years 2011 $'000	4 to 5 years 2011 $'000	Over 5 years 2011 $'000	Total 2011 $'000
Payables	42,936	42,936	—	—	—	—	—	42,936
Finance leases	28	29	—	—	—	—	—	29
Loan from Trust	137,361	8,163	8,163	138,748	—	—	—	155,074
Total undiscounted financial liabilities	**180,325**	**51,128**	**8,163**	**138,748**	**—**	**—**	**—**	**198,039**

e) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and 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 this risk by performing credit reviews of prospective debtors, obtaining collateral where appropriate and performing detailed reviews on any debtor arrears.

The Group is exposed to credit risk on financial instruments and derivatives. For credit purposes, there is only a credit risk where the contracting entity is liable to pay the Group in the event of a close out. The Group has policies that limit the amount of credit exposure to any financial institution. Derivative counterparties and cash transactions are limited to investment grade counterparties in accordance with the Group's FRM policy. The Group monitors the public credit rating of its counterparties.

The Group has policies to review the aggregate exposures of debtors and tenancies 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.

39 Capital and financial risk management (continued)

e) Credit risk (continued)

The table below details the concentration of credit exposure of the Group's assets to significant geographical locations:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Cash and cash equivalents	11,693	9,706	8,554	9,402
Receivables – Australasia	5,083	7,426	10,924	8,467
Receivables – US	596	266	596	526
Derivative financial instruments	270	1,256	—	—
	17,642	**18,654**	**20,074**	**18,395**

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
Consolidated Group 2012						
Receivables – Australasia	487	409	175	183	862	2,116
Receivables – US	1	—	—	—	—	1
	488	409	175	183	862	2,117
Consolidated Group 2011						
Receivables – Australasia	197	211	97	302	197	1,004
Receivables – US	—	—	—	—	—	—
	197	211	97	302	197	1,004
ALL Group 2012						
Receivables – Australasia	487	409	175	183	862	2,116
Receivables – US	1	—	—	—	—	1
	488	409	175	183	862	2,117
ALL Group 2011						
Receivables – Australasia	197	211	97	302	197	1,004
Receivables – US	—	—	—	—	—	—
	197	211	97	302	197	1,004

Based on a review of receivables by management, a provision of $774,000 (2011: $131,000) has been made against receivables with a gross balance of $862,000 (2011: $197,000).

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

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

39 Capital and financial risk management (continued)

f) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes by level using the following fair value measurement hierarchy:

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

The following tables present the Group's assets and liabilities measured and recognised at fair value at 30 June 2012:

Consolidated Group 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative financial instruments	—	270	—	270
Total assets	**—**	**270**	**—**	**270**
Liabilities				
Derivative financial instruments	—	3,451	—	3,451
Total liabilities	**—**	**3,451**	**—**	**3,451**

Consolidated Group 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative financial instruments	—	1,256	—	1,256
Total assets	**—**	**1,256**	**—**	**1,256**
Liabilities				
Derivative financial instruments	—	3,234	—	3,234
Total liabilities	**—**	**3,234**	**—**	**3,234**

All derivative financial instruments were valued based on valuations received from the counterparty at 30 June 2012. The ALL Group has no financial assets or liabilities held at fair value. For financial instruments not held at fair value, the carrying value of these financial instruments approximates to their fair value.

40 Contingent liabilities

Unless otherwise disclosed in the financial statements, there are no material contingent liabilities.

41 Capital and lease commitments

a) Capital commitments

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

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Property, plant and equipment				
Payable:				
Within one year	1,712	1,848	1,712	1,940
	1,712	**1,848**	**1,712**	**1,940**

b) Lease commitments

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Within one year	46,011	40,624	9,630	6,625
Later than one year but not later than five years	186,412	145,505	40,667	23,399
Later than five years	141,588	148,930	89,923	56,475
	374,011	**335,059**	**140,220**	**86,499**
Representing:				
Cancellable operating leases	362	441	362	442
Non-cancellable operating leases	373,089	334,589	139,298	86,028
Finance leases	560	29	560	29
	374,011	**335,059**	**140,220**	**86,499**

41 Capital and lease commitments (continued)

b) Lease commitments (continued)

Operating leases

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

Non-cancellable operating leases in the ALL Group include base rentals payable to the Trust in accordance with the leases for Dreamworld, d'Albora marinas, bowling centre and health club properties. Further amounts are payable in respect of these properties however, the additional rental calculations are unable to be determined at reporting date as a result of the calculations being based upon future profits of the businesses.

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

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Within one year	45,633	40,454	9,253	6,455
Later than one year but not later than five years	185,868	145,205	40,122	23,099
Later than five years	141,588	148,930	89,923	56,474
	373,089	**334,589**	**139,298**	**86,028**

Finance leases

Commitments in relation to finance leases are payable as follows:

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Within one year	249	29	249	29
Later than one year but not later than five years	311	—	311	—
Minimum lease payments	**560**	**29**	**560**	**29**
Less: Future finance charges	(44)	(1)	(44)	(1)
Total lease liabilities	**516**	**28**	**516**	**28**
Representing lease liabilities:				
Current	229	28	229	28
Non-current	287	—	287	—
	516	**28**	**516**	**28**

The Group leases various plant and equipment with a carrying value of $673,000 (2011: $33,000) under finance leases which expire within one to five years. The weighted average interest rate implicit in the leases is 5.41% per annum (2011: 8.00% per annum).

42 Deed of cross guarantee

In 2006, ALL, Bowling Centres Australia Pty Limited, Bowl Australia Holdings Pty Limited, Tidebelt Pty Limited and Bowling Centres Australia Catering Services Pty Limited entered into a deed of cross guarantee under which each company guarantees the debts of the others. In 2010, Ardent Leisure Health Clubs 1 Pty Limited, Ardent Leisure Health Clubs 2 Pty Limited, Goodlife Health Clubs Holdings Pty Limited, Goodlife Operations Pty Limited, Ardent Boat Share Pty Limited and Ardent Boat Share Finance Limited executed an Assumption Deed and became parties to the deed of cross guarantee under which each company guarantees the debts of the others.

By entering into the deeds, Bowling Centres Australia Pty Limited, Goodlife Operations Pty Limited, Ardent Leisure Health Clubs 1 Pty Limited and Ardent Boat Share Finance Limited have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

On 1 July 2012, a Revocation Deed was executed whereby Ardent Boat Share Pty Limited, Ardent Boat Share Finance Limited, BowlAustralia Holdings Pty Limited, Bowling Centres Australia Catering Services Pty Limited and Tidebelt Pty Limited were released from the deed of cross guarantee.

a) Consolidated Income Statement

ALL, Bowling Centres Australia Pty Limited, Ardent Leisure Health Clubs 1 Pty Limited, Ardent Leisure Health Clubs 2 Pty Limited, Goodlife Health Clubs Holdings Pty Limited, Goodlife Operations Pty Limited, Ardent Boat Share Pty Limited and Ardent Boat Share Finance Limited represent a 'Closed Group' for the purposes of the Class Order.

Tidebelt Pty Limited, BowlAustralia Holdings Pty Limited and Bowling Centres Australia Catering Services Pty Limited are also wholly owned subsidiaries of ALL and are party to the deed of cross guarantee and therefore represent the 'Extended Closed Group'.

Set out below is a consolidated Income Statement for the year ended 30 June 2012 of the Closed Group:

	2012 $'000	2011 $'000
Revenue from operating activities	329,647	307,607
Purchases of finished goods	(29,302)	(31,211)
Salary and employee benefits	(129,993)	(119,307)
Property expenses	(95,157)	(90,402)
Advertising and promotions	(13,958)	(14,638)
Repairs and maintenance	(13,296)	(13,051)
Borrowing costs	(8,637)	(8,495)
Depreciation and amortisation	(7,340)	(7,553)
Impairment of goodwill	—	(453)
Pre-opening expenses	(528)	(697)
Other expenses	(30,432)	(28,277)
Profit/(loss) before tax benefit	**1,004**	**(6,477)**
Income tax benefit	1,174	1,864
Profit/(loss)	**2,178**	**(4,613)**

b) Consolidated Comprehensive Income Statement

Set out below is a consolidated Comprehensive Income Statement for the year ended 30 June 2012 of the Closed Group:

	2012 $'000	2011 $'000
Profit/(loss)	2,178	(4,613)
Other comprehensive income for the period	—	—
Total comprehensive income for the period	**2,178**	**(4,613)**

42 Deed of cross guarantee (continued)

c) Consolidated Balance Sheet

Set out below is a consolidated Balance Sheet as at 30 June 2012 of the Closed Group:

	2012 $'000	2011 $'000
Current assets		
Cash and cash equivalents	5,699	6,182
Receivables	9,549	8,749
Inventories	7,448	6,417
Current tax receivables	1,730	359
Other	5,928	3,997
Total current assets	**30,354**	**25,704**
Non-current assets		
Property, plant and equipment	16,774	14,435
Livestock	353	424
Intangible assets	79,220	75,147
Deferred tax assets	4,509	4,459
Investment in controlled entities	49,730	49,730
Total non-current assets	**150,586**	**144,195**
Total assets	**180,940**	**169,899**
Current liabilities		
Payables	41,021	38,036
Interest bearing liabilities	229	15
Provisions	2,735	3,812
Other	1,706	1,360
Total current liabilities	**45,691**	**43,223**
Non-current liabilities		
Interest bearing liabilities	124,972	120,484
Provisions	1,915	1,358
Deferred tax liabilities	2,392	2,435
Total non-current liabilities	**129,279**	**124,277**
Total liabilities	**174,970**	**167,500**
Net assets	**5,970**	**2,399**
Equity		
Contributed equity	11,960	10,567
Reserves	(2,310)	(2,310)
Accumulated losses	(3,680)	(5,858)
Total equity	**5,970**	**2,399**

42 Deed of cross guarantee (continued)

d) Consolidated Statement of Changes in Equity

Set out below is a consolidated Statement of Changes in Equity as at 30 June 2012 of the Closed Group:

	Share Capital $'000	Reserves Profits $'000	Retained $'000	Total $'000
Total equity at 30 June 2010	9,918	(2,310)	(1,245)	6,363
Total comprehensive income	—	—	(4,613)	(4,613)
Contributions of equity, net of issue costs	649	—	—	649
Total equity at 30 June 2011	10,567	(2,310)	(5,858)	2,399
Total comprehensive income	—	—	2,178	2,178
Contributions of equity, net of issue costs	1,393	—	—	1,393
Total equity at 30 June 2012	**11,960**	**(2,310)**	**(3,680)**	**5,970**

43 Parent entity financial information

a) Summary financial information

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Balance Sheet				
Current assets	11,888	6,327	14,891	11,536
Total assets	613,227	628,385	146,057	141,436
Current liabilities	25,081	17,136	20,097	17,712
Total liabilities	217,695	211,988	144,492	138,925
Equity				
Contributed equity	409,940	393,443	11,960	10,567
Reserves	(4,900)	(3,109)	(2,310)	(2,310)
(Accumulated losses)/retained earnings	(9,833)	26,063	(8,085)	(5,747)
	395,207	**416,397**	**1,565**	**2,511**
Profit/(loss)	**1,087**	**17,933**	**(2,338)**	**(4,902)**
Total comprehensive income	**(704)**	**18,619**	**(2,338)**	**(4,902)**

b) Guarantees

No guarantees gave been entered into by Ardent Leisure Trust and Ardent Leisure Limited in relation to the debts of their subsidiaries.

c) Contingencies

Ardent Leisure Trust and Ardent Leisure Limited did not have any contingent liabilities at 30 June 2012 or 30 June 2011.

43 Parent entity financial information (continued)

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

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

	Consolidated Group 2012 $'000	Consolidated Group 2011 $'000	ALL Group 2012 $'000	ALL Group 2011 $'000
Property, plant and equipment				
Payable:				
Within one year	—	—	1,173	1,848
	—	**—**	**1,173**	**1,848**

Commitments with respect to the above property, plant and equipment have been incurred by ALL on behalf of the Trust for the Australian and New Zealand geographic segments totalling $1,173,000 (2011: $1,848,000). Any commitments relating to the Australian and New Zealand geographic segments will therefore be subsequently reimbursed by the Trust the month following payment.

44 Events occurring after reporting date

Subsequent to year end, a distribution of 5.2 cents per stapled security has been declared by the Board of Directors. The total distribution amount of $17.4 million will be paid on or before 31 August 2012 in respect of the half year ended 30 June 2012.

Since the end of the financial year, the Directors of the Manager and ALL are not aware of any other matter or circumstance not otherwise dealt with in financial report or the Directors' 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 30 June 2012.

Directors' declaration to stapled security holders.

In the opinion of the Directors of Ardent Leisure Management Limited and Ardent Leisure Limited:

a) the financial statements and notes of Ardent Leisure Trust and its controlled entities, including Ardent Leisure Limited and its controlled entities (Ardent Leisure Group) and Ardent Leisure Limited and its controlled entities (ALL Group) set out on pages 46 to 125 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 the Ardent Leisure Group's and ALL Group's financial position as at 30 June 2012 and of their performance, as represented by the results of their operations, their changes in equity and their cash flows, for the financial year ended on that date;

b) there are reasonable grounds to believe that both the Ardent Leisure Group and ALL Group will be able to pay their debts as and when they become due and payable;

c) Note 1(a) 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 Extended Closed Group identified in Note 42 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 42.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Neil Balnaves, AO
Director

Sydney
22 August 2012

Independence Auditor's Report
to the members of Ardent Leisure Group

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ABN 52 780 433 757

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Australia
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Report on the financial report

We have audited the accompanying financial report which comprises:

- The balance sheet as at 30 June 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, a summary of significant accounting policies, other explanatory notes and the directos' declaration for Ardent Leisure Group (the consolidated stapled entity). The consolidated stapled entity, as described in Note 1 to the financial report, comprises the Ardent Leisure Trust (the trust) and the entities it controlled at the year's end or from time to time during the financial year.
- The balance sheet as at 30 June 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date,a summary of significant accounting policies, other explanatory notesand the directors' declaration for Ardent Leisure Limited Group (the ALL Group). The ALL Group, comprises the Ardent Leisure Limited (the company or ALL) and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Ardent Leisure Limited and the directors of Ardent Leisure Management Limited, the responsible entity of Ardent Leisure Group (collectively referred to as "the directors") 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 directors determine is necessary to enable the preparation of the finacial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence Auditor's Report
to the members of Ardent Leisure Group

pwc

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

Auditor's opinion
In our opinion:

a) the financial report of Ardent Leisure Group and Ardent Leisure Limited Group is in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the Ardent Leisure Group's and the Ardent Leisure Limited Groups financial position as at 30 June 2012 and of their performance for the year ended on that date; and

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

b) the consolidated financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report
We have audited the remuneration report included in pages 26 to 41 of the directors' report for the year ended 30 June 2012. 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 Accounting Standards.

Auditor's opinion
In our opinion, the remuneration report of Ardent Leisure Group for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Brett Delaney
Partner

Brisbane
22 August 2012

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Investor Analysis

Top 20 Investors as at 31 August 2012

		No. of Securities	%
1	National Nominees Limited	57,309,369	16.79
2	JP Morgan Nominees Australia Limited	53,894,298	15.79
3	HSBC Custody Nominees (Australia) Limited	31,871,249	9.34
4	Citicorp Nominees Pty Limited	13,215,660	3.87
5	BNP Paribas Noms Pty Ltd	9,898,597	2.90
6	AMP Life Limited	9,229,748	2.70
7	JP Morgan Nominees Australia Limited	7,627,365	2.24
8	Citicorp Nominees Pty Limited	7,604,565	2.23
9	Cogent Nominees Pty Limited	5,853,701	1.72
10	Ragusa Pty Limited	4,492,607	1.32
11	Ragusa Pty Limited	3,917,352	1.15
12	BNP Paribas Noms Pty Ltd	3,631,617	1.06
13	RBC Investor Services Australia Nominees Pty Ltd	2,621,177	0.77
14	3rd Wave Investors Ltd	2,200,000	0.64
15	HSBC Custody Nominees (Australia) Limited	1,383,282	0.41
16	Ragusa Pty Ltd	1,368,785	0.40
17	BNP Paribas Noms Pty Ltd	1,239,228	0.36
18	RBC Investor Services Australia Nominees Pty Ltd	1,154,627	0.34
19	Tendword Pty Ltd	1,149,970	0.34
20	Balnaves Foundation Pty Limited	960,019	0.28
Total		**220,623,216**	**64.65**
Balance of Register		120,629,398	35.35
Grand Total		**341,252,614**	**100.00**

Range Report as at 31 August 2012

Range	No. of Securities	%	No. of Holders	%
100,001 and over	252,884,380	74.11	163	1.92
10,001 to 100,000	68,772,877	20.15	2,701	31.87
5,001 to 10,000	12,324,050	3.61	1,609	18.98
1,001 to 5,000	6,581,899	1.93	2,281	26.91
1 to 1,000	689,408	0.20	1,722	20.32
Total	**341,252,614**	**100.00**	**8,476**	**100.00**

The total number of investors with an unmarketable parcel of 395 securities as at 31 August 2012 was 905.

Voting Rights

On a poll, each investor has, in relation to resolutions of the Trust, one vote for each dollar of the value of their total units held in the Trust and in relation to resolutions of the Company, one vote for each share held in the Company.

On-Market Buy-back

There is no current on-market buy-back program in place.

Substantial Holder Notices Received as at 31 August 2012

Investor	No. of Securities
AMP Limited	25,024,855
Eley Griffiths Group	24,630,889
Commonwealth Bank of Australia	16,770,901
Acorn Capital Limited	16,281,471
Black Rock Investment Management (Australia) Limited	15,227,808

Stapling Disclosure

The ASX reserves the right (but without limiting its absolute discretion) to remove the Company or the Trust or both from the official list if any of the shares and the units cease to be "stapled" together or any equity securities are issued by the Company or Trust which are not stapled to equivalent securities in the other entity.

10 Year Distribution History

Period ended	Distribution	Taxable amount		Tax deferred amount		Tax free amount		DRP issue price	Period end unit price
History	**Cents/unit**	**Cents/unit**	**%**	**Cents/unit**	**%**	**Cents/unit**	**%**	**$**	**$**
Ardent Leisure Trust									
31-Dec-01	3.30	1.51110	45.79	1.78890	54.21	[1]	[1]	0.6415	0.67
30-Jun-02	3.70	1.05339	28.47	2.64661	71.53	[1]	[1]	0.6454	0.67
31-Dec-02	3.50	1.47665	42.19	2.02335	57.81	[1]	[1]	0.7000	0.70
30-Jun-03	4.00	1.49729	37.43	2.50271	62.57	[1]	[1]	0.7820	0.78
Ardent Leisure Group[2]						CGT concession			
31-Dec-04	5.20							1.6894	1.74
30-Jun-05	6.60							1.8481	1.97
Year to 30 Jun 05	**11.80**	**10.40958**	**88.22**	**1.39042**	**11.78**	**—**	**—**		
31-Dec-05	7.00							2.3050	2.48
30-Jun-06	7.50							2.4021	2.50
Year to 30 Jun 06	**14.50**	**9.48186**	**65.40**	**5.01814**	**34.60**	**—**	**—**		
31-Dec-06	8.00							2.9213	2.98
30-Jun-07	9.10							3.1894	3.30
Year to 30 Jun 07	**17.10**	**13.19952**	**77.19**	**3.50226**	**20.48**	**0.39822**	**2.33**		
31-Dec-07	9.60							3.4168	3.49
30-Jun-08	10.00							1.5235	1.49
Year to 30 Jun 08	**19.60**	**16.72845**	**85.35**	**2.09711**	**10.70**	**0.77444**	**3.95**		
31-Dec-08	6.50							0.9727	0.90
30-Jun-09	7.80							1.4048	1.415
Year to 30 Jun 09	**14.30**	**8.19817**	**57.33**	**3.74274**	**26.24**	**2.34909**	**16.43**		
31-Dec-09	6.50							1.6826	1.705
30-Jun-10	4.25							0.9915	0.990
Year to 30 Jun 10	**10.75**	**8.07288**	**75.00**	**1.29887**	**12.18**	**1.37825**	**12.82**		
31-Dec-10	6.50							0.9872	1.015
30-Jun-11	5.00							1.2496	1.275
Year to 30 Jun 11	**11.50**	**7.31867**	**63.64**	**4.18133**	**36.36**	**—**	**—**		
31-Dec-11	6.50							1.0073	1.02
30-Jun-12	5.20							1.2373	1.28
Year to 30 Jun 12	**11.70**	**4.84820**	**41.44**	**6.85180**	**58.56**	**—**	**—**		

(1) Tax free amounts are now treated as tax deferred.
(2) Trust was restructured effective 1 July 2003 to form a stapled entity consisting of Macquarie Leisure Trust and Macquarie Leisure Operations Limited. Further details of the Group's distribution history can be found at www.ardentleisure.com.au.

Investor Relations

Information relating to Ardent Leisure can be found at www.ardentleisure.com.au.

The website is a useful source of information about the Group and its business and property portfolio. The site contains a variety of investor information, including presentations, webcasts, newsletters, half year updates, annual reports, distribution history and timetable, security price information and announcements to the ASX.

Investor benefits program

The investor benefits program aims to provide investors with an opportunity to experience and enjoy Ardent Leisure assets. Investors with a minimum of 2,000 stapled securities, receive an investor benefits card that provides the following privileges:

Dreamworld/WhiteWater World
50% discount off all full price 1 Day entry admission tickets plus a 10% discount on merchandise, food and beverages for the investor and up to three companions

SkyPoint
50% discount per visit off the standard entry for the investor plus up to three companions

SkyPoint Climb
50% discount on all day climbs for the investor plus up to three companions

d'Albora Marinas
Free subscription to d'Albora's Docklines newsletter

AMF Bowling
Discounted rate of $9.00 per bowling game and shoe hire for the investor plus up to three companions

Kingpin Bowling
Discounted rate of $9.00 per bowling game and shoe hire for the investor plus up to three companions

M9 Laser Skirmish
Discounted rate of $9.00 per laser game and shoe hire for the investor plus up to three companions

Goodlife Health Clubs
No joining fee for the investor plus up to a 20% discount off the All Clubs Saver membership rate

The investor benefits program does not have a material impact on the income of the Group. Note that the investor benefits offers are subject to change and the program terms and conditions.

Distribution payments and annual taxation statement

Distributions are currently payable twice a year and received by investors approximately seven to eight weeks after each half year end. To view your 2011/2012 annual taxation statement online, please visit the Link Investor Service Centre at www.linkmarketservices.com.au

Distribution Reinvestment Plan (DRP)
The DRP price for the half year ended 30 June 2012 was $1.2373 per stapled security. Please note that the terms and conditions of the DRP may vary from time to time. Details of any changes (and whether the DRP continues to operate or is suspended) will be announced to the ASX.

Contact details

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

Link Market Services Limited

Locked Bag A14
Sydney South NSW 1235

Telephone
1300 720 560 (within Australia)
+61 2 8280 7604 (outside Australia)

Facsimile
+61 2 9287 0303

Website
www.linkmarketservices.com.au

Email
registrars@linkmarketservices.com.au

Manager

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

Telephone
1800 ARDENT (within Australia)
+61 2 9409 3670 (outside Australia)

Email
Investor.relations@ardentleisure.com

Investor complaints

If you have a complaint, please contact us so that we can assist:

Ardent Leisure Group

Level 16, 61 Lavender Street
Milsons Point NSW 2061

Email
investor.relations@ardentleisure.com

Telephone
1800 ARDENT (within Australia)

Facsimile
+61 2 9409 3679

External dispute resolution

In the event that a complaint cannot be resolved within a reasonable period of time (usually 45 days) or you are not satisfied with our response, you can seek assistance from Financial Ombudsman Service Limited (FOS). FOS provides a free and independent dispute resolution service to our investors. FOS's contact details are below:

Financial Ombudsman Service Limited

GPO Box 3
Melbourne VIC 3001

Email
info@fos.org.au

Telephone
1300 780 808 (within Australia)

Facsimile
+61 3 9613 6399

Corporate Directory

Manager

Ardent Leisure Management Limited
ABN 36 079 630 676
AFSL No. 247010

Company

Ardent Leisure Limited
ABN 22 104 529 106

Registered office
Level 16, 61 Lavender Street
Milsons Point NSW 2061

Directors

Neil Balnaves, AO (Chairman)
Roger Davis
Anne Keating
Don Morris, AO
Greg Shaw
George Venardos

Managing Director and Chief Executive Officer
Greg Shaw

Chief Financial Officer
Richard Johnson

Company Secretary
Alan Shedden

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Email
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Website
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ASX code

AAD

Custodian

The Trust Company Limited
Level 15, 20 Bond Street
Sydney NSW 2000

Auditor of the Group

PricewaterhouseCoopers
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Security registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

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680 George Street
Sydney NSW 2000

Telephone
1300 720 560 (within Australia)
+61 2 8280 7134 (outside Australia)

Email
registrars@linkmarketservices.com.au

Website
www.linkmarketservices.com.au

To arrange changes of address, or changes in registration of stapled securities, please contact the registry at the address or number listed above.

Disclaimer

This is the annual report for the Ardent Leisure Group (the Group), a stapled entity comprising units in the Ardent Leisure Trust ARSN 093 193 438 (Trust) and shares in Ardent Leisure Limited ABN 22 104 529 106 (Company).

This information has been prepared by Ardent Leisure Management Limited ABN 36 079 638 676 (Manager), a wholly-owned subsidiary of the Company and the responsible entity of the Trust for general information purposes only, without taking into account any potential investors' personal objectives, financial situation or needs. Before investing, you should consider your own objectives, financial situation or needs or you should obtain financial, legal and/or taxation advice.

Past performance is not a reliable indicator of future performance. Due care and attention have been exercised in the preparation of forecast information, however, forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of the Group. Actual results may vary from any forecasts and any variation may be materially positive or negative.

Investments in the Group are not deposits with or liabilities of the Company, the Manager or any other Group entity and are subject to investment risk including possible delays in repayment and loss of income and principal invested. None of the Company, the Manager or any other Group entity guarantees the performance of the Group or the repayment of capital from the Group, or any particular rate of return.