



AUDIT & CORPORATE GOVERNANCE COMMITTEE

Meeting of the Committee

Wednesday, 12 August 2020 at 11.00am

by videoconference



Audit & Corporate Governance Committee

Meeting of the Committee to be held on Wednesday, 12 August 2020
at 11.00am by video conference

Attendees

<i>Committee:</i>	Toni Korsanos (Chair) Jane Halton Mike Johnston
	Mary Manos (Secretary)
<i>By Invitation:</i>	Ken Barton Angelina Bowden-Jones Helen Coonan Lauren Harris Alan McGregor John Salomone Michael Collins, Ernst & Young Lachlan Cobon, Ernst & Young Jeremy Nash, Ernst & Young Alison Parker, Ernst & Young Leigh Walker, Ernst & Young

AGENDA

1. **Minutes of Meetings**
 - 1.1. [Minutes of Meeting held on 12 February 2020 and 18 June 2020](#)
 - 1.2. [Written Resolution of the Committee dated 8 July 2020](#)
2. **Matters Arising**
3. **Results for the Full Year ending 30 June 2020**
 - 3.1. [Accounting Issues](#)
 - 3.2. [ASX Appendix 4E](#)
 - 3.2.1. [Draft Statutory Accounts](#)
 - 3.3. [Dividend Recommendation](#)

- 3.4. Assurance from Associates
- 3.5. Resolutions
- 4. Treasury and Compliance Report**
- 5. Auditor's Report**
 - 5.1. Closing Report for the Full Year ended 30 June 2020
 - 5.2. Assessment of Auditor Independence
- 6. Tax Status Report**
- 7. Continuous Disclosure Report**
- 8. Diversity Report**
- 9. 2020 Annual Report**
 - 9.1. Draft Directors' Statutory Report – Risk Disclosure
 - 9.2. Draft Corporate Governance Statement
- 10. Political Donations Report**
- 11. Other Business**
 - 11.1. External Auditor Appointment
 - 11.2. Annual Financial Report – CEO and DFO Declarations
 - 11.3. Tax Governance Policy Review
 - 11.4. Future Meetings



AGENDA ITEM 1:
Minutes of Meetings



Audit & Corporate Governance Committee

Minutes of a Meeting of the Committee on Wednesday, 12 February at Level 3,
Crown Towers, 8 Whiteman Street, Southbank, Victoria at 11.30am

Members Present:	Toni Korsanos (Chair) Helen Coonan Michael Johnston Mary Manos (Secretary)
By Invitation:	Ken Barton Angelina Bowden-Jones Lauren Harris Alan McGregor John Salomone Michael Collins, Ernst & Young Justin Law, Ernst & Young Lachlan Cobon, Ernst & Young
Apologies:	Nil
Opening Business:	The members of the Committee elected Toni Korsanos to chair the meeting.
Minutes of Meeting:	It was RESOLVED that the Minutes of the Audit and Corporate Governance Committee Meetings held on 12 August 2019, 4 September 2019, 20 September 2019, 4 October 2019, 4 December 2019 and 23 January 2020 be approved.

Matters Arising:

The Matters Arising and the Status Update on Review of Statutory Auditor papers were taken as read.

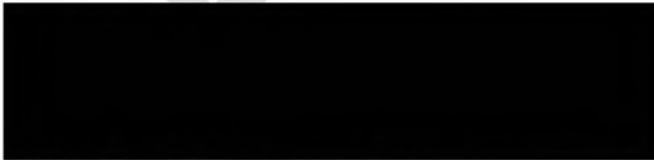



Ken Barton provided the Committee with an update on the tender process for the statutory auditor noting that consideration is being given to disclosing the process in the Company's half year results announcement.

The Committee thanked the Ernst & Young audit team for their support throughout the process.

It was **RESOLVED** that the Company's selection panel for the statutory auditor tender process be comprised of Toni Korsanos, Michael Johnston, Ken Barton and Alan McGregor.

Results for the Half Year ended 31 December 2019:**Accounting Issues**

Ken Barton spoke to the key accounting issues noted in the Accounting Issues paper, including:

- 
- *Carrying Value Analysis* – management undertook an assessment of the key impairment indicators for each of its subsidiaries and associates as required by AASB 136. In relation to Crown Aspinalls, 

- 
- *AASB 16 Leases* – this new standard essentially results in operating leases being accounted for similar to finance leases. The Committee was taken through the balance sheet and profit & loss impacts on adoption of the new standard.

The Committee discussed the Dinner by Heston Blumenthal matter, Crown Sydney costs and other corporate costs.

It was **RESOLVED** that the Accounting Issues Report be noted.

ASX Appendix 4D

Ken Barton led a page turn of the draft Appendix 4D.

The Committee discussed the draft Regulatory Matters disclosure in the Results of Operations and requested that the disclosure be expanded to refer to the matters to be considered by the Inquiry as set out in the Terms of Reference. In addition, it was requested that consideration be given to referring to the ILGA Inquiry by way of example in the Contingent Liabilities note.

It was **RESOLVED** that the draft Appendix 4D be approved subject to those amendments suggested in the meeting and agreed to by the Committee, and that the Committee recommend the draft Appendix 4D to the Board for approval.

It was further **RESOLVED** that in the opinion of the Committee:

- (a) the financial statements and notes of the consolidated entity for the half year ended 31 December 2019 are in accordance with the *Corporations Act 2001* (Cth) including that they:
 - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and the performance for the half year ended 31 December 2019; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001* (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Interim Dividend Recommendation

Ken Barton spoke to the Interim Dividend Recommendation paper and noted that, in accordance with the Company's dividend policy, management had recommended an interim dividend of 30.0 cents per share.

The Committee noted the Franking of Future Dividends paper and, having regard to the matters set out in the paper, determined to recommend to the Board that the Company should continue to pay a 25% interim franked dividend for F20.

It was noted that the unfranked portion of the dividend would be declared to be conduit foreign income.

It was **RESOLVED** that it be recommended to the Board that an interim dividend be declared as follows:

"Subject to finalisation of the Appendix 4D and on the basis that, immediately before the dividend is declared and, at the proposed date of payment:

- *the proposed dividend will be paid out of the Company's current year profits;*
- *the current year profits from which the proposed dividend is to be paid have not been appropriated for any other purpose, including*

against accumulated prior year losses (if any) of the Company;

- the proposed dividend will not be debited against an amount standing to the credit of the Company's share capital account;
- the Company's assets will exceed its liabilities and the excess will be sufficient for the payment of the proposed dividend;
- the proposed dividend payment is considered by the Board to be fair and reasonable to the Company's shareholders as a whole; and
- the proposed dividend payment will not materially prejudice the Company's ability to pay its creditors,

it was **RESOLVED** that:

- (a) an interim dividend of 30 cents per ordinary share be declared and paid, out of the Company's current year profits as at 31 January 2020, on 3 April 2020;
- (b) the dividend be franked to 25%;
- (c) the unfranked portion of the dividend be paid from conduit foreign income; and
- (d) the dividend be paid to the holders of ordinary shares on the register of members as at 20 March 2020."

Assurance from Associates

The Committee noted that the Company had obtained assurance certificates from its significant associates, Aspers and Nobu.

In relation to Aspers, Ken Barton advised the Committee that

[REDACTED]

It was **RESOLVED** that the Aspers and Nobu Assurance Certificates be noted.

Treasury and Compliance Report:

The Treasury and Compliance Report was taken as read.

[REDACTED]

could not achieve an acceptable outcome, alternative financing arrangements could be considered.

It was **RESOLVED** that the Treasury and Compliance Report be noted.

Auditor's Report:

Closing Report for Half Year ended 31 December 2019

The Auditor's Closing Report was taken as read.

Michael Collins advised the Committee of the following:

- [REDACTED]
- An unqualified review opinion would be issued in respect of the half year accounts.
- [REDACTED]

It was **RESOLVED** that the Ernst & Young Closing Report to the Audit Committee for the half year ended 31 December 2019 be noted.

Audit Plan for the Full Year ending 30 June 2020

The Audit Plan for the year ending 30 June 2020 was taken as read.

Michael Collins advised the Committee of the following:

- Work would continue with management in respect of IT General Controls for Crown Melbourne and Crown Perth.
- Ernst & Young would continue to monitor capitalised costs for Crown Sydney.

It was **RESOLVED** that the Ernst & Young Audit Plan for the year ending 30 June 2020 be noted.

Assessment of Auditor Independence

It was noted that Article 5.5 of the Committee's Charter requires that the Committee periodically review the independence of its external auditors, having regard to any relationships with the Company beyond the external audit function that could impair the external auditor's independence or judgment of Crown.

The Committee considered the independence statement provided by Ernst & Young and **RESOLVED** that, having conducted a formal review, the Committee is satisfied that its Auditor remains independent.

Tax Report: Angelina Bowden-Jones presented the Tax Report to the Committee noting, among other matters, that the Company had met all its tax compliance deadlines in the period and was continuing to engage proactively with the Australian Taxation Office (ATO) in respect of certain matters.

It was also noted that whilst the Company had not yet received the Annual Risk Rating Letter in respect of FY19, in the draft letter circulated by the ATO late last year, the Company was categorised as a “Key Taxpayer with significant concerns” even after the implementation by the Company of recommended tax corporate governance initiatives.

Lachlan Cobon provided the Committee with an update on various taxation matters including in relation to the Crown Melbourne licence.

It was **RESOLVED** that the Tax Report be noted.

Continuous Disclosure Report: The Continuous Disclosure Report was taken as read.

It was **RESOLVED** that the Continuous Disclosure Report be noted.

Political Donations Report: The Political Donations Report was taken as read.

It was **RESOLVED** that the Donor to Political Party Return for the period 1 July 2018 to 30 June 2019 and the list of Political Donations made by the Crown group during the period commencing 1 July 2019 to 31 December 2019 be noted.

Other Business:

CEO and CFO Declarations:

The paper with respect to this item was taken as read.

It was **RESOLVED** that the draft CEO/CFO Declaration be approved for use in a form substantially the same as the draft presented to the Committee.

Review of Committee Charter:

The paper with respect to this item was taken as read.

Having reviewed its Charter, the Committee **RESOLVED** to recommend the updated Charter in the form presented to the Committee for approval by the Board.

Future Meetings:

The 2020 Committee meeting dates were noted.

Closure: There being no further business, the meeting was declared closed at 12.59pm.

Signed as a correct record

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Toni Korsanos
Chair

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Audit & Corporate Governance Committee

Minutes of a Meeting of the Committees held on Thursday, 18 June 2020
at 12.00pm by videoconference

Members Present:

Toni Korsanos (Chair)
Jane Halton
Michael Johnston

Mary Manos (Secretary)

By Invitation:

Ken Barton
Helen Coonan
Lauren Harris
Alan McGregor
John Salomone
Michael Collins, Ernst & Young
Alison Parker, Ernst & Young

Apologies:

Nil

Opening Business:

Toni Korsanos noted that, having regard to recent COVID-19 events, this meeting was scheduled as a special purpose meeting in preparation for full year results.

Accounting Issues:

The Accounting Issues paper was taken as read.

Ken Barton and Alan McGregor led a page turn of the Accounting Issues paper, highlighting, among other matters, the following:

- 

1.1

- [Redacted]

- *Significant Items* – A meeting was being scheduled with ASIC to discuss the proposed treatment of closure costs as significant items.

- [Redacted]
- [Redacted]
- [Redacted]

DRAFT


- *Crown Sydney Costs* – Pre-opening costs would be treated as a significant item.



Audit Plan Update:

The Audit Plan Update for the year ending 30 June 2020 was taken as read.

Among other matters, Michael Collins advised the Committee of the following:

- Disclosures in the full year accounts were expected to increase due to COVID-19 and the impact it has had on the Company.
- Ernst & Young had been focussing on the carrying value analysis with some additional work required over the coming weeks.
- 

The Committee discussed the treatment of closure costs in the full year results with Michael Collins and it was noted that the matter was still under consideration, particularly having regard to the approach the Company was proposing to make to ASIC.

Closure:

There being no further business, the meeting was declared closed at 1.02pm.

Signed as a correct record

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Toni Korsanos
Chair



Audit and Corporate Governance Committee

Circulating Resolution made in accordance with the Committee's Charter

We, being all the Members of the Crown Resorts Limited (the **Company**) Audit and Corporate Governance Committee (the **Committee**) at the date of this circulating resolution, entitled to receive notice of a Committee meeting and to vote on the resolutions contained in this circulating resolution, by assenting to this document each state that we are in favour of the resolutions set out in this document.

The resolutions are passed by the Members without a Committee meeting on the date and at the time when the last Member assents. Separate copies of this document may be used for signing by any one or more of the Members.

AUDIT TENDER PROCESS

Background

In December 2019, on the recommendation of the Committee, the Board approved a proposal to undertake a tender process to consider alternative statutory auditors for the Company.

In February 2020, the Company commenced a competitive tender process for the role of external auditor after the release of the H20 results.

After conducting initial meetings with a number of accounting firms, Requests for Proposals were issued to KPMG, Deloitte and PwC on 11 May 2020.

While PwC advised that it could not participate in the tender process due to the required timeframes and other internal considerations, each of KPMG and Deloitte underwent a competitive tender process involving detailed presentations to the Company's elected Selection Panel which the Members acknowledge having participated in.

The Committee has determined to recommend to the Board the appointment of KPMG as the Company's external auditor.

Resolution

Having regard to the competitive external auditor tender process undertaken by the Company, it is **RESOLVED** that it be recommended to the Board that KPMG be appointed as the Company's external auditor for the financial year beginning 1 July 2020 subject to receipt of the following:

- written consent from KPMG to act as the Company's external auditor;
- consent from the Australian Securities and Investments Commission to Ernst & Young's resignation to take effect from the conclusion of the Company's 2020 Annual General Meeting;
- all necessary regulatory approvals; and
- shareholder approval at the Company's 2020 Annual General Meeting.



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Jane Halton

Date:

.....

Toni Korsanos

Date:

.....

Michael Johnston

Date:



AGENDA ITEM 2:
Matters Arising



Audit and Corporate Governance Committee

Memorandum

To: Audit and Corporate Governance Committee
From: Mary Manos
Date: 7 August 2020
Subject: **Matters Arising**

2

Dear Committee Members

At the last meeting of the Committee, the Committee requested that the risk disclosure in the 2020 Directors' Statutory Report on debtors be considered having regard to the expected recoverability of these debts over the COVID-19 period.

A copy of the draft disclosure is included at Agenda Item 9.1 for consideration.

Kind Regards

Mary Manos
General Counsel & Company Secretary



AGENDA ITEM 3:
Results for the Full Year ending 30 June 2020

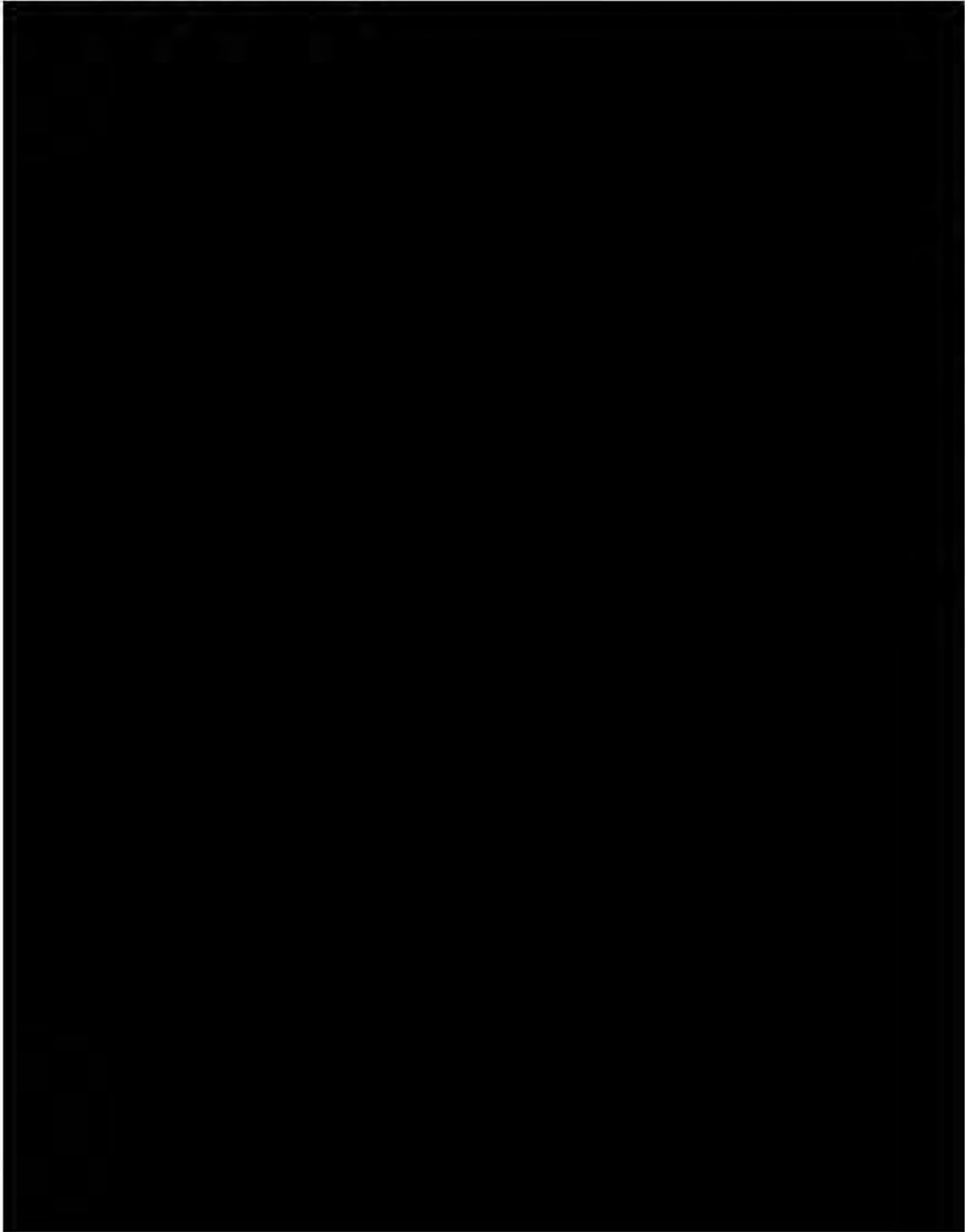


Crown Resorts Limited Audit Committee Key Accounting Issues - 12 August 2020

Introduction

This paper discusses the key accounting issues arising in relation to the full year results for the year ended 30 June 2020.

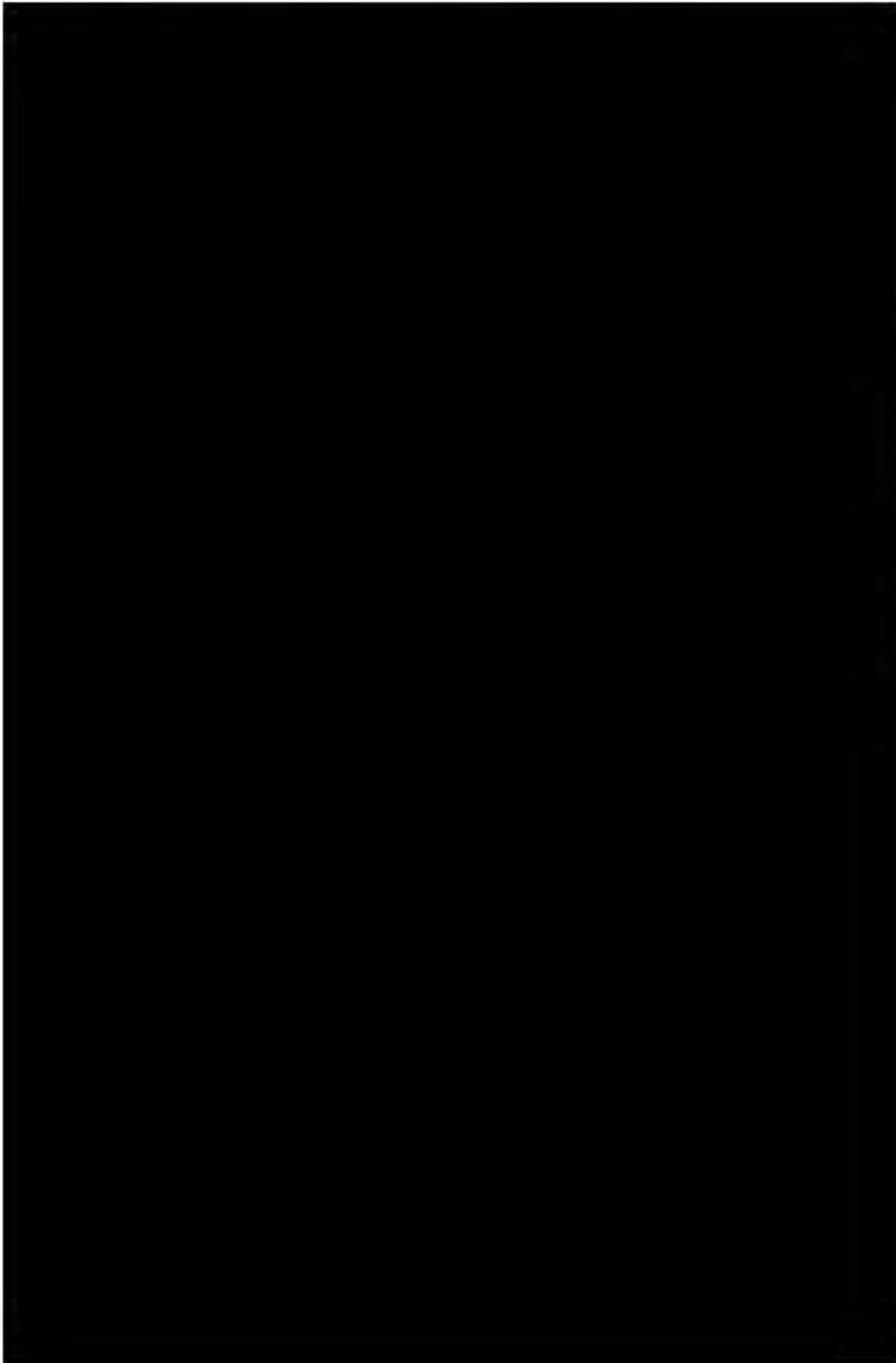
1. Doubtful Debts Provisioning



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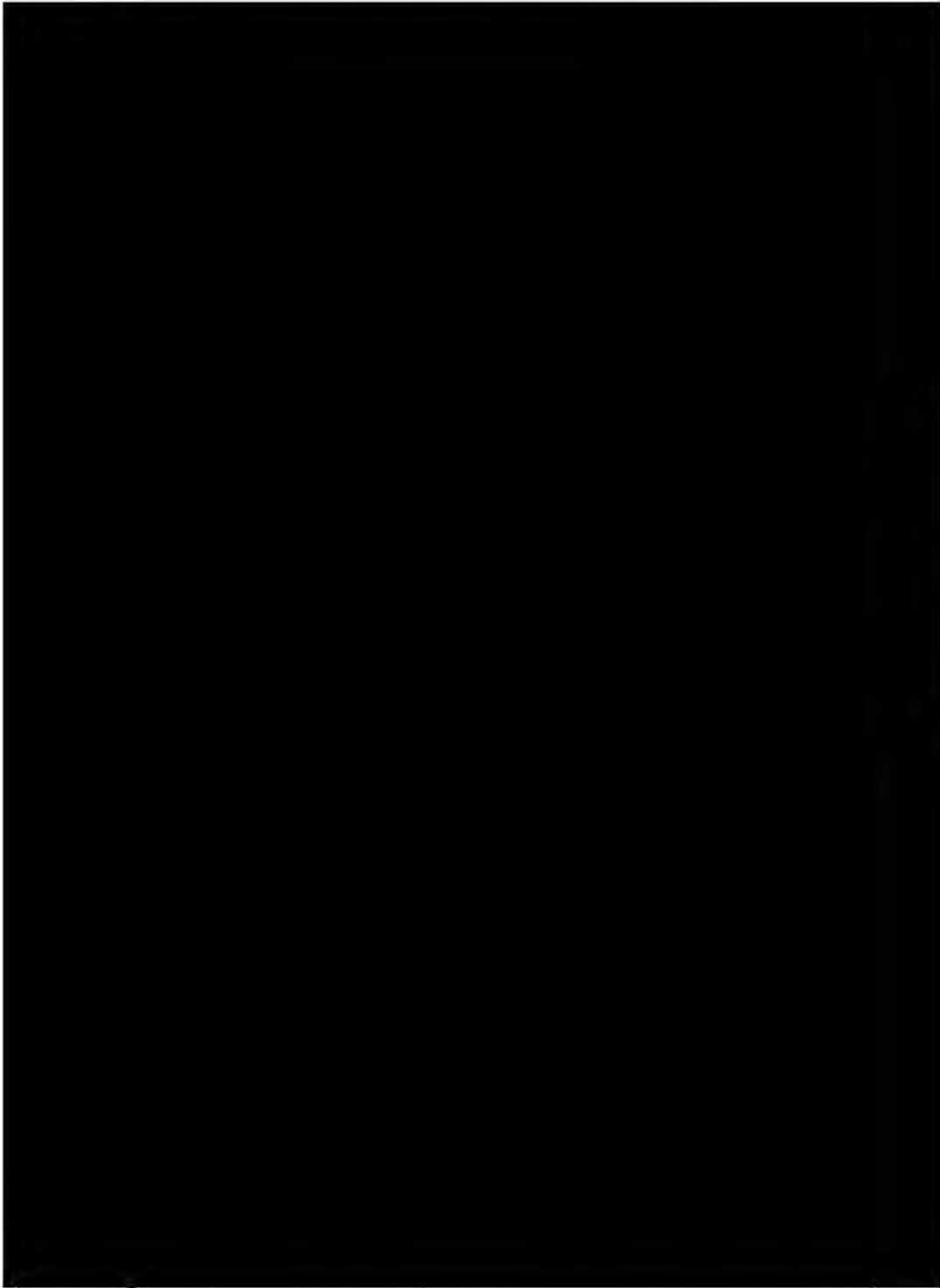
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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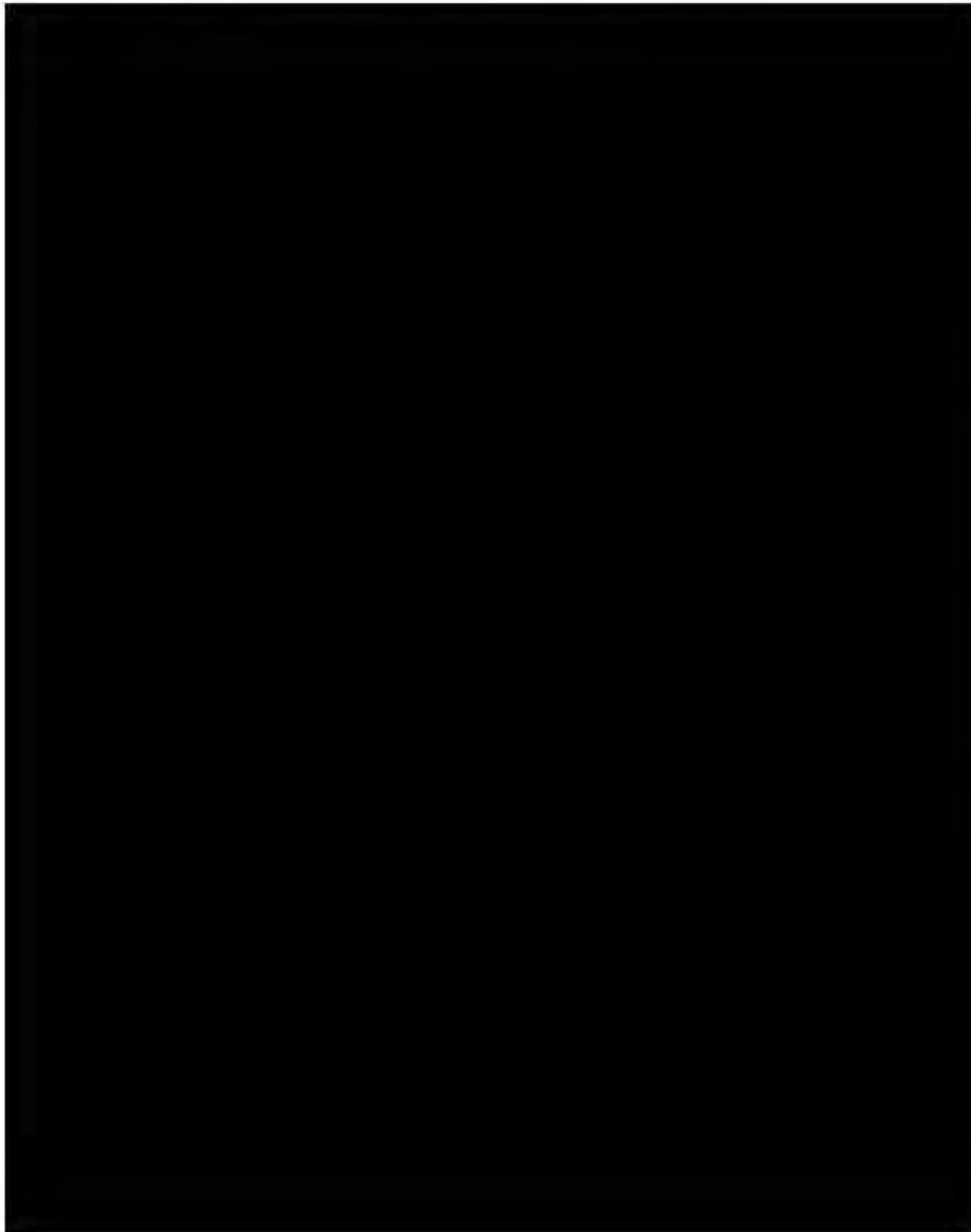
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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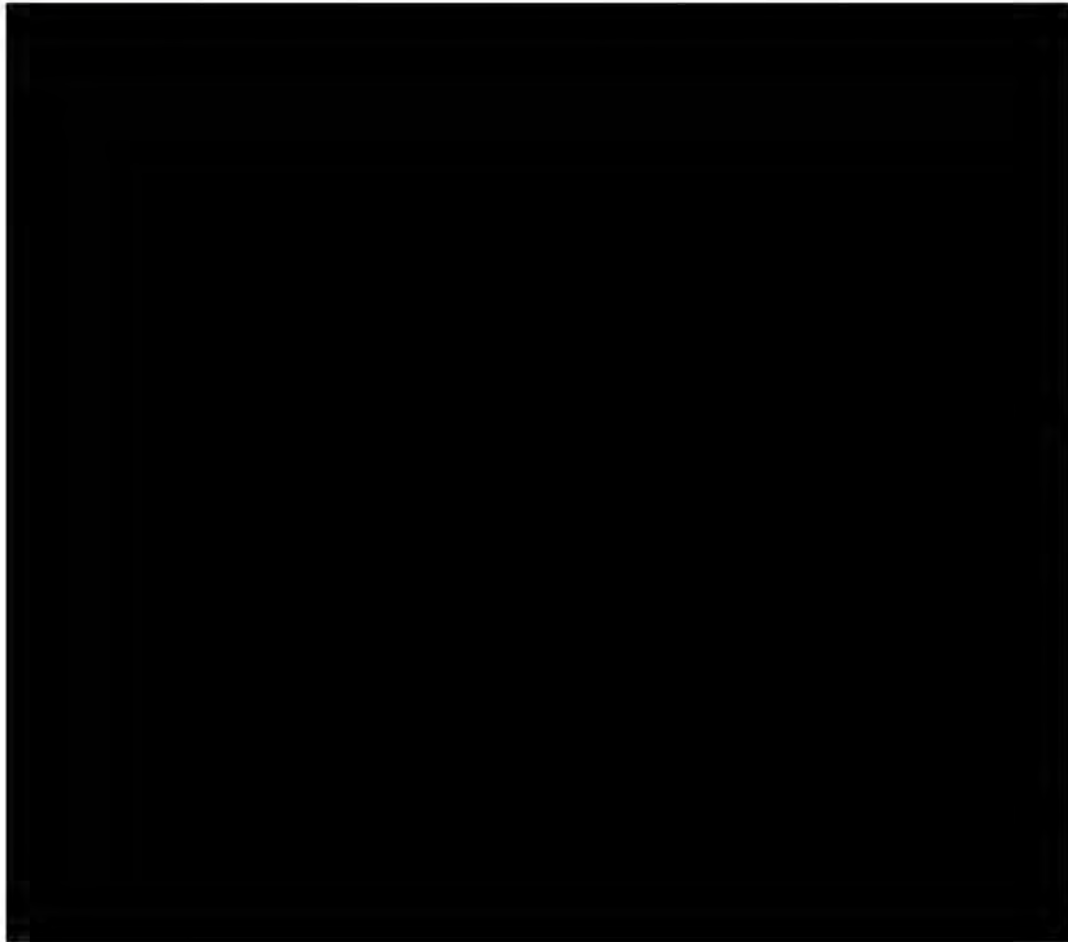
**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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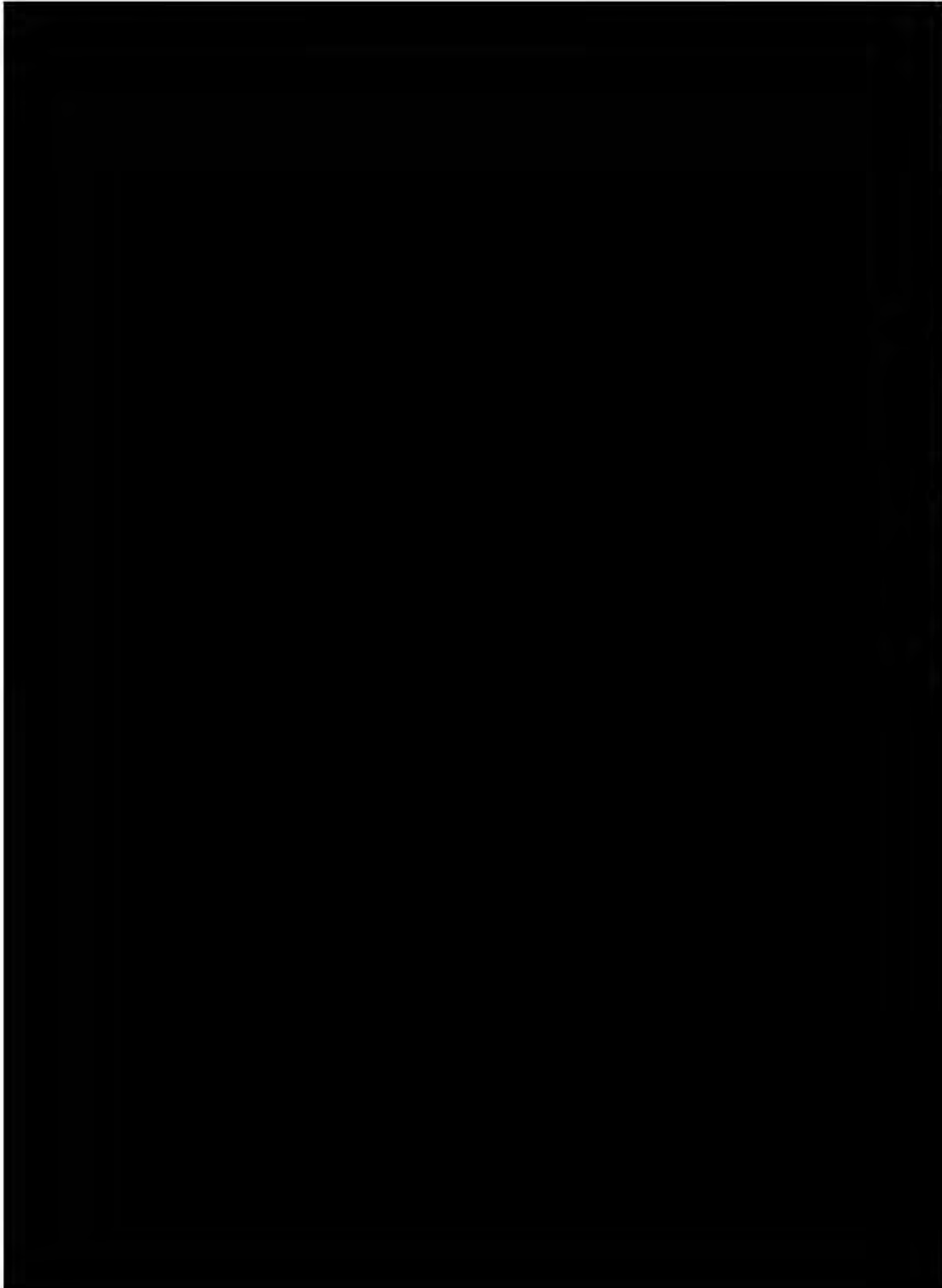
**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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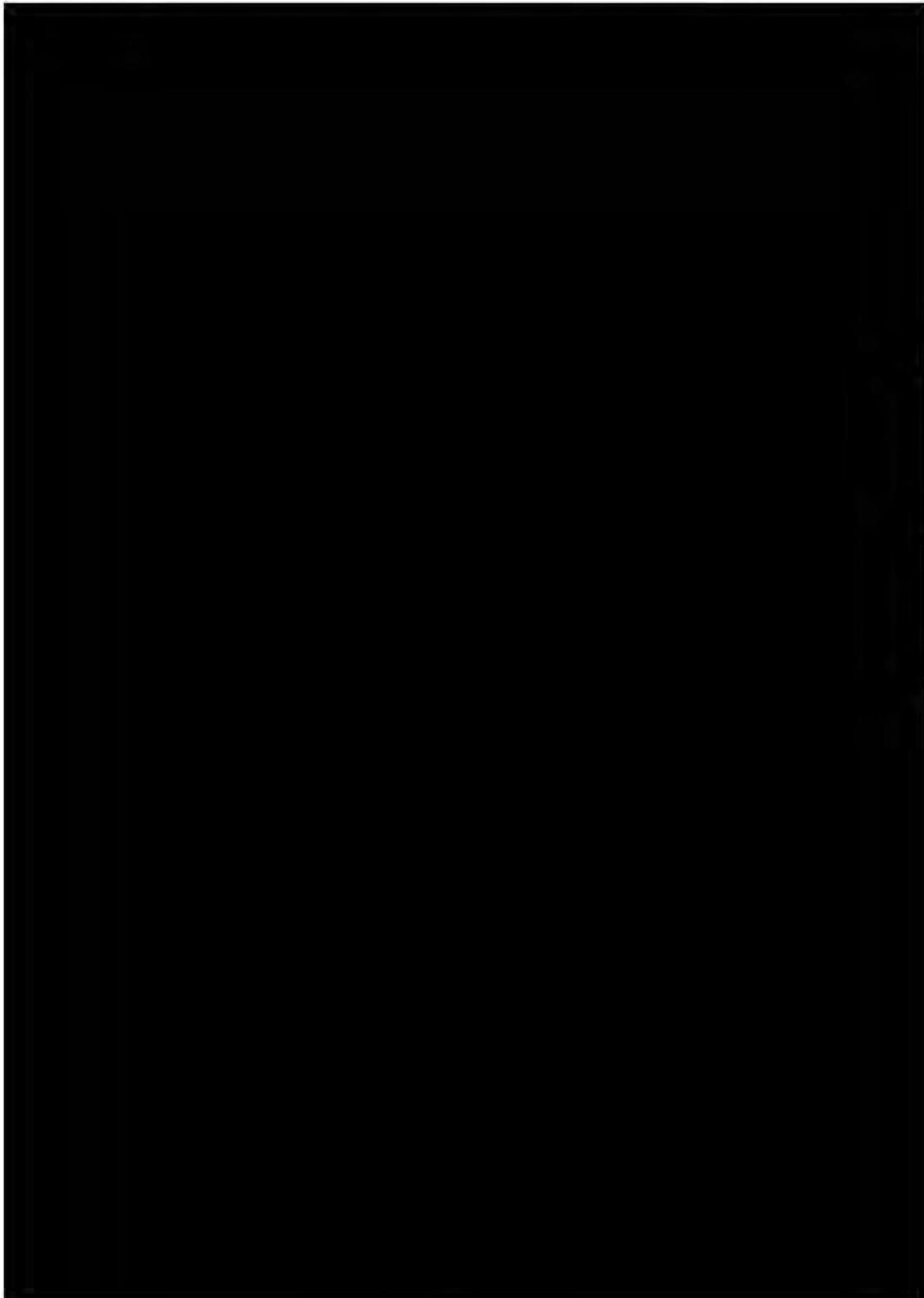
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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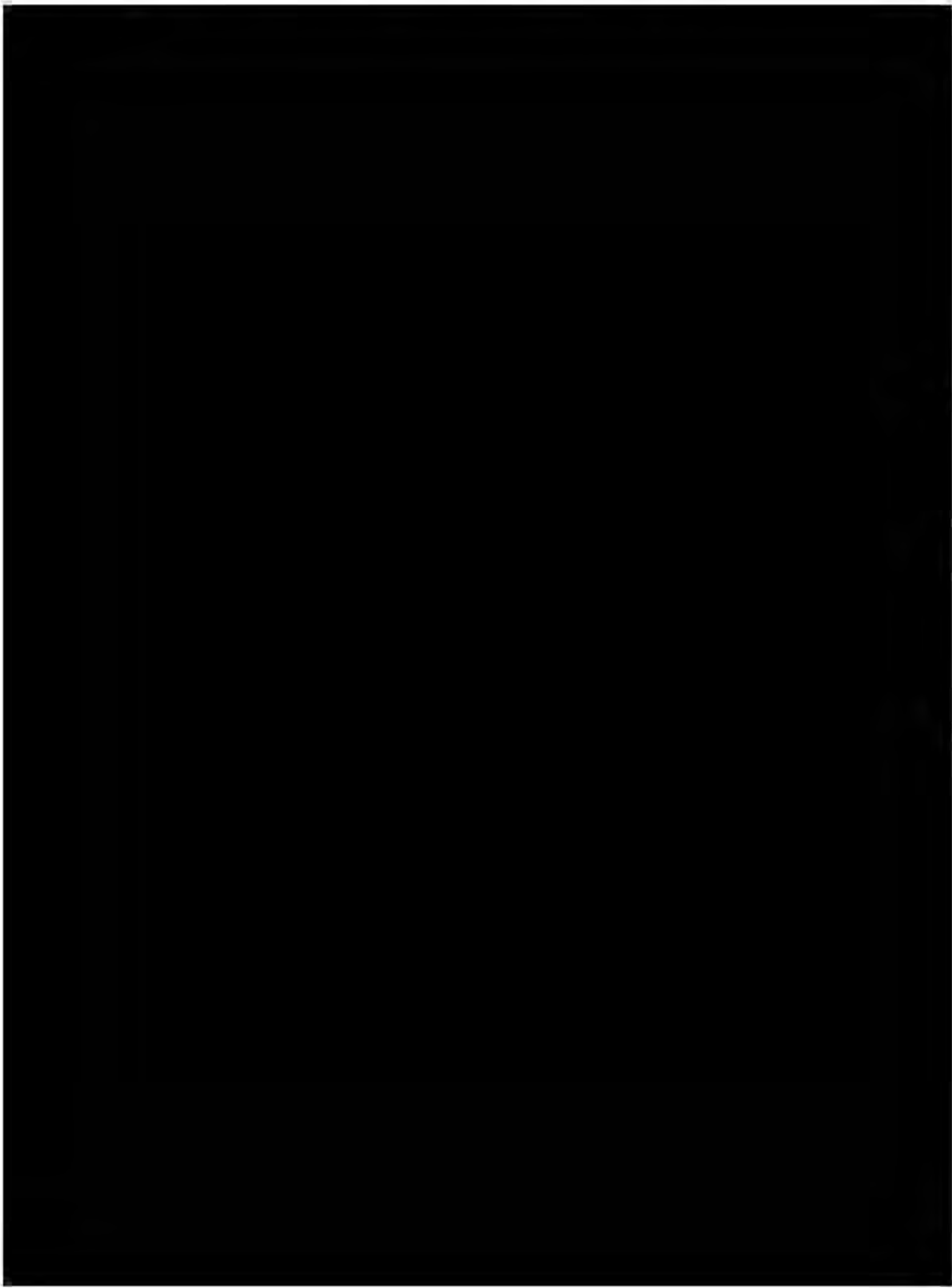
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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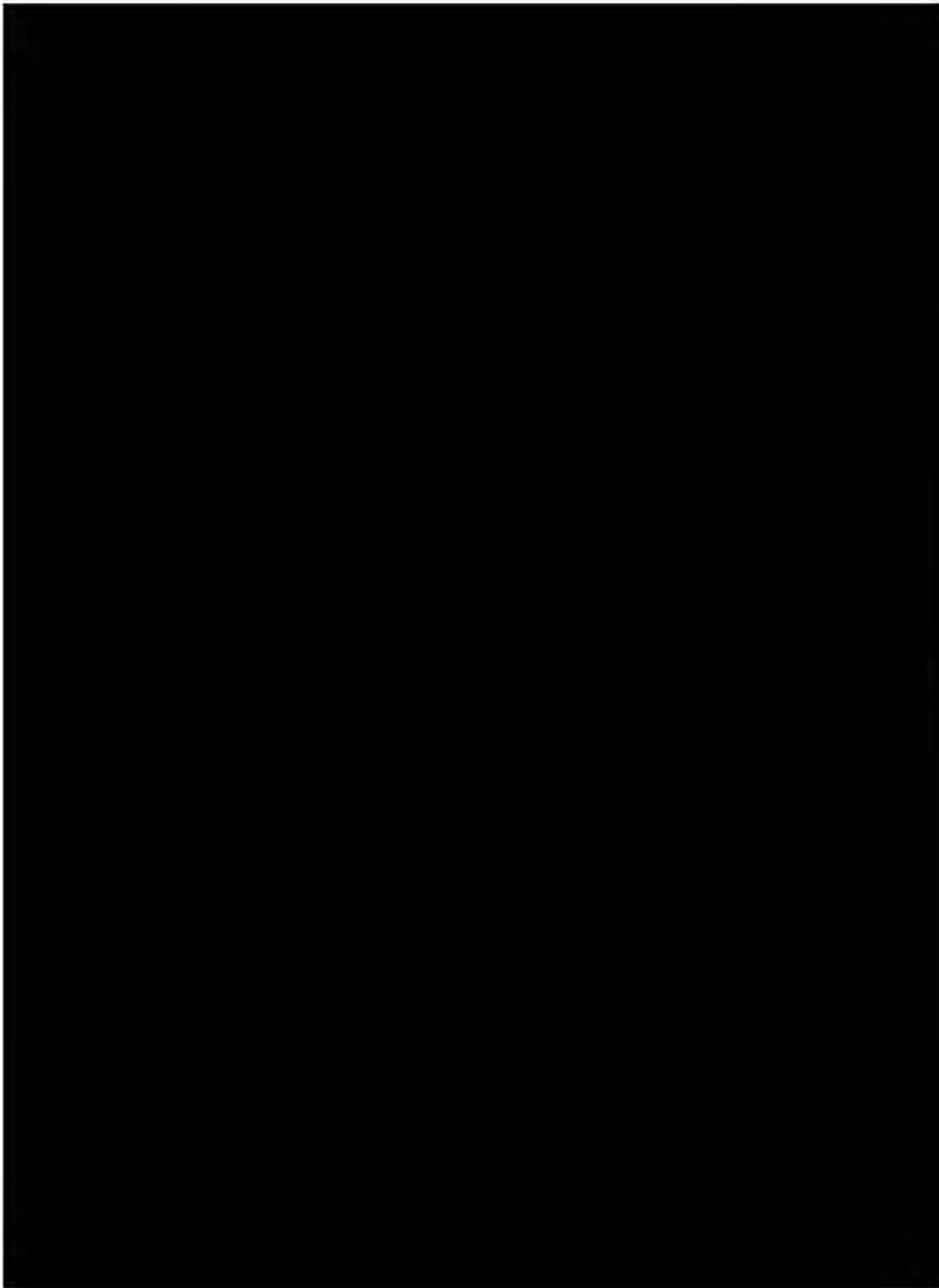
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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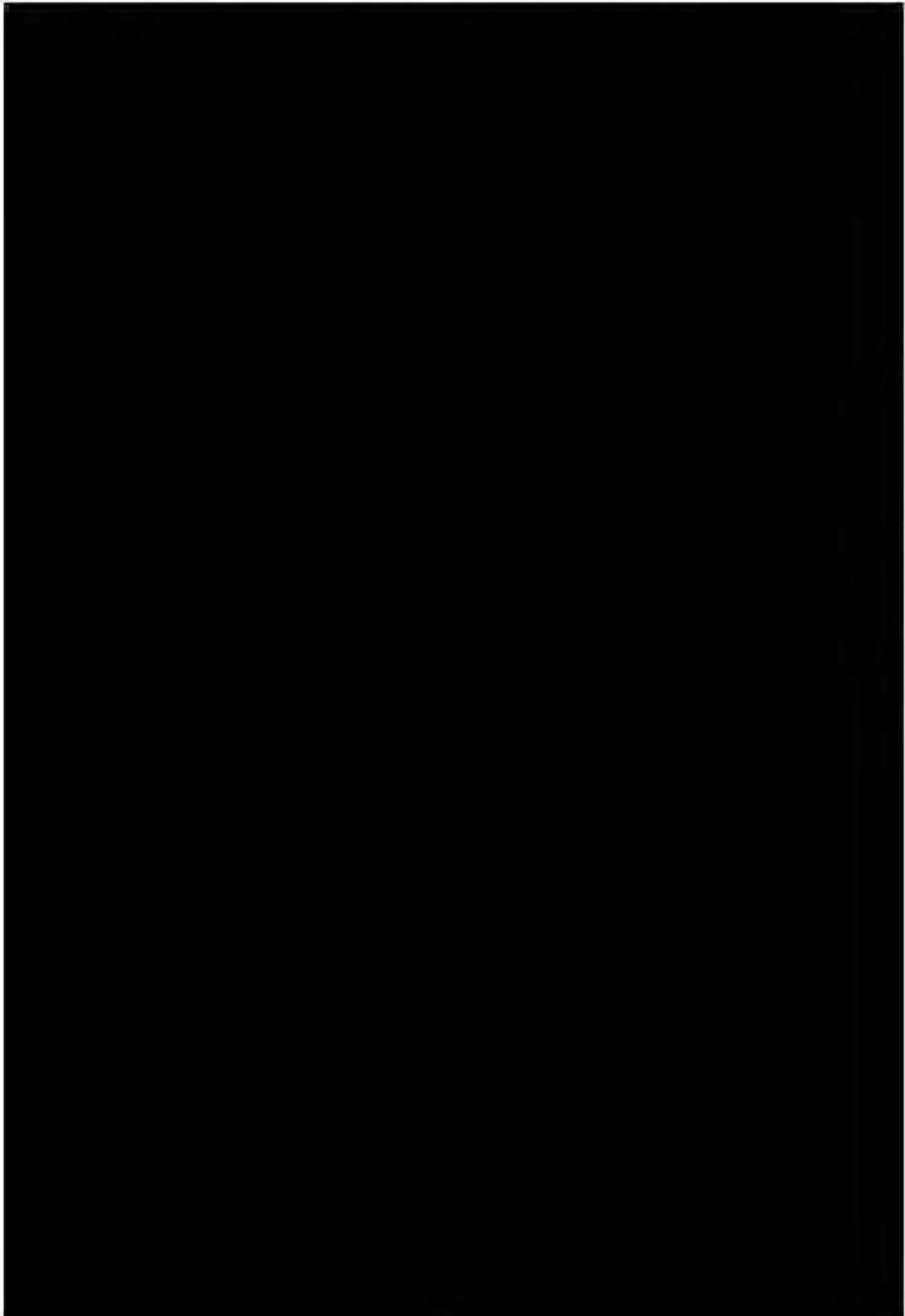
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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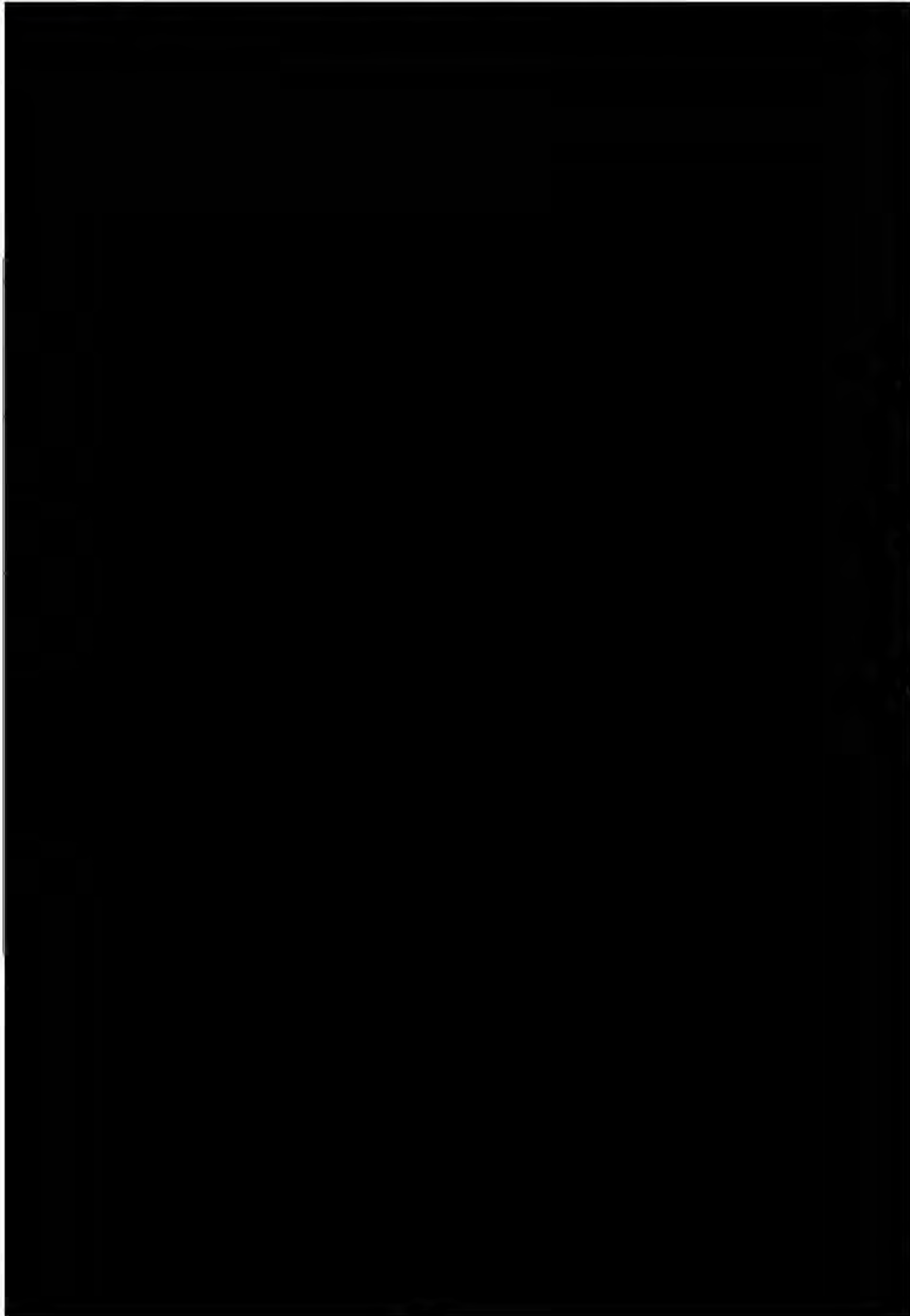
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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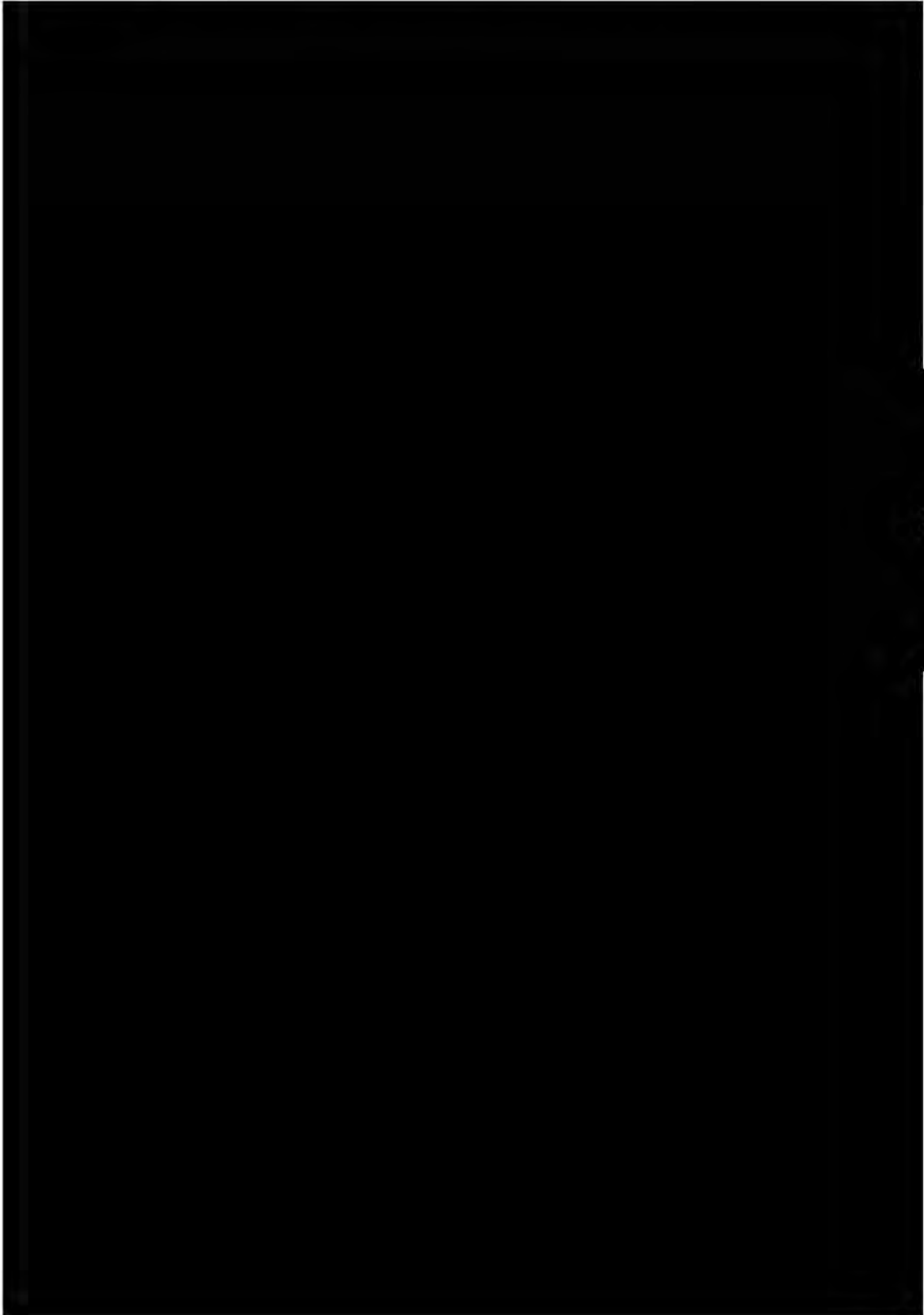
**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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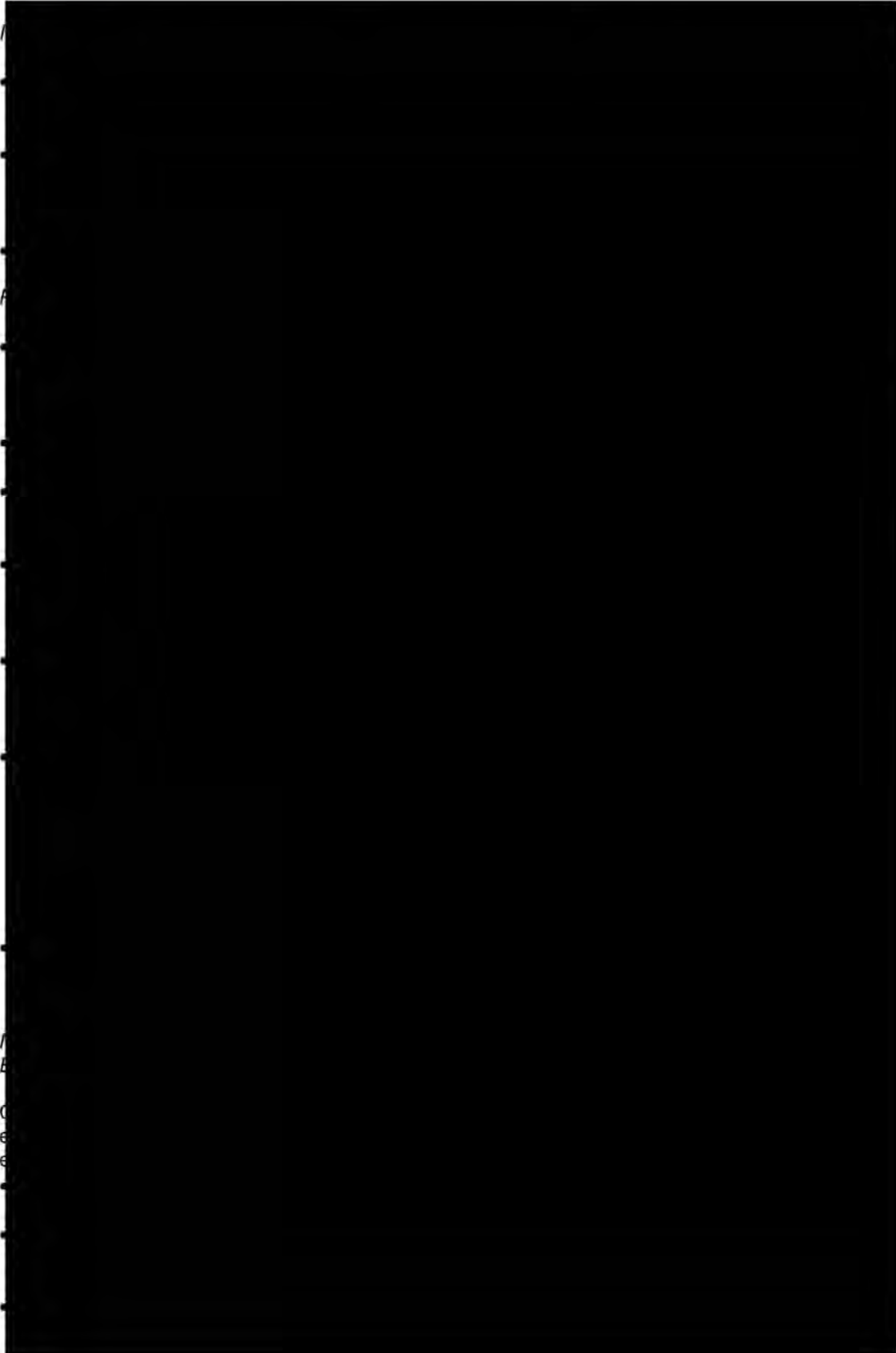
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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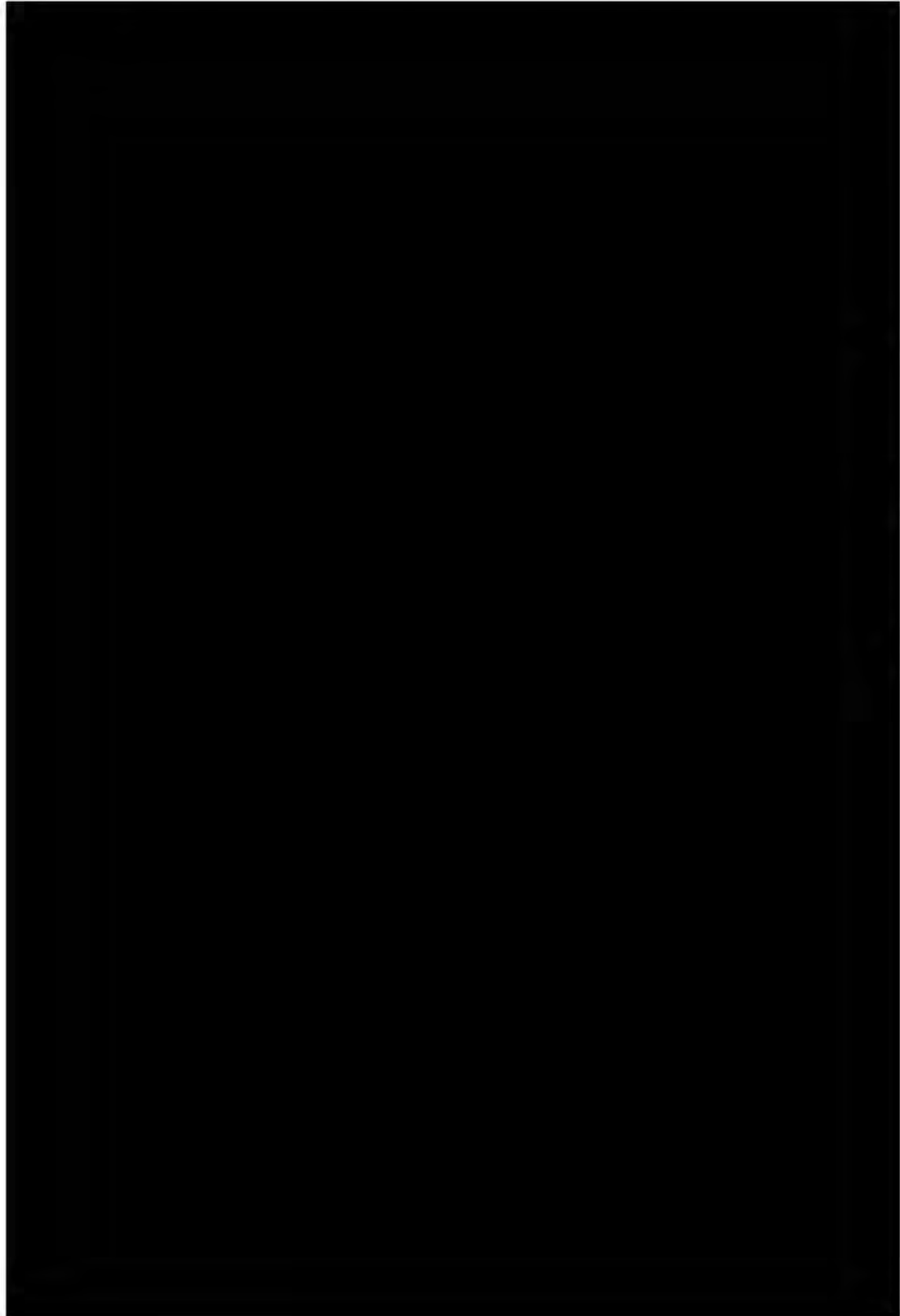
**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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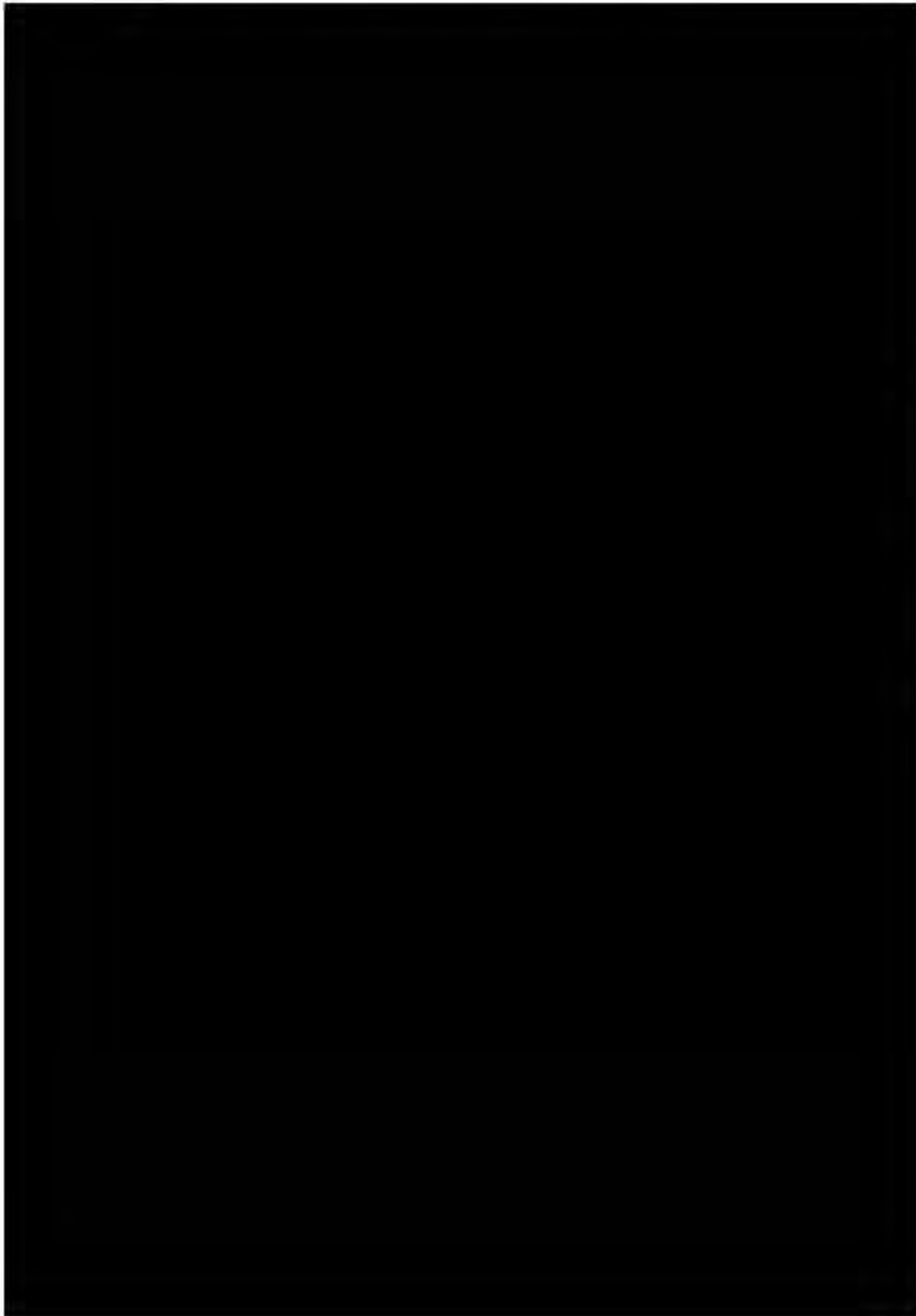
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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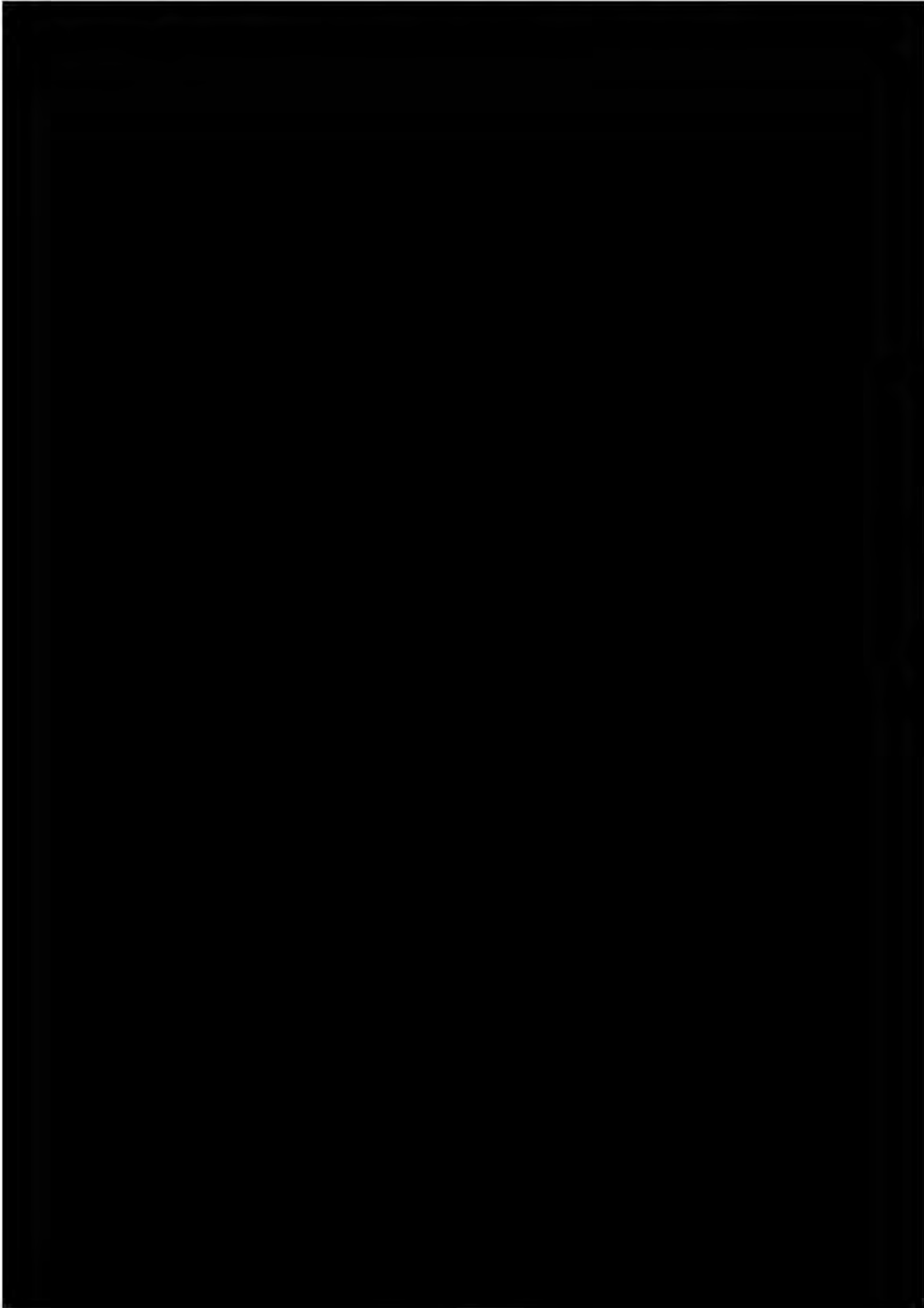
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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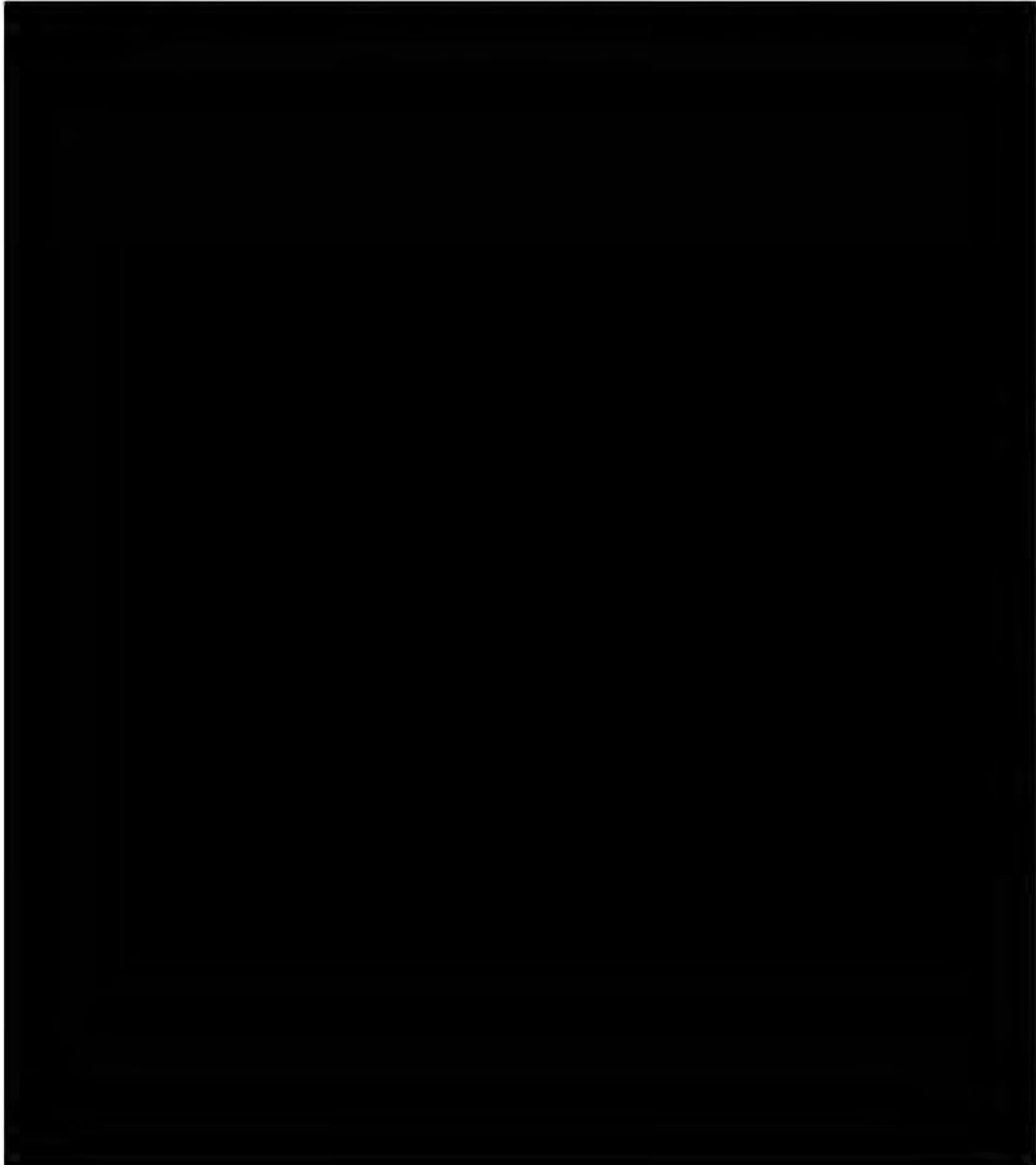
Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020



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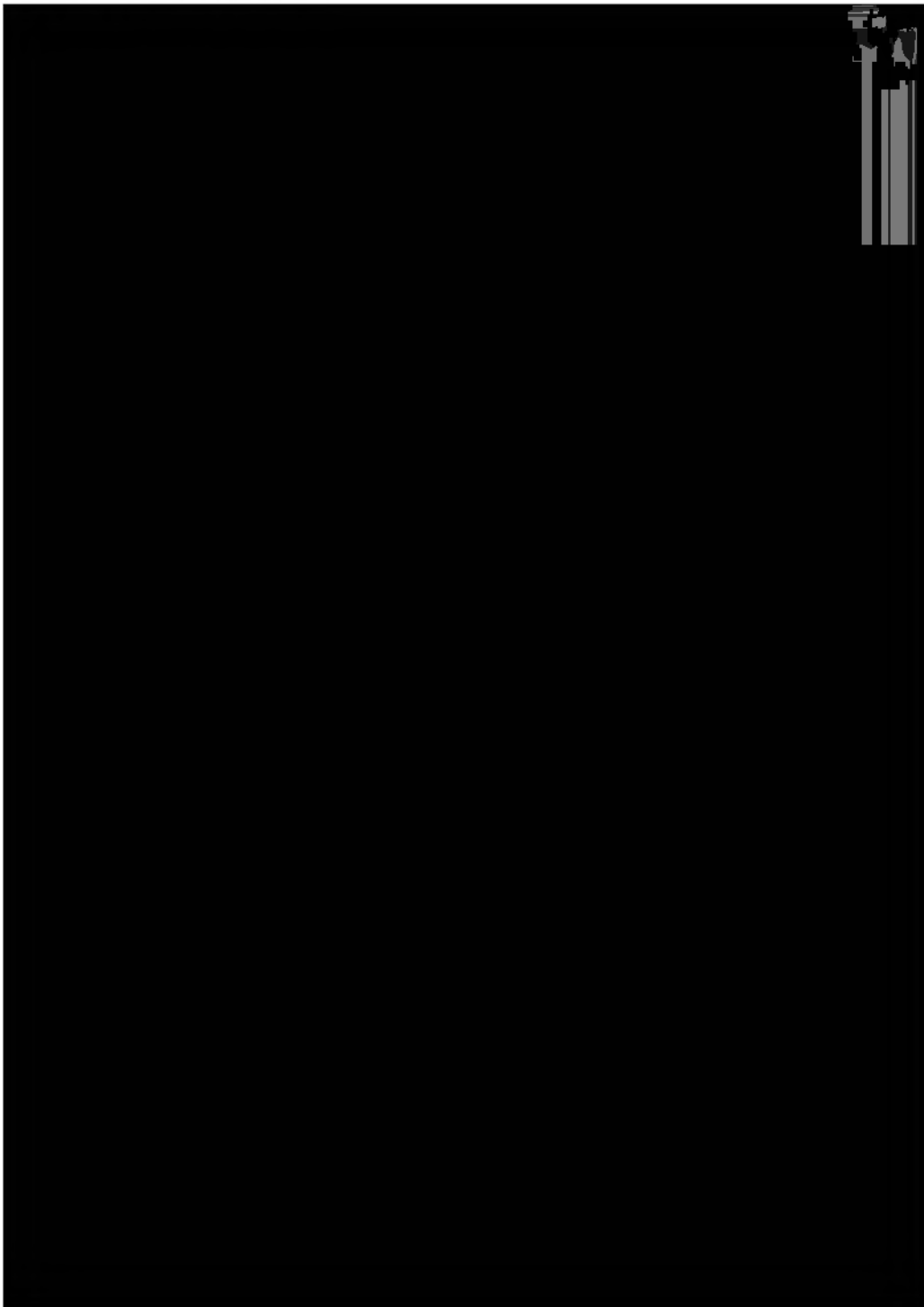


**Crown Resorts Limited Audit Committee
Key Accounting Issues - 12 August 2020**



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Updated Covenant Calculations



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CROWN RESORTS LIMITED

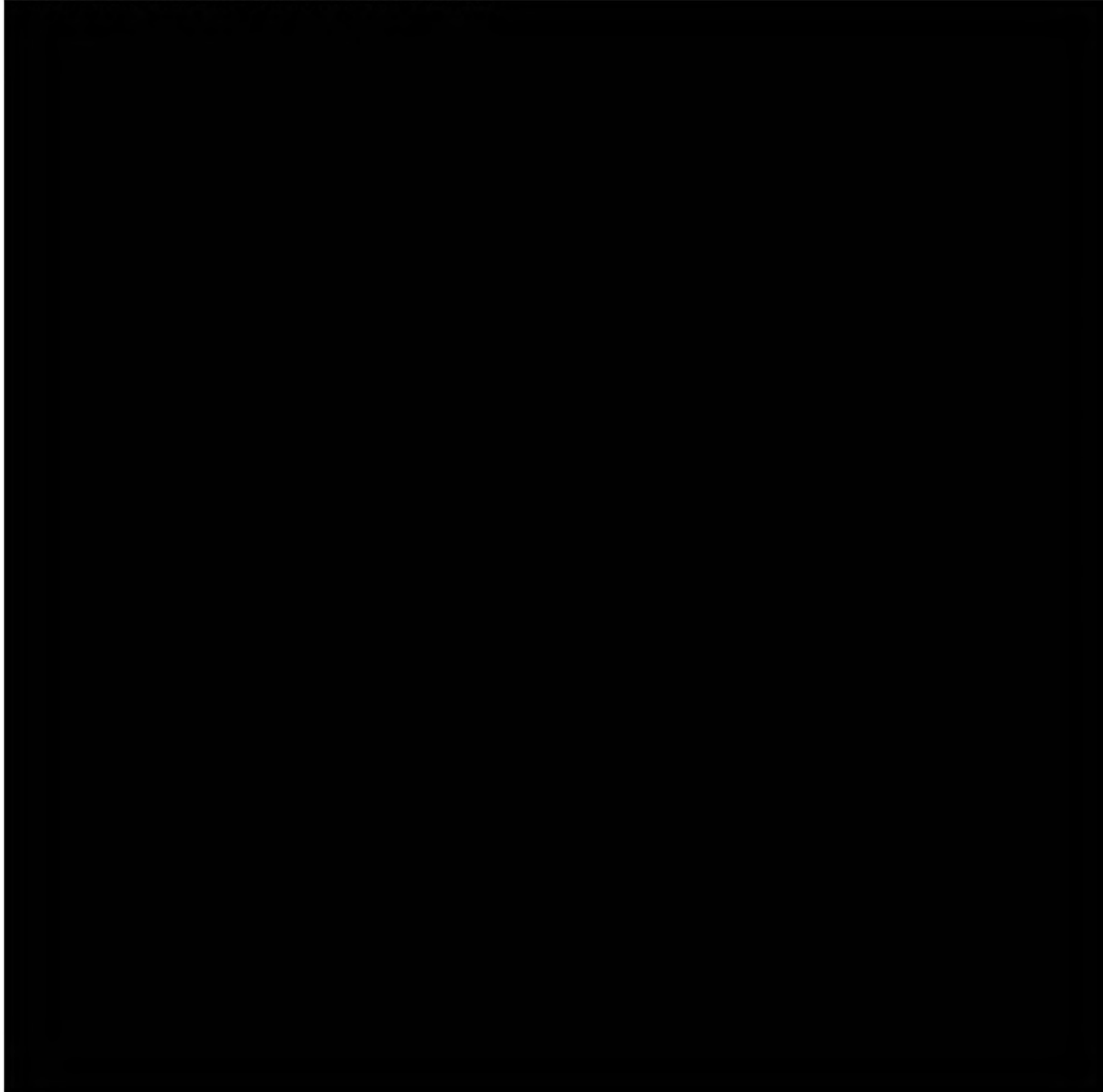
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Appendix 4E

Year ended 30 June 2020

(previous corresponding period: 30 June 2019)

Results for announcement to the market

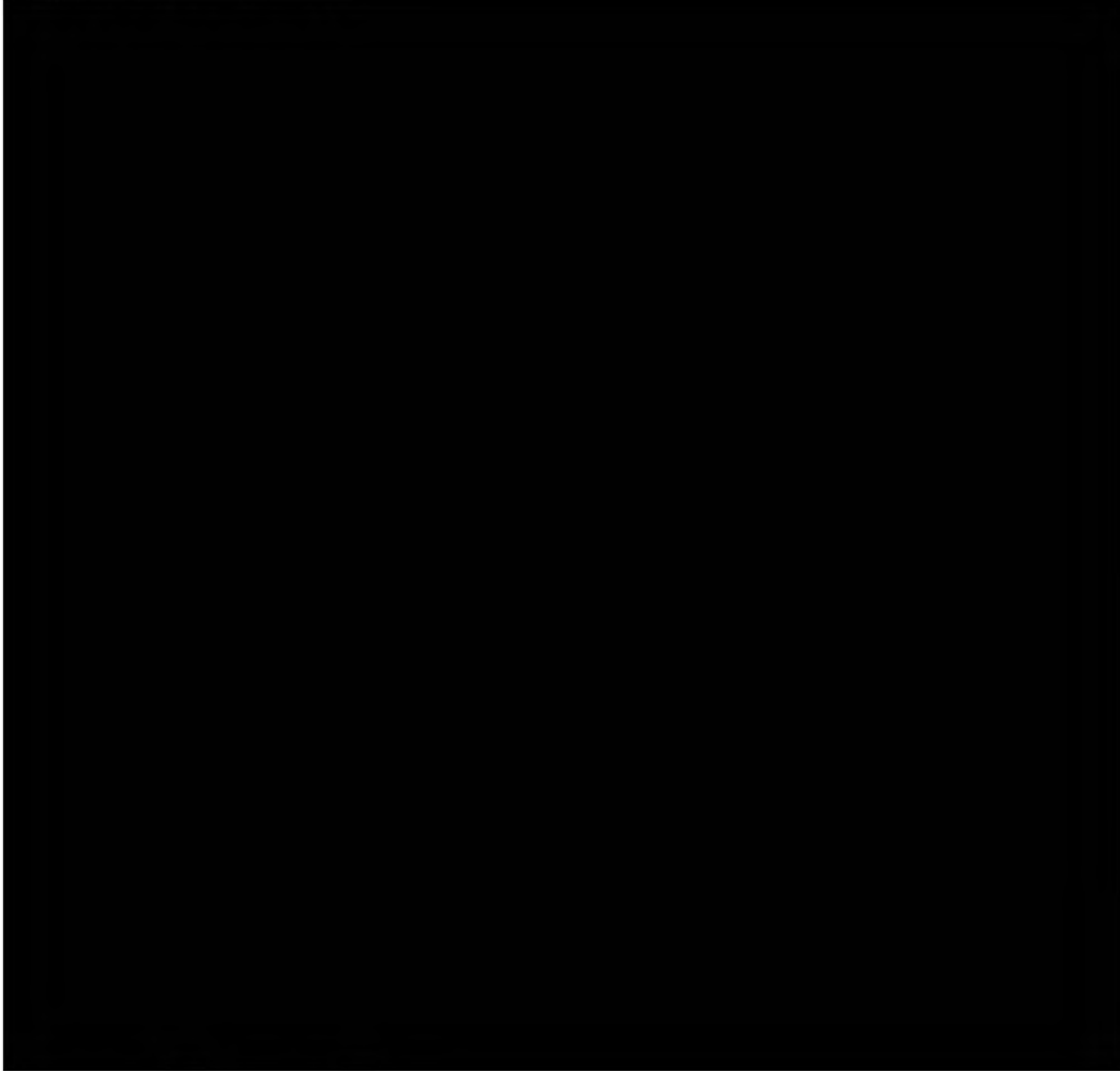


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CROWN RESORTS LIMITED

A.B.N. 39 125 709 953

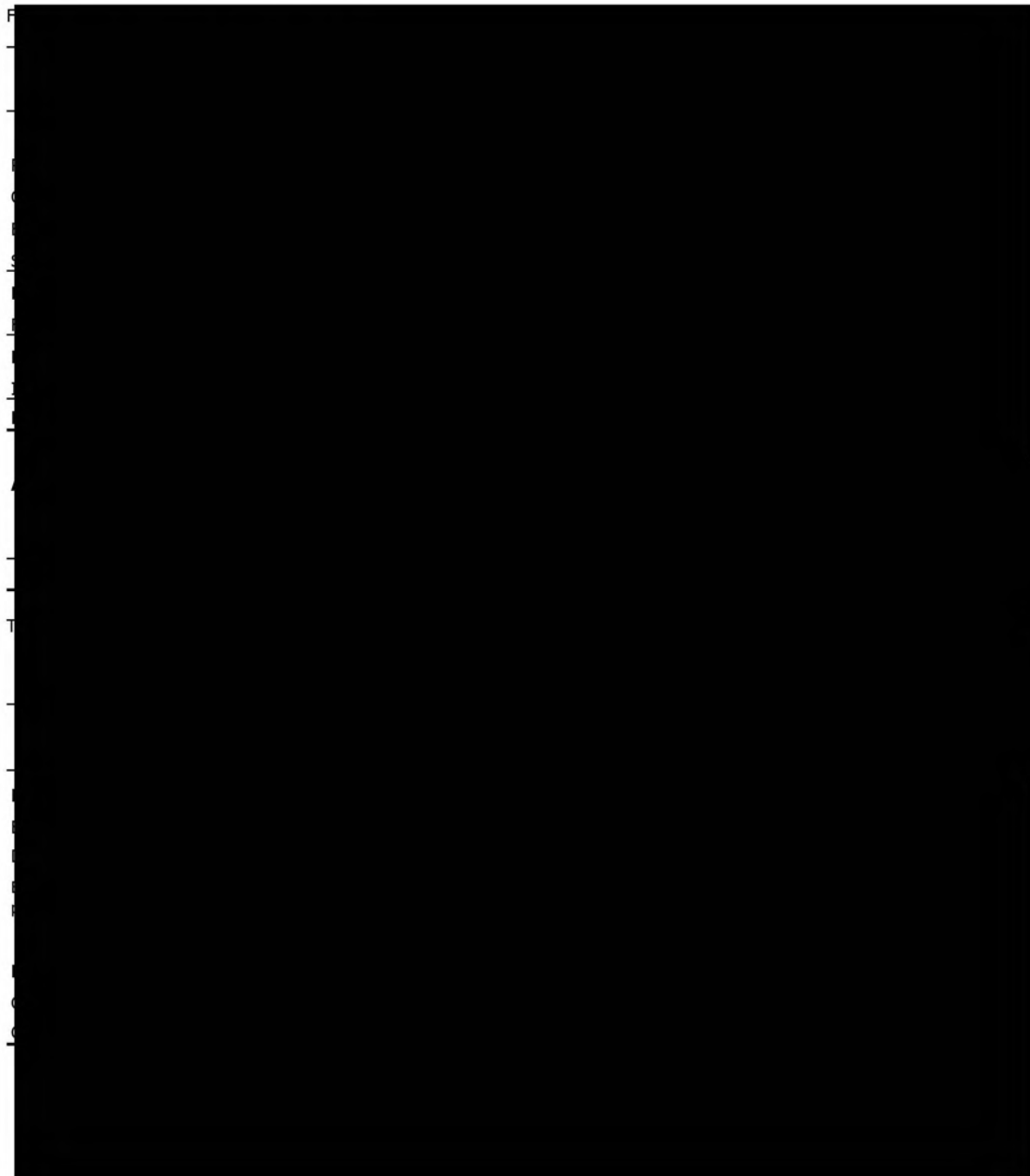
Appendix 4E *continued*



3.2

CROWN RESORTS LIMITED

Statement of Profit or Loss



3.2

CROWN RESORTS LIMITED

Statement of Comprehensive Income

For the year ended 30 June 2020

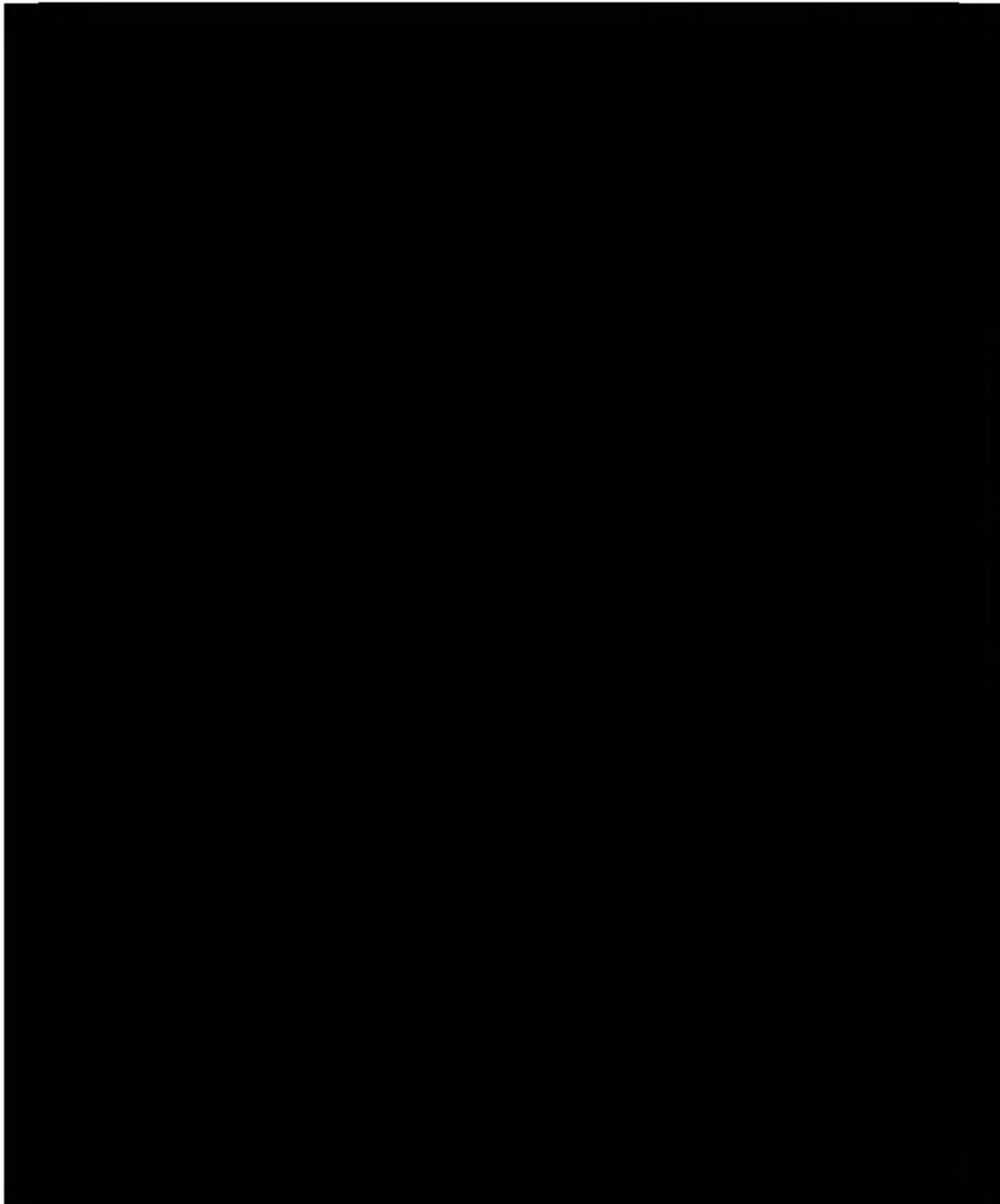
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CROWN RESORTS LIMITED

Statement of Financial Position

As at 30 June 2020

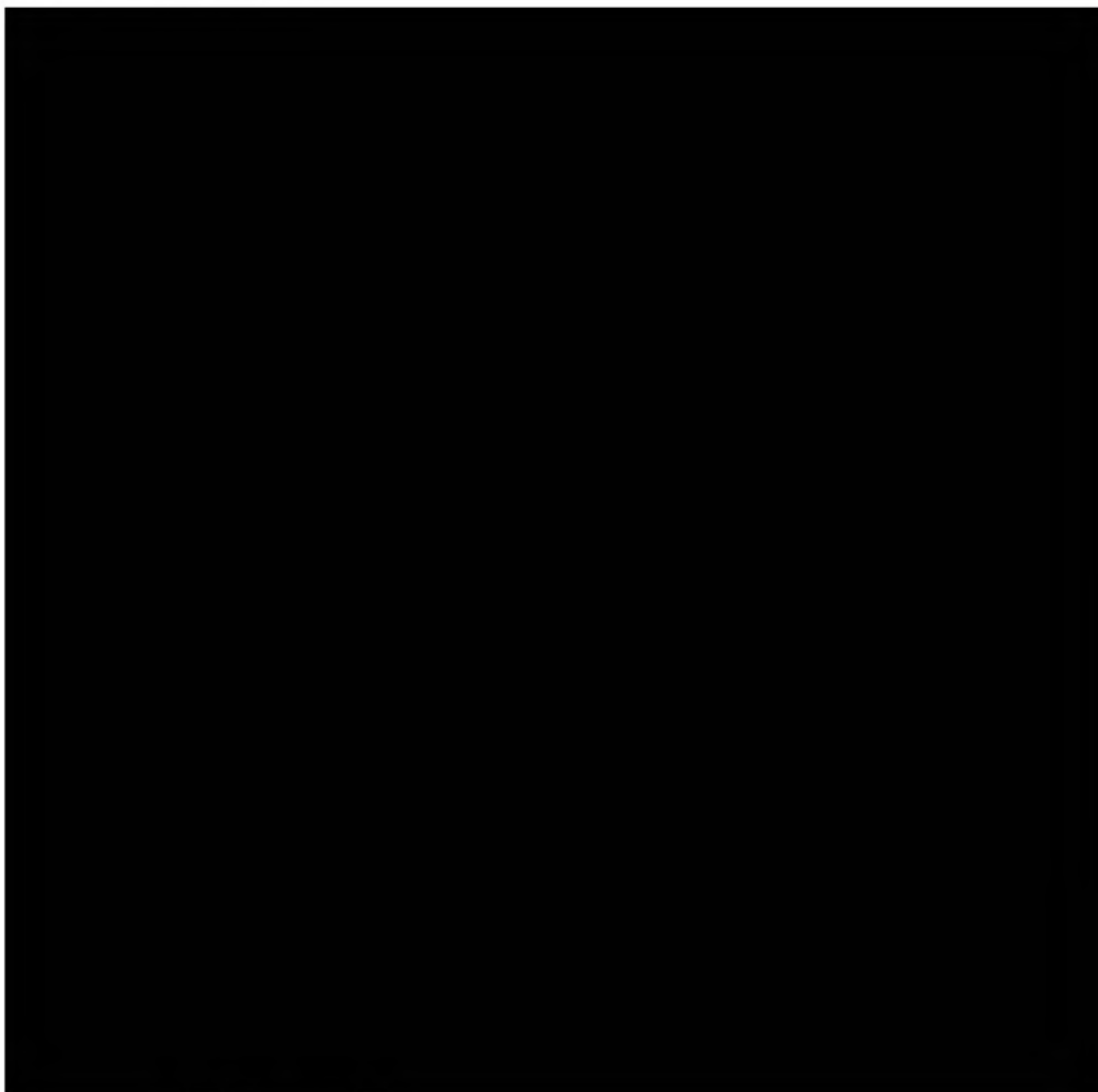


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CROWN RESORTS LIMITED

Cash Flow Statement

For the year ended 30 June 2020

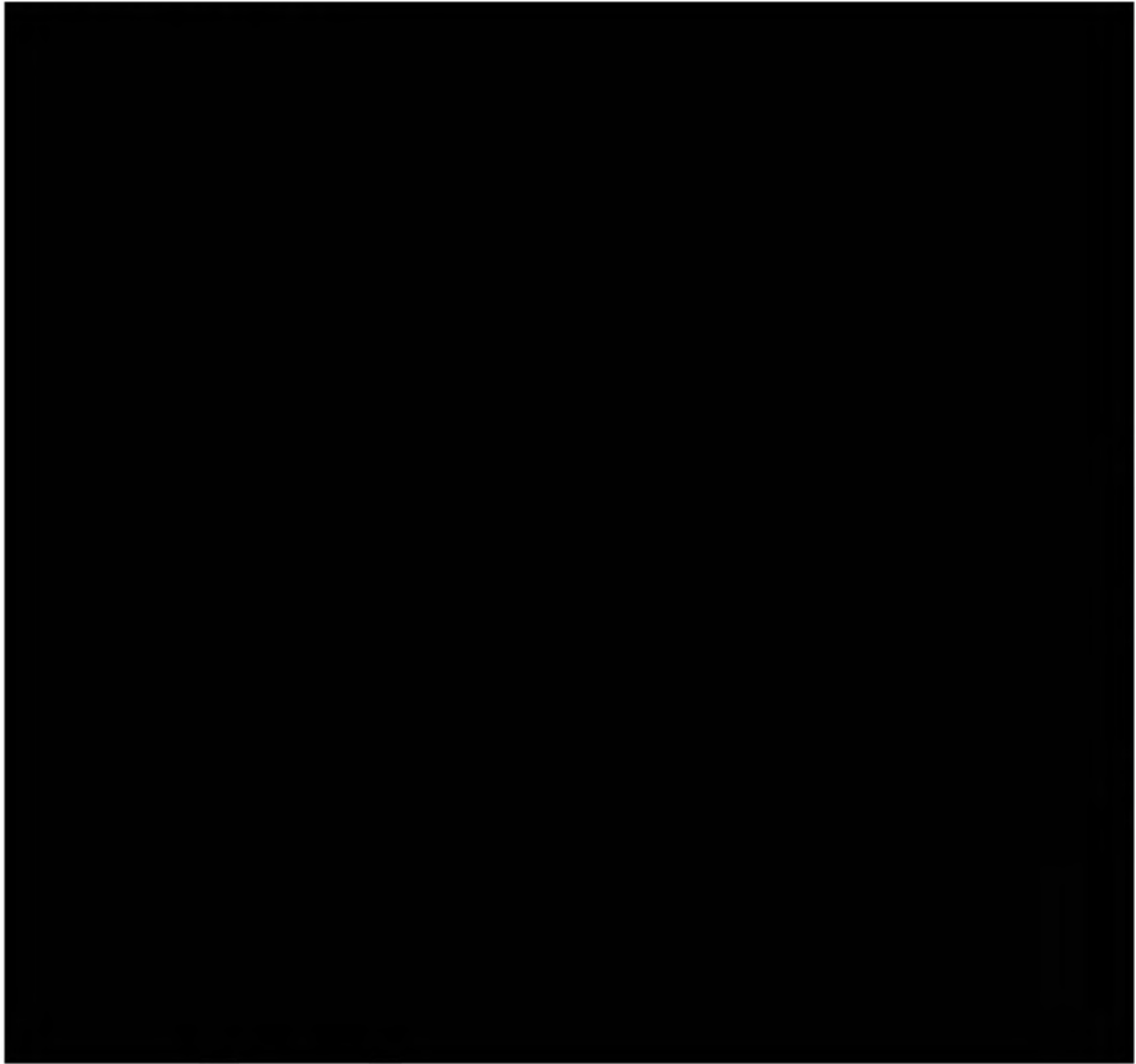


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CROWN RESORTS LIMITED

Statement of Changes in Equity

For the year ended 30 June 2020



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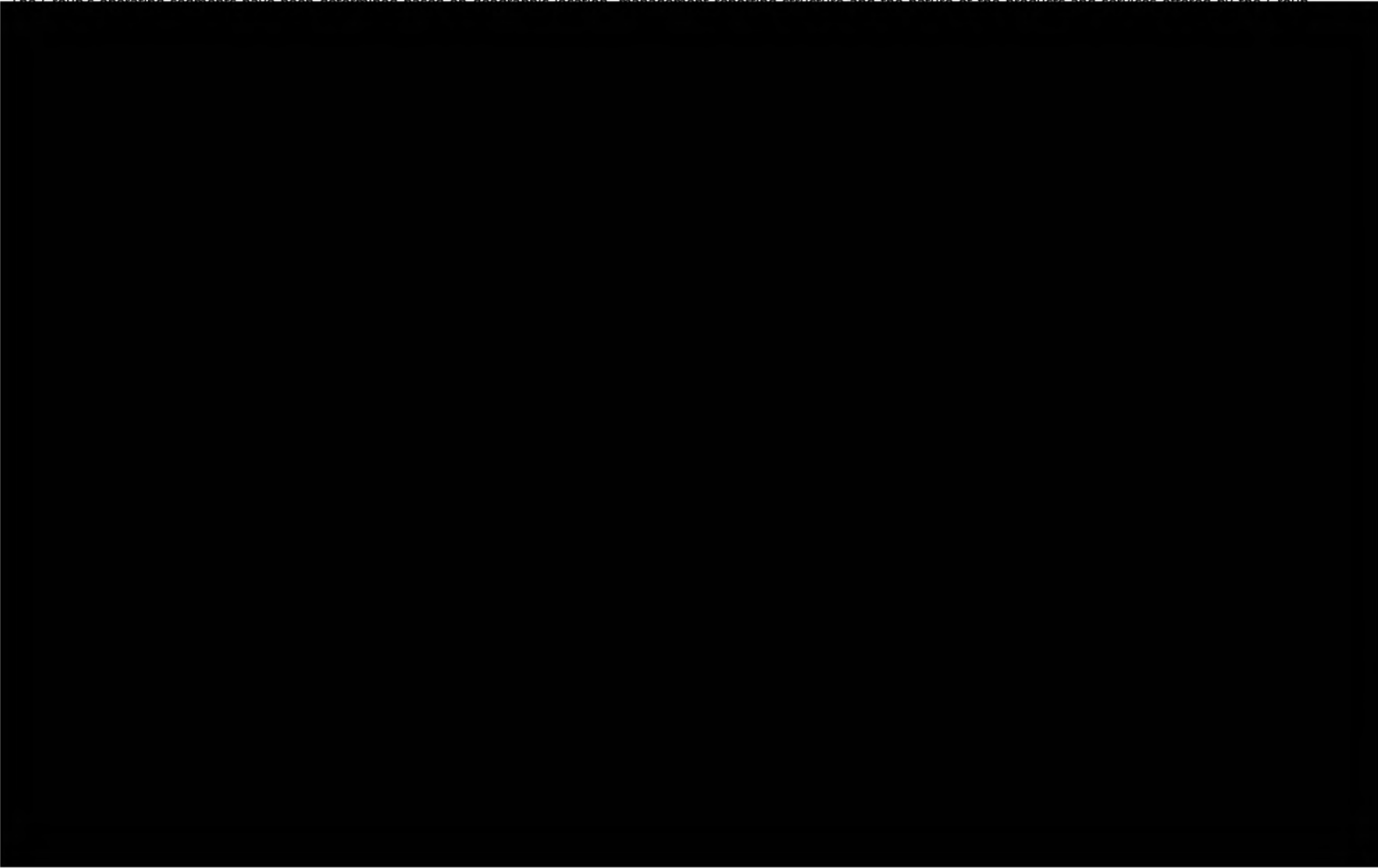
CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

1. Segment Information

The Group's operating segments have been determined based on geographic location, management reporting structure and the nature of the products and services offered by the Group.



CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

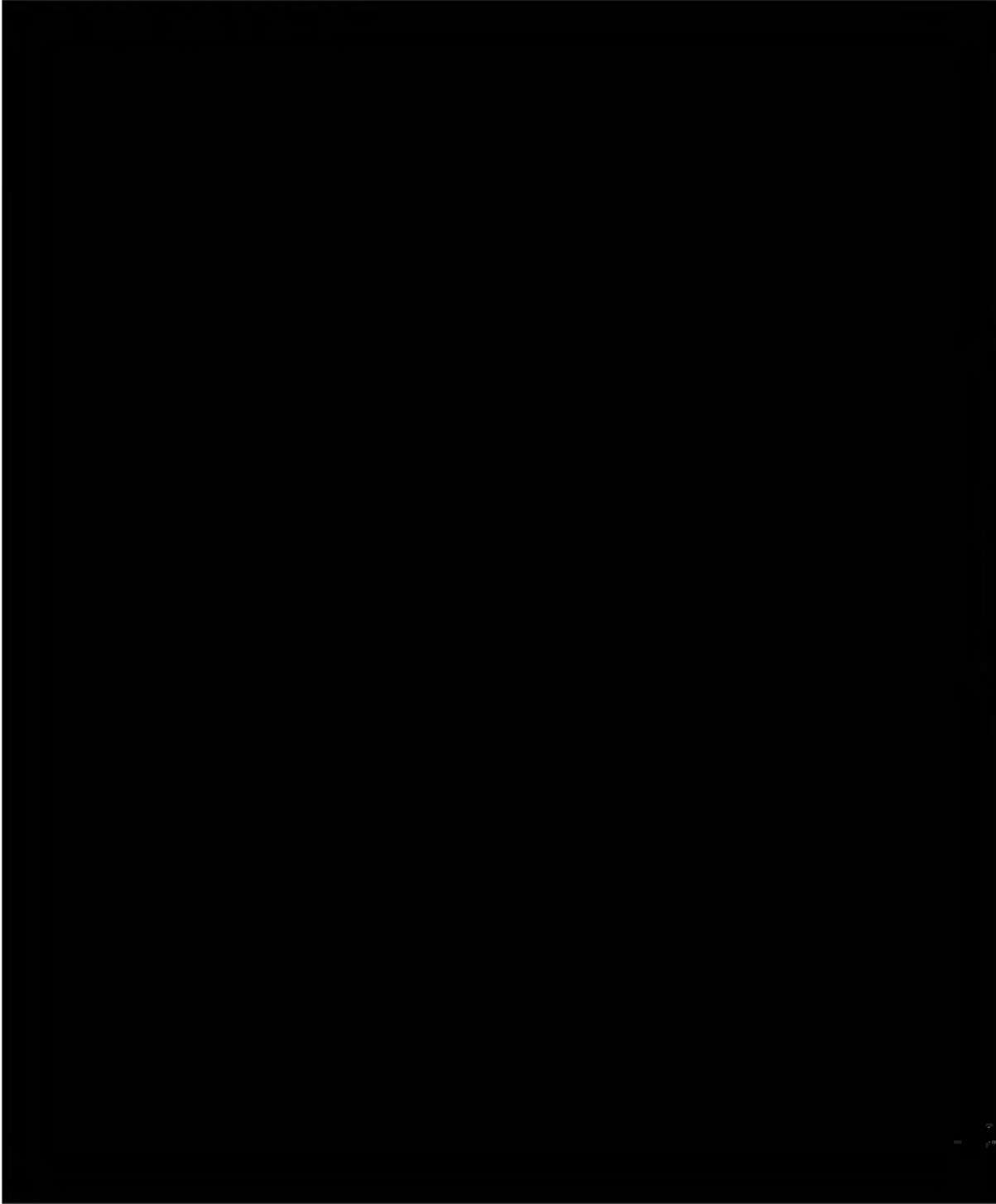


CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

2. Revenue and Expenses



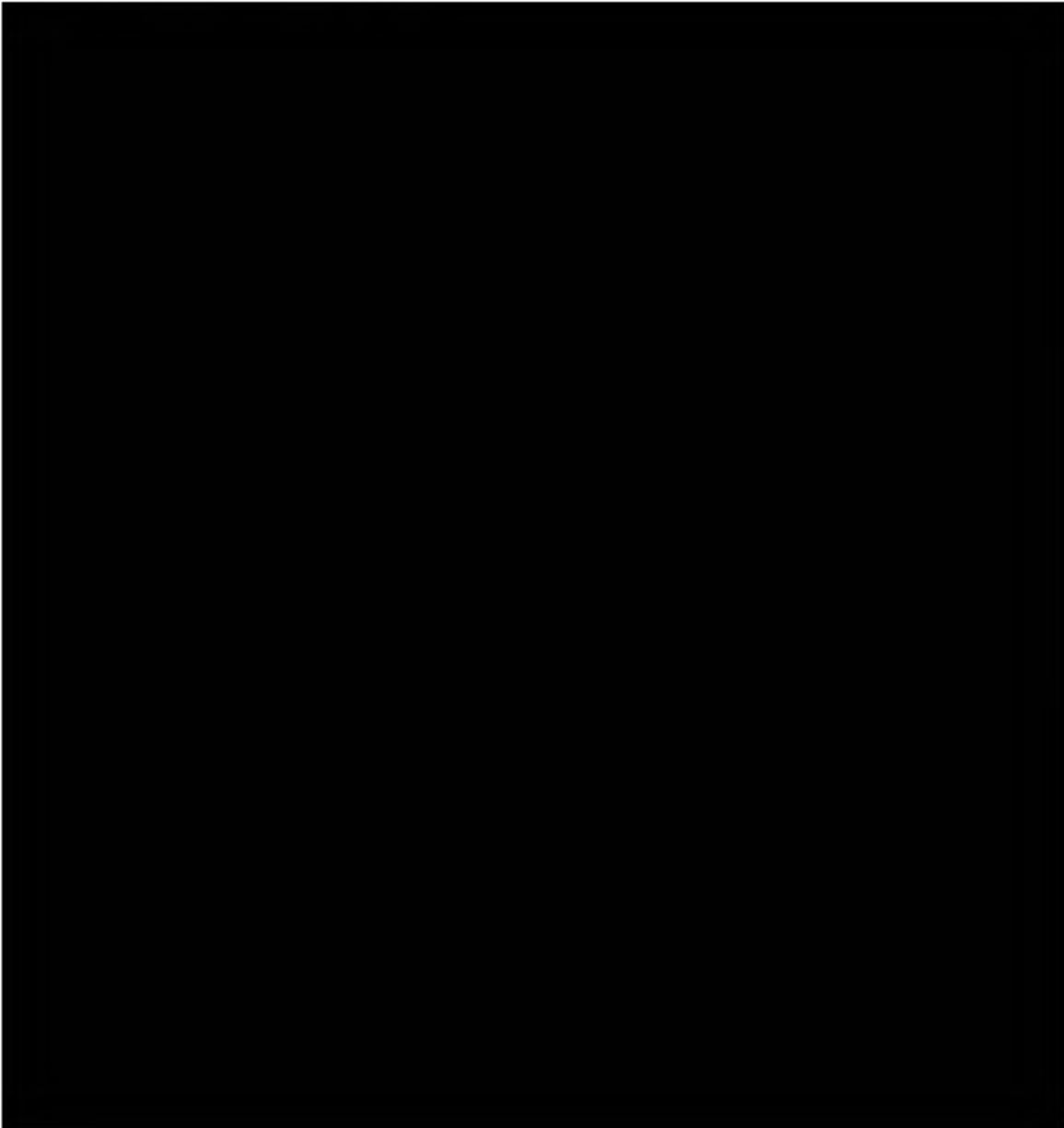
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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

2. Revenue and Expenses *continued*

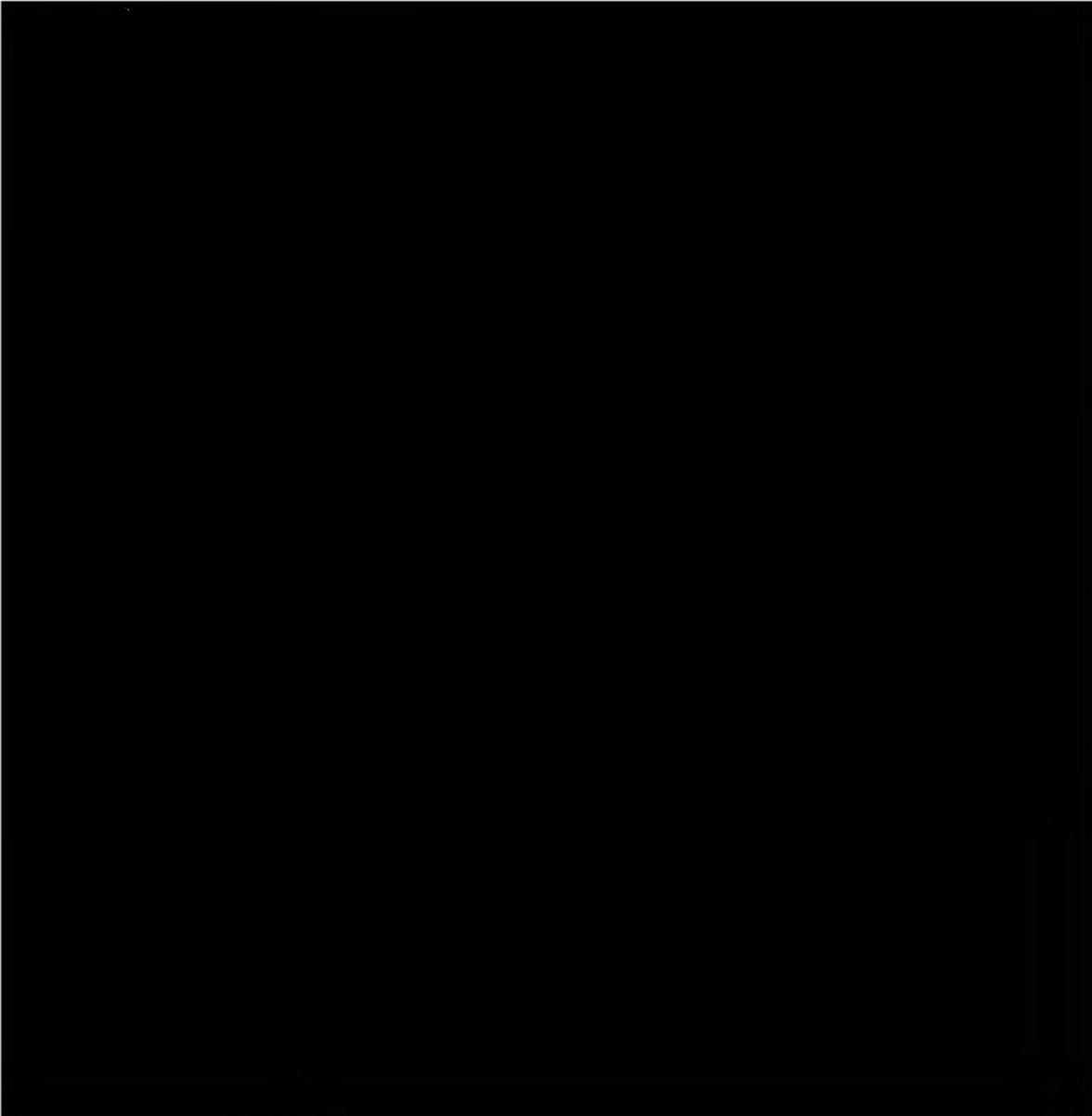


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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

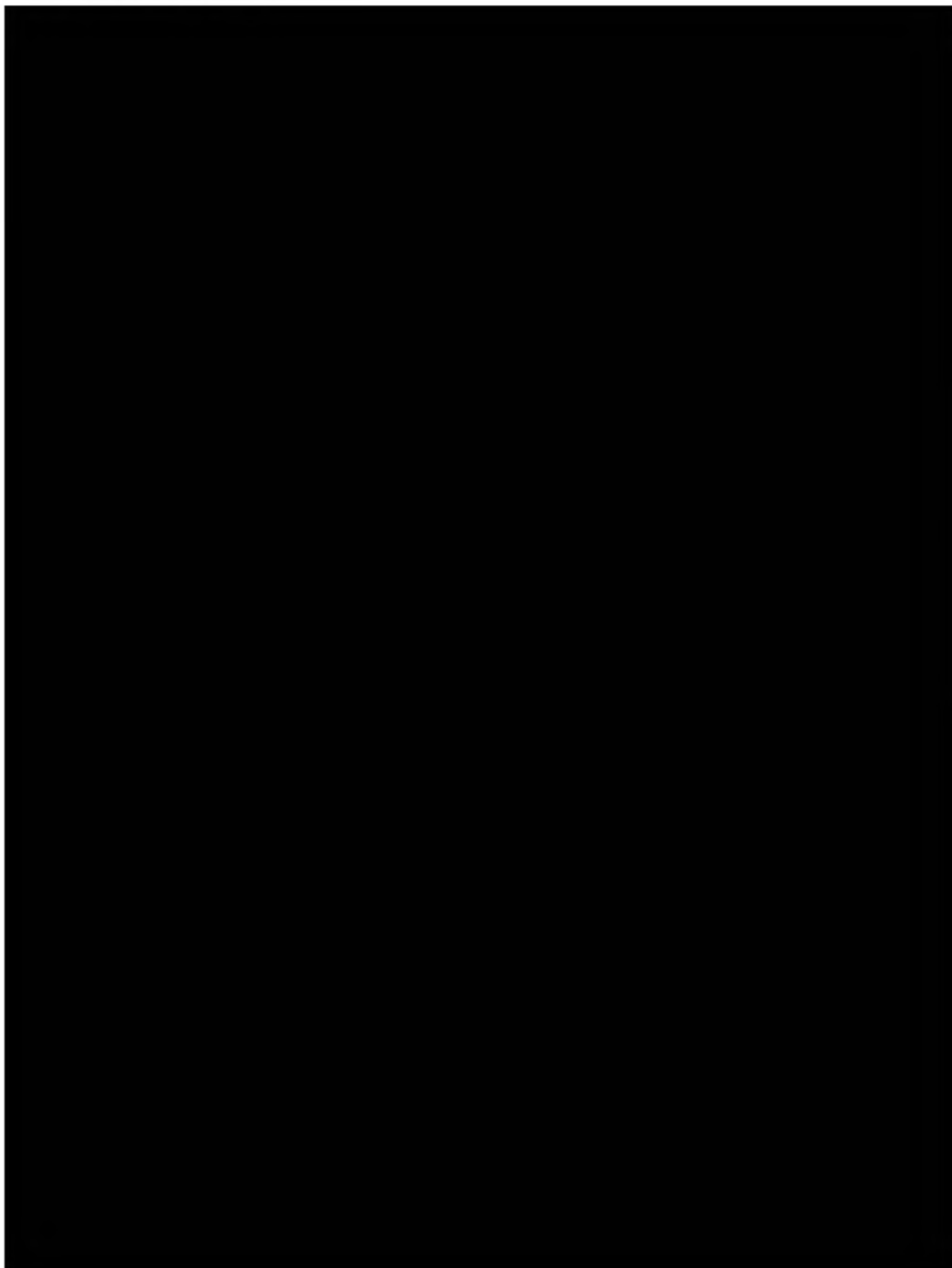


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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

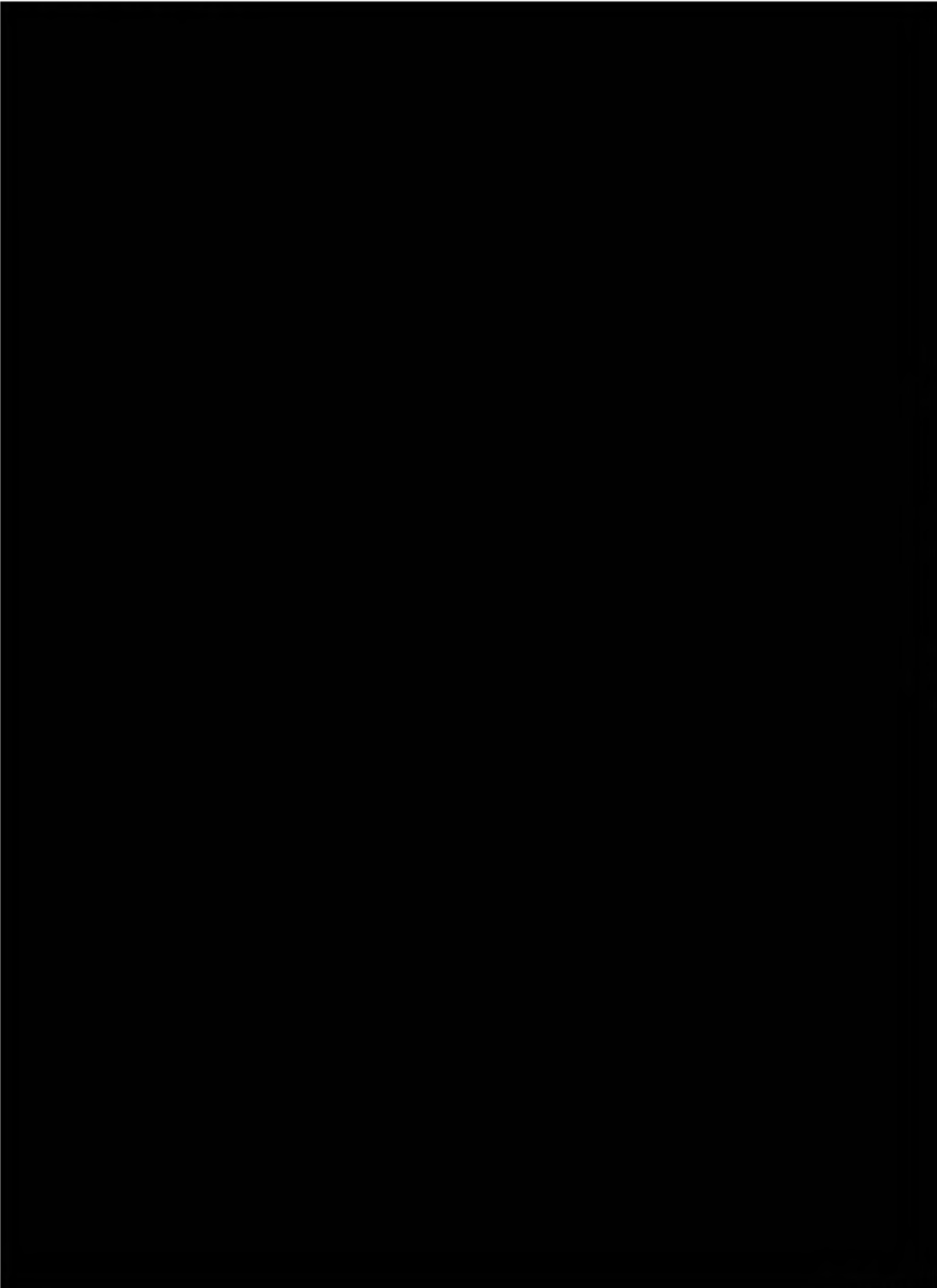


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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

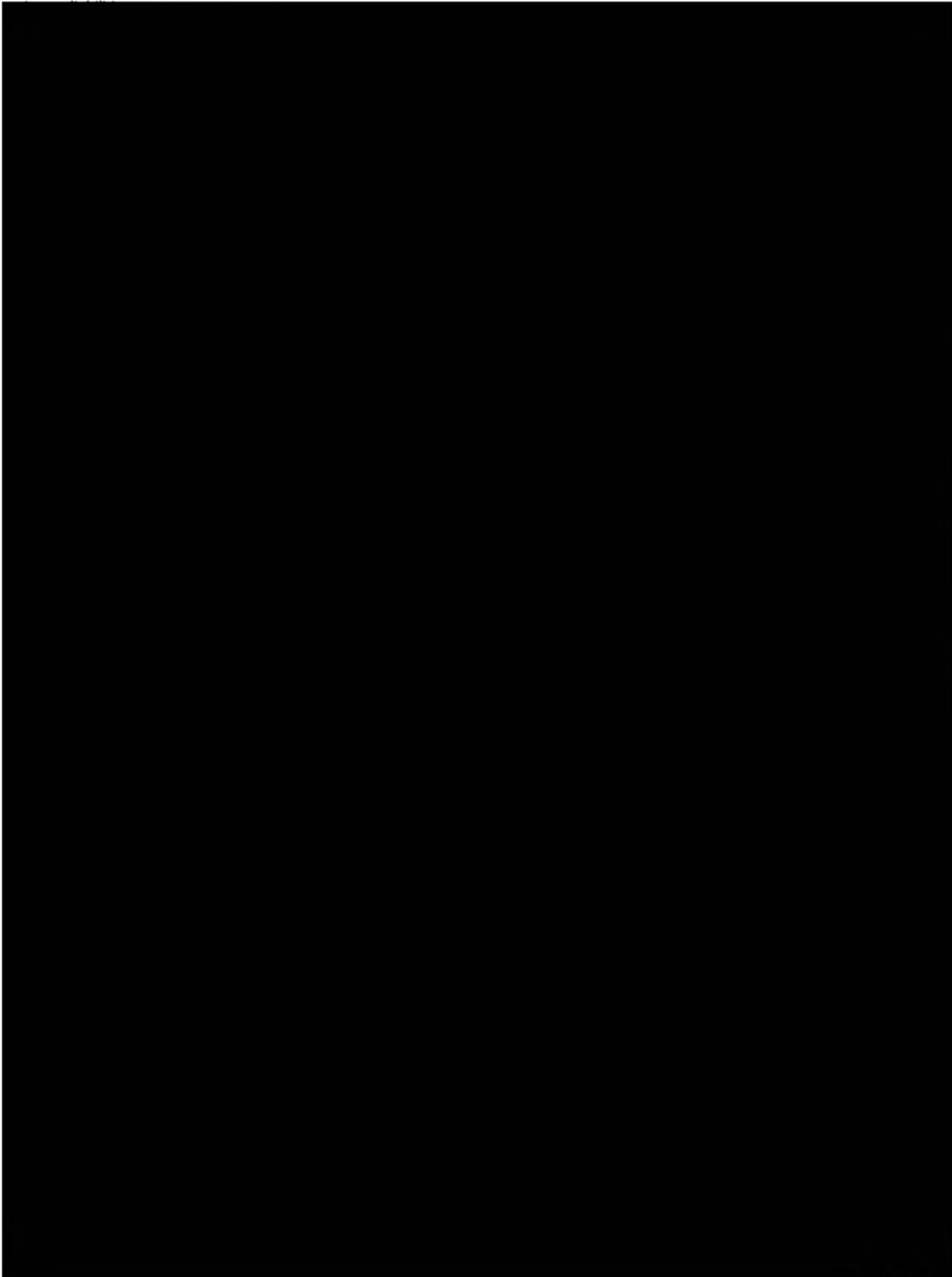


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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020

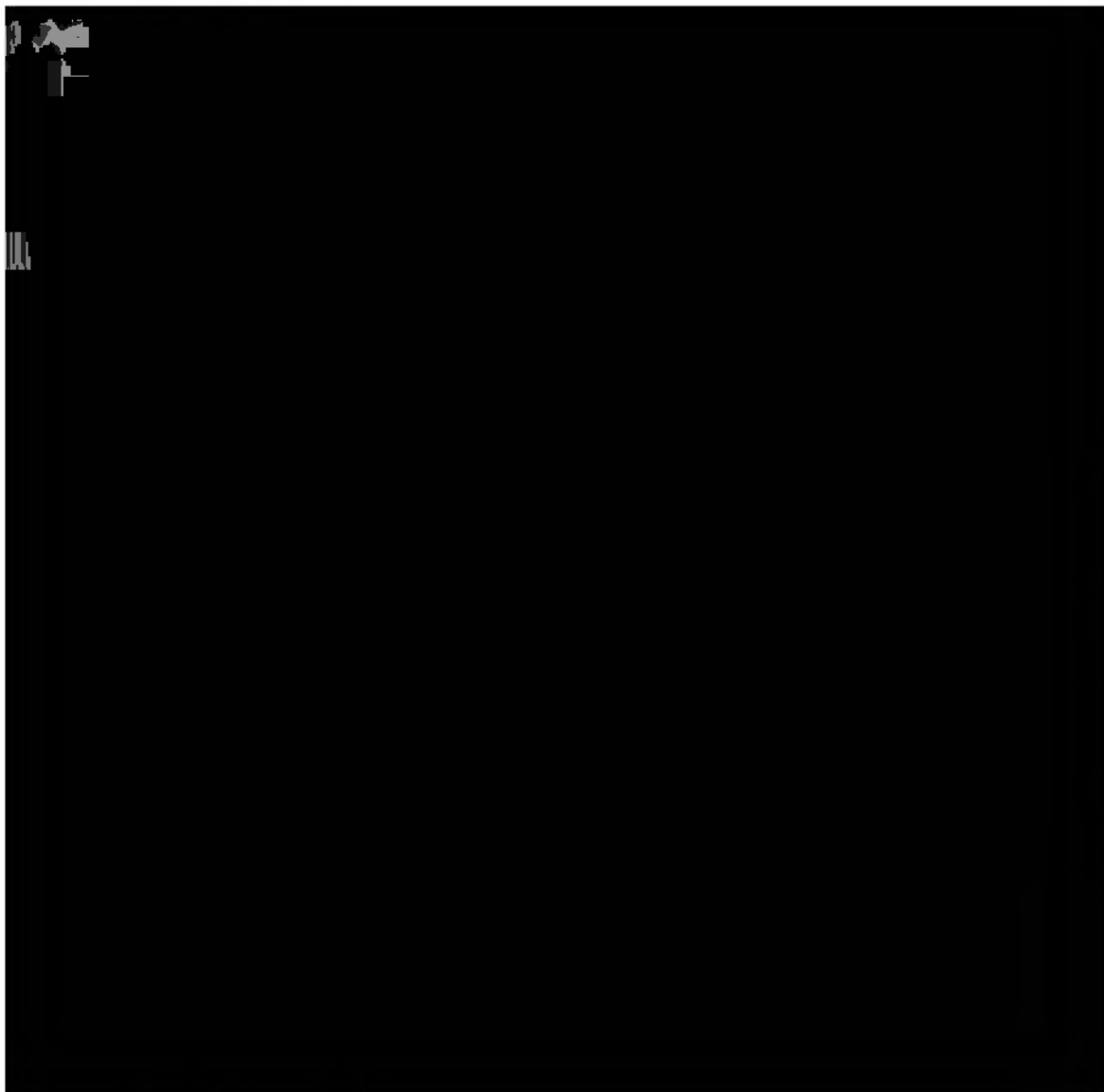


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CROWN RESORTS LIMITED

Notes

For the year ended 30 June 2020



3.2

CROWN RESORTS LIMITED

Appendix 4E – Additional Information

For the year ended 30 June 2020

Commentary on results

The commentary on the results is contained in Crown's Announcement made to the ASX on the same date as this Appendix 4E.

Audit

This report is based on accounts which are in the process of being audited. It is not considered likely any audit qualification will arise.

The Honourable Helen Coonan
Director

19th day of August, 2020.

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3.2



CROWN RESORTS LIMITED

A.B.N. 39 125 709 953

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

3.2

CONTENTS:

Statement of Profit or Loss
Statement of Comprehensive Income
Statement of Financial Position
Cash Flow Statement
Statement of Changes in Equity
Notes to the Financial Statements

FINANCIAL REPORT 2020 continued

Statement of Profit or Loss

For the year ended 30 June 2020

	Note	2020 \$m	2019 \$m
Revenues	3	2,237.2	2,929.2
Other income	3	0.1	0.2
Expenses	3	(2,074.2)	(2,326.8)
Share of profits of associates and joint venture entities	2,8	0.3	13.3
Profit before income tax and finance costs		163.4	615.9
Finance costs	3	(10.2)	(36.6)
Profit before income tax		153.2	579.3
Income tax expense	2,5	(71.3)	(176.4)
Net profit after tax		81.9	402.9
Attributable to:			
Equity holders of the Parent		79.5	401.8
Non-controlling interests		2.4	1.1
		81.9	402.9

The above Statement of Profit or Loss should be read in conjunction with the accompanying notes.

	Note	2020 Cents per share	2019 Cents per share
Earnings per share (EPS)			
Basic EPS	26	11.74	59.07
Diluted EPS	26	11.74	59.00
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend declared	4	-	30.00
Current year interim dividend paid	4	30.00	30.00

3.2

FINANCIAL REPORT 2020 continued

Statement of Comprehensive Income

For the year ended 30 June 2020

	2020	2019
	\$m	\$m
Net profit after tax	81.9	402.9
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	5.3	14.0
Movement in cash flow hedge reserve	(6.6)	4.1
Other comprehensive income / (loss) for the period, net of income tax	(1.3)	18.1
Total comprehensive income / (loss) for the period	80.6	421.0
Attributable to:		
Equity holders of the Parent	78.1	419.6
Non-controlling interests	2.5	1.4
	80.6	421.0

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

3.2

FINANCIAL REPORT 2020 continued

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$m	2019 \$m
Current assets			
Cash and cash equivalents	21	286.9	1,126.0
Trade and other receivables	6	111.2	98.7
Inventories		17.2	16.7
Prepayments		41.6	38.1
Other financial assets	7	-	5.5
Total current assets		456.9	1,285.0
Non-current assets			
Receivables	6	-	157.8
Other financial assets	7	29.3	37.5
Investments in associates	8	186.0	206.9
Property, plant and equipment	9	4,871.2	4,259.0
Intangible assets - licences	11	1,047.3	1,064.0
Other intangible assets	12	355.6	415.3
Deferred tax assets	5	170.7	159.5
Other assets	14	48.8	48.8
Total non-current assets		6,708.9	6,348.8
Total assets		7,165.8	7,633.8
Current liabilities			
Trade and other payables	15	426.5	433.1
Interest-bearing loans and borrowings	16	8.2	287.6
Income tax payable		47.3	153.9
Provisions	17	200.3	186.0
Other financial liabilities		2.4	-
Total current liabilities		684.7	1,060.6
Non-current liabilities			
Other payables	15	172.3	255.1
Interest-bearing loans and borrowings	16	1,121.8	791.0
Deferred tax liabilities	5	405.7	401.5
Provisions	17	27.0	24.2
Other financial liabilities		-	4.5
Total non-current liabilities		1,726.8	1,476.3
Total liabilities		2,411.5	2,536.9
Net assets		4,754.3	5,096.9
Equity			
Contributed equity	18	(203.3)	(203.3)
Reserves	19	3.1	1.4
Retained earnings	19	4,954.5	5,298.8
Total equity		4,754.3	5,096.9

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

3.2

FINANCIAL REPORT 2020 continued

Cash Flow Statement

For the year ended 30 June 2020

	Note	2020 \$m	2019 \$m
Cash flows from operating activities			
Receipts from customers		2,258.3	3,070.1
Payments to suppliers and employees		(1,847.5)	(2,177.4)
Dividends received		5.9	8.9
Interest received		12.2	28.6
Borrowing costs paid		(66.0)	(76.6)
Income tax paid		(36.0)	(75.5)
Net cash flows from/(used in) operating activities	21b	326.9	778.1
Cash flows from investing activities			
Purchase of property, plant and equipment		(746.3)	(538.7)
Proceeds from sale of property, plant and equipment		0.1	0.2
Investment in equity accounted associates		(3.9)	(5.5)
Proceeds from disposal of investments		-	7.6
Other (net)		-	4.4
Net cash flows from/(used in) investing activities		(750.1)	(532.0)
Cash flows from financing activities			
Proceeds from borrowings		315.1	56.1
Repayment of borrowings		(328.8)	(481.1)
Dividends paid		(406.2)	(409.0)
Payments for share buy-back		-	(131.4)
Net cash flows from/(used in) financing activities		(419.9)	(965.4)
Net increase/(decrease) in cash and cash equivalents		(843.1)	(719.3)
Cash and cash equivalents at the beginning of the financial year		1,126.0	1,844.6
Effect of exchange rate changes on cash		4.0	0.7
Cash and cash equivalents at the end of the financial year	21a	286.9	1,126.0

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

3.2

FINANCIAL REPORT 2020 continued

Statement of Changes in Equity

For the year ended 30 June 2020

	Ordinary Shares	Shares Held in Trust	Retained Earnings	Reserves	Total	Non- Controlling Interest	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Year ended 30 June 2020							
Balance at 1 July 2019	(203.3)	-	5,298.8	1.4	5,096.9	-	5,096.9
Adoption impact of AASB 16	-	-	(17.6)	-	(17.6)	-	(17.6)
Adjusted balance at 1 July 2019	(203.3)	-	5,281.2	1.4	5,079.3	-	5,079.3
Profit for the period	-	-	79.5	-	79.5	2.4	81.9
Other comprehensive income/(loss)	-	-	-	(1.4)	(1.4)	0.1	(1.3)
Total comprehensive income for the period	-	-	79.5	(1.4)	78.1	2.5	80.6
Dividends paid	-	-	(406.2)	-	(406.2)	-	(406.2)
Movement in non-controlling interest put option	-	-	-	(0.3)	(0.3)	(2.5)	(2.8)
Share based payments	-	-	-	3.4	3.4	-	3.4
Balance at 30 June 2020	(203.3)	-	4,954.5	3.1	4,754.3	-	4,754.3
Year ended 30 June 2019							
Balance at 1 July 2018	(71.9)	(15.7)	5,306.0	(60.5)	5,157.9	-	5,157.9
Profit for the period	-	-	401.8	-	401.8	1.1	402.9
Other comprehensive income	-	-	-	17.8	17.8	0.3	18.1
Total comprehensive income for the period	-	-	401.8	17.8	419.6	1.4	421.0
Dividends paid	-	-	(409.0)	-	(409.0)	-	(409.0)
Transactions with non-controlling interests	-	-	-	-	-	(0.6)	(0.6)
Share buy-back	(131.4)	-	-	-	(131.4)	-	(131.4)
Movement in non-controlling interest put option	-	-	-	40.8	40.8	(0.8)	40.0
Share based payments	-	15.7	-	3.3	19.0	-	19.0
Balance at 30 June 2019	(203.3)	-	5,298.8	1.4	5,096.9	-	5,096.9

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

3.2

Notes to the Financial Statements

For the year ended 30 June 2020

1. Significant Accounting Policies

1.1 Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments, contingent consideration and investments that have been measured at fair value and investments in associates accounted for using the equity method.

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

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on [11 September 2020] subject to final approval by a subcommittee. Crown is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

1.2 Changes in accounting policies

The Group has adopted, for the first time, AASB 16 *Leases* (AASB 16) effective as of 1 July 2019.

Several other amendments and interpretations apply for the first time from July 2019, but do not have a material impact on the financial position or performance of the Group during the period.

AASB 16 Leases

AASB 16 supersedes AASB 117 *Leases* (AASB 117) and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117, other than in respect of subleases. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 did not have an impact for leases where the Group is the lessor.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, being 1 July 2019, and comparatives are not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 and related interpretations at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

FINANCIAL REPORT 2020 *continued*

Notes to the Financial Statements

For the year ended 30 June 2020

1.2 Changes in accounting policies *continued*

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	\$m
Assets	
Property, plant and equipment	32.0
Prepayments	(1.7)
Deferred tax assets	6.6
Total assets	36.9
Liabilities	
Interest-bearing loans and borrowings	54.5
Total liabilities	54.5
Equity	
Retained earnings	(17.6)
Total adjustment on equity	(17.6)

a) Nature of the effect of adoption of AASB 16

The Group has lease contracts for various items of property (including the Crown Melbourne main site), offices, warehouses, vehicles and other equipment. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate which applied the rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

3.2

Notes to the Financial Statements

For the year ended 30 June 2020

1.2 Changes in accounting policies *continued*

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019 as follows:

	\$m
Operating lease commitments as at 30 June 2019	32.5
Weighted average incremental borrowing rate as at 1 July 2019	5.06%
Discounted operating lease commitments at 1 July 2019	25.0
Less:	
Commitments relating to short-term leases	(0.1)
Add:	
Crown Melbourne main site lease ⁽¹⁾	29.6
Lease liabilities as at 1 July 2019	54.5

⁽¹⁾ In 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which the Crown Melbourne Entertainment Complex is located. For years one to forty inclusive, the annual rent payable is one dollar per annum. For years forty-one to ninety-nine inclusive, the annual rent payable will be the then current market rent for the site. In the 30 June 2019 financial statements, the aggregate lease expenditure contracted for at balance date but not provided for did not include an estimate for the rent payable for years forty-one to ninety-nine inclusive due to the uncertainty of these amounts. On adoption of AASB 16, this lease has been recognised as a right-of-use asset and lease liability. The carrying value of the right-of-use asset has been determined as if the standard had always applied, based on the payments in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease, applying the incremental borrowing rate at date of initial application of the standard. In estimating the market rent at commencement date, the Group engaged an independent property valuer. The lease liability is measured at the present value of the lease payments to be made in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group has applied Australian Interpretation 23 from 1 July 2019. In the past, the Group has only recognised claims against tax authorities when considered virtually certain. Following transition, claims are recognised when probable. This interpretation did not have an impact on the consolidated financial statements of the Group.

1.3 Standards issued but not yet effective

Standards and Interpretations not expected to be material

Certain other new Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2020 reporting period. The Group has assessed the impact of these new Accounting Standards and Interpretations that are relevant to the Group, and does not expect any material impact on net assets, net profit, presentation or disclosures when these standards become effective and are adopted.

Notes to the Financial Statements

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.4 Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Resorts Limited (the parent entity) and all entities that Crown Resorts Limited controlled from time to time during the year and at reporting date (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control. Change of ownership interest of a subsidiary without the loss of control is accounted for as an equity transaction.

Subsidiary acquisitions are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

The accounting policies adopted have been applied consistently throughout the two reporting periods.

1.5 Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of non-financial assets are discussed in note 13.

Fair value of financial instruments

In accordance with accounting standards the Group uses the Level Three method in estimating the fair value of certain

financial assets. Accordingly, the fair value is estimated using inputs for the asset that are not based on observable market data.

Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. When contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. Refer note 15 for further details.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Doubtful debts

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised.

The allowance for doubtful debts is based on a provision matrix that reflects the Group's historical credit loss experience, adjusted for management's knowledge of specific customers' circumstances, as well as current collection trends and business conditions.

Trade receivables are written off when there is no reasonable expectation of recovery.

Put option liability

Crown entered into an agreement with the DGN minority shareholders, which contained put options and call options over the remaining non-controlling interest. Crown has recognised a financial liability to reflect the carrying amount of the put option. In arriving at the carrying value of the put option liability, management estimated the future expected cash outflow upon exercise of the put option by the counterparty, discounted to present value using an appropriate discount rate.

Market value rent for Crown Melbourne Main Site

In 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which the Crown Melbourne Entertainment Complex is located. For years one to forty inclusive, the annual rent payable is one dollar per annum. For years forty-one to ninety-nine inclusive, the annual rent payable will be the then current market rent for the site. On adoption of AASB 16, this lease was recognised as a right-of-use asset and lease liability. The carrying value of the right-of-use asset has been determined as if the standard had always applied, based on the payments in years forty-one to ninety-nine using the estimated market rent at

Notes to the Financial Statements

For the year ended 30 June 2020

1.5 Significant accounting judgements, estimates and assumptions *continued*

commencement date of the lease, applying the incremental borrowing rate at date of initial application of the standard. In estimating the market rent at commencement date, the Group engaged an independent property valuer. The lease liability is measured at the present value of the lease payments to be made in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease.

Lease – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Significant items

Significant items are transactions or events that fall outside the ordinary course of business. Significant items are disclosed separately to allow users of the financial report to see the performance of the Group in a comparable form to that of the comparative period.

1.6 Summary of significant accounting policies

(a) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided on most temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable

that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not the Statement of Profit or Loss.

(b) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- gaming revenues; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

(c) Foreign currency translation

Both the functional and presentation currency of Crown Resorts Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency for Group reporting purposes.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Resorts Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are recognised through Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprises of cash at bank and on hand, and short term deposits with an original maturity 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 future value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is recognised based on the expected credit loss from the time the financial instrument is initially recognised. Trade receivables are written off when there is no reasonable expectation of recovery.

Receivables from associates and other related parties are carried at amortised cost less an allowance for impairment.

Interest, when charged is taken up as income on an accrual basis.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Inventories which include food, beverages and other consumables are costed on a weighted average basis; and**
- **net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.**

(g) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the results of operations of the associates.

Where there has been a change in the associates' OCI or equity, the Group recognises its share of any changes and discloses this, when applicable in the Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associates.

(h) Investments and other financial assets

Financial assets are classified based on:

(I) The objective of the entity's business model for managing the financial assets; and

(II) The characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. An irrevocable election is made by instrument to determine if the instrument is measured at fair value either through OCI or in the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at fair value through OCI, directly attributable transaction costs.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised in the Statement of Profit or Loss.

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between the Statement of Profit or Loss and OCI, even on disposal of the investment. Dividends in respect of these investments that are a return on investment are recognised in the Statement of Profit or Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- **Buildings - 40 to 75 years;**
- **Fixtures and Fitting in buildings - 4 to 20 years; and**
- **Plant and equipment - 2 to 20 years.**

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Cost for construction work in progress includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(j) Intangible assets

Licences

Licences are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The directors regularly assess the carrying value of casino licences so as to ensure they are not carried at a value greater than their recoverable amount.

The casino licences are carried at cost of acquisition. The Crown Melbourne licence is being amortised on a straight-line basis over the remaining life of the licence to 2050. The Crown Perth licence is assessed as having an indefinite useful life and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment. Amortisation will commence on the Crown Sydney licence once the property is operational.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

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

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets - Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Statement of Profit or Loss.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

(k) Recoverable amount of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(l) Trade and other payables

Trade and other payables are recognised for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings 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 date.

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate 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, in this case 5.4% (2019: 5.8%).

All other borrowing costs are expensed in the period they are incurred.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

(o) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in their respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

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. Expected future payments are discounted using market yields at the reporting date on bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

(p) Leases

Group as lessee

(i) *Right-of-use assets*

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

Right-of-use assets are included in the heading Property, plant and equipment on the Statement of Financial Position.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate initially measured using the index or rate as at commencement date, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease liabilities are included in the headings current and non-current Interest-bearing loans and borrowings on the Statement of Financial Position.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low

value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(q) Derecognition of financial instruments

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial asset, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(r) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) *Fair value hedges*

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to OCI are accumulated in the cash flow hedge reserve in equity and are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if the hedging relationship is discontinued, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(s) Put options over non-controlling interests

Put options granted to holders of non-controlling interests ('NCI puts') at the date of acquiring control of a subsidiary (or after gaining control) gives rise to a financial liability.

When the Group does not have a present ownership interest in the shares subject to the NCI put, the Group applies the partial recognition of NCI approach. Under this approach, the following accounting method is applied at the end of each reporting period:

- The Group determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income and dividends declared for the reporting period;
- The Group derecognises the NCI as if it was acquired at that date;
- The Group recognises a financial liability and continues to re-assess the liability at the present value of the amount payable on exercise of the NCI put; and
- The Group accounts for the difference between the NCI derecognised and the financial liability recognised as an equity transaction.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the NCI put had never been granted. The financial liability is derecognised as an equity transaction.

(t) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs and share buy-backs.

(u) Revenue from contracts with customers

The Group's accounting policy for Revenue from Contracts with Customers and impact on adoption of AASB 15 is as follows

Crown Melbourne, Crown Perth and Crown Aspinalls

Gaming Revenue

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. Commissions rebated to customers or promoters are recorded as a reduction of revenue. Prior to adoption of AASB 15, commissions rebated to customers or promoters were recorded within operating expenses.

Food and beverage revenue

Food and beverage revenue is recognised as the goods are provided.

Hotel, entertainment and other operating revenues

Hotel, entertainment and other operating revenues are recognised as services are performed, which for hotels is over the term of the customer's stay and for entertainment is when the event is held. Advance deposits for hotels and advance ticket sales for entertainment are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

Complimentary goods or services

For gaming transactions that include complimentary goods or services being provided to customers, the Group allocates revenue from the gaming transaction to the good or service provided based on the standalone selling price which is the arm's length price for that good or service available to the public.

Contract and contract-related liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Group primarily has liabilities related to contracts with customers as follows:

- Unredeemed casino chips, which represent the amounts owed to customers for chips in their possession.
- Loyalty program liabilities, which represent the deferral of revenue until loyalty points are redeemed.
- Advance customer deposits, which represent casino front money deposits that are funds deposited by customers before gaming play occurs, gift vouchers and advance payments on goods and services yet to be provided such as deposits on hotel rooms and convention space.

These liabilities are generally expected to be recognised as revenues within one year of being purchased, earned, or deposited and are recorded within current trade and other payables on the Statement of Financial Position. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers, increases in customer loyalty program balances and additional deposits made by customers.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

(u) Revenue from contracts with customers *continued*

Wagering and Online

Revenue from exchange betting

Revenue from exchange betting represents commission and other charges earned on betting activity. Revenue is recognised as the performance obligations are satisfied, which is considered to be upon the outcome of the bet being determined.

Social gaming revenue

Social gaming revenue is derived from the purchase of credits. Revenue is recognised in the accounting periods in which the transactions occur on a gross basis and commission costs are expensed as incurred.

(v) Other revenue

Leases

Lease revenue is recognised on a time proportion basis over the lease term. Contingent lease revenue is recognised in the period in which it is earned.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(w) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted against the relevant expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(x) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (reserves), over the period in which the service is fulfilled (the vesting period). The cumulative expense recognised for equity-settled

transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired.

If the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(y) Earnings per share (EPS)

Basic EPS is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Segment Information

The Group's operating segments have been determined based on geographic location, management reporting structure and the nature of the products and services offered by the Group. Crown has identified the Board of Directors as its chief operating decision maker that allocates resources and assesses the performance of the operating segments. The segment information presented below is consistent with internal management reporting.

The Group has four operating segments being Crown Melbourne, Crown Perth, Crown Aspinalls and Wagering & Online.

Notes to the Financial Statements

For the year ended 30 June 2020

1.6 Summary of Significant Accounting Policies *continued*

(aa) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

For each business combination the group elects whether to measure the non-controlling interest in the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 in the Statement of Profit or Loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

3.2

CROWN RESORTS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2020

2. Segment Information

30 June 2020

	Crown Melbourne \$m	Crown Perth \$m	Theoretical Result ⁽¹⁾⁽⁷⁾			Crown Group \$m	VIP Win Rate & Commission Adjust-ment ⁽¹⁾⁽²⁾ \$m	ACTUAL
			Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m			Crown Group \$m
Operating revenue								
Main floor tables	548.7	137.6	-	-	-	686.3	-	686.3
Main floor machines	341.9	207.0	-	-	-	548.9	-	548.9
VIP program play	224.9	49.5	32.3	-	-	306.7	133.4	440.1
Wagering & Non gaming	362.3	219.2	0.8	135.5	0.3	718.1	-	718.1
Commission adjustment	-	-	-	-	-	-	(165.0)	(165.0)
Intersegment	-	-	-	-	-	(1.4)	-	(1.4)
Operating revenue	1,477.8	613.3	33.1	135.5	0.3	2,258.6	(31.6)	2,227.0
Interest revenue	-	-	-	-	-	10.2	-	10.2
Total revenue	1,477.8	613.3	33.1	135.5	0.3	2,268.8	(31.6)	2,237.2
EBITDA before Closure Costs ⁽³⁾ & Significant items ⁽⁷⁾	354.3	161.8	(2.7)	34.7	(44.3)	503.8	111.6	615.4
Costs incurred during mandated closure ⁽³⁾	(65.8)	(19.7)	(1.2)	-	(20.6)	(107.3)	-	(107.3)
Crown Sydney pre-opening costs ⁽⁴⁾	-	-	-	-	(3.5)	(3.5)	-	(3.5)
EBITDA after Closure Costs ⁽³⁾ & Significant items ⁽⁵⁾⁽⁷⁾	288.5	142.1	(3.9)	34.7	(68.4)	393.0	111.6	504.6
Depreciation and amortisation	(176.0)	(79.6)	(4.8)	(9.4)	(5.7)	(275.5)	-	(275.5)
Impairment - Crown Aspinalls ⁽⁴⁾	-	-	(52.8)	-	-	(52.8)	-	(52.8)
Impairment - Nobu ⁽⁴⁾	-	-	-	-	(21.7)	(21.7)	-	(21.7)
Reassessment of contingent consideration - DGN ⁽⁴⁾	-	-	-	(1.7)	-	(1.7)	-	(1.7)
Earnings before interest and tax "EBIT" ⁽⁷⁾	112.5	62.5	(61.5)	23.6	(95.8)	41.3	111.6	152.9
Equity accounted share of associates' net profit/(loss) ⁽⁶⁾	-	-	-	-	-	-	-	6.7
Equity accounted share of associates' net profit/(loss) during mandated closure ⁽⁶⁾	-	-	-	-	-	-	-	(6.4)
Net interest income/(expense)	-	-	-	-	-	-	-	0.0
Profit/(loss) before tax								153.2
Income tax benefit/(expense)	-	-	-	-	-	-	-	(71.3)
Profit/(loss) after tax								81.9
Non-controlling interest	-	-	-	-	-	-	-	(2.4)
Profit/(loss) attributable to equity holders of the Parent								79.5

- (1) Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.
- (2) During the year Crown incurred \$165.0 million of actual VIP program play commission expenses. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the theoretical and actual result is included in the VIP Win Rate & Commission Adjustment column above.
- (3) Closure Costs reflect all costs incurred whilst the properties were closed due to Government direction (refer commentary below), excluding costs in relation to hotel quarantine services and Crown's Wagering and Online businesses during the closure period. The operating segments impacted by the closures were Crown Melbourne, Crown Perth, Crown Aspinalls, corporate costs and Crown's share of associates.
- (4) These items have been classified as Significant items. Refer note 3(e) for further details.
- (5) Significant items in 'EBITDA after Closure Costs & Significant items' includes EBITDA related Significant items only.
- (6) In addition to the mandated closure of Crown's core businesses, Crown's associates, Aspers and Nobu, were also subject to mandated closure orders. Accordingly, Crown's equity accounted share of losses during these mandated closure periods have been separately identified in the table above, consistent with the treatment of Crown's core businesses.
- (7) Non-IFRS measures.

CROWN RESORTS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2020

2. Segment Information *continued*

30 June 2019

	Theoretical Result ⁽¹⁾⁽⁴⁾						VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾	Actual
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m		Crown Group \$m
Operating revenue								
Main floor tables	772.4	186.8	-	-	-	959.2	-	959.2
Main floor machines	462.7	267.4	-	-	-	730.1	-	730.1
VIP program play	441.4	72.0	54.9	-	-	568.3	25.0	593.3
Wagering & Non gaming	478.9	273.0	1.1	130.1	1.5	884.6	-	884.6
Commission adjustment	-	-	-	-	-	-	(261.3)	(261.3)
Intersegment						(3.2)	-	(3.2)
Operating revenue	2,155.4	799.2	56.0	130.1	1.5	3,139.0	(236.3)	2,902.7
Interest revenue						26.5	-	26.5
Total revenue	2,155.4	799.2	56.0	130.1	1.5	3,165.5	(236.3)	2,929.2
Earnings before interest, tax, depreciation and amortisation "EBITDA" ⁽⁴⁾	589.5	221.8	6.4	26.1	(41.7)	802.1	47.6	849.7
Depreciation and amortisation	(175.2)	(85.3)	(2.7)	(6.8)	(3.6)	(273.6)	-	(273.6)
Impairment - DGN ⁽³⁾	-	-	-	(48.9)	-	(48.9)	-	(48.9)
Reassessment of contingent consideration - DGN ⁽³⁾	-	-	-	48.9	-	48.9	-	48.9
Earnings before interest and tax "EBIT" ⁽⁴⁾	414.3	136.5	3.7	19.3	(45.3)	528.5	47.6	576.1
Equity accounted share of associates' net profit/(loss)								13.3
Net interest income/(expense)								(10.1)
Profit/(loss) before tax								579.3
Income tax benefit/(expense)								(176.4)
Profit/(loss) after tax								402.9
Non-controlling interest								(1.1)
Profit/(loss) attributable to equity holders of the Parent								401.8

(1) Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.

(2) During the year Crown incurred \$261.3 million of actual VIP program play commission expenses. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the theoretical and actual result is included in the VIP Win Rate & Commission Adjustment column above.

(3) These items have been classified as Significant items. Refer note 3(e) for further details.

(4) Non-IFRS measures.

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Notes to the Financial Statements

For the year ended 30 June 2020

2. Segment Information *continued*

Closure of Crown's Operations

During the financial year, Crown was directed by relevant State and Federal Governments to suspend its gaming activities and other non-essential services in response to the COVID-19 pandemic. The Government mandated closures were effective from 20 March 2020 for Crown Aspinalls and 23 March 2020 for Crown Melbourne and Crown Perth. Gaming activities at Crown Melbourne and Crown Aspinalls remained closed at 30 June 2020. With effect from 27 June 2020, Crown Perth recommenced gaming activities and operations of its gaming floor food and beverage outlets under temporary restrictions agreed with the Western Australian Government. During the mandated closure period, Crown Melbourne and Crown Perth hotels remained open largely to provide the State Government with hotel quarantine services for returning overseas travelers. All other operations were closed or severely limited during this period in accordance with the Government direction.

Crown's businesses ordinarily operate each day of the year and, apart from minor exceptions, 24 hours each day. Due to the unprecedented nature of the Government mandated closures during the period, Crown considers the circumstances surrounding its closure to be exceptional. During the closure period, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities (including meeting certain financial and legal requirements). Given these exceptional circumstances, Crown has separately disclosed all costs incurred during the mandated closure period. The closure costs exclude costs in relation to hotel quarantine services provided during the closure period but include the impact of the JobKeeper grant and other similar reimbursements, such as the Government support scheme in the UK. There were no closure costs associated with Crown's Wagering and Online businesses as their operations were not suspended during the reporting period.

3. Revenue and Expenses

	2020 \$m	2019 \$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Crown Melbourne	1,580.9	2,133.7
Crown Perth	607.5	808.8
Crown Aspinalls	42.7	56.3
Wagering & Online	134.7	129.1
Other	0.2	-
Less Commissions	(165.0)	(261.3)
Total Revenue from Contracts with Customers	2,201.0	2,866.6
Tenancy revenue	26.0	34.6
Interest	10.2	26.5
Dividends	-	1.5
	2,237.2	2,929.2
(b) Other income		
Profit on disposal of non-current assets	0.1	0.2
	0.1	0.2
(c) Expenses		
Cost of sales	124.1	157.6
Operating activities	1,799.4	2,122.4
Crown Sydney pre-opening costs	3.5	-
Goodwill impairment - Crown Aspinalls ⁽¹⁾	52.8	-
Goodwill impairment - DGN	-	48.9
Impairment of associate - Nobu ⁽¹⁾	21.7	-
Reassessment of contingent consideration - DGN ⁽²⁾	1.7	(48.9)
Other expenses	71.0	46.8
	2,074.2	2,326.8

⁽¹⁾ Refer note 13 for further information.

⁽²⁾ Refer note 15 for further information.

FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

3. Revenue and Expenses *continued*

	2020 \$m	2019 \$m
Depreciation of non-current assets (included in expenses above)		
Buildings	92.5	94.9
Plant and equipment	151.4	154.0
Right-of-use assets	5.9	-
	249.8	248.9
Amortisation of non-current assets (included in expenses above)		
Casino licence fee and management agreement	20.4	20.4
Other assets	5.3	4.3
	25.7	24.7
Total depreciation and amortisation expense	275.5	273.6
	2020 \$m	2019 \$m
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	66.8	81.5
Lease liabilities	2.4	-
Capitalised interest	(59.0)	(44.9)
	10.2	36.6
Superannuation expense	59.1	65.8
Other employee benefits expense (net of government grants, refer note 25)	777.2	925.1
Net foreign currency (gains)/losses	(0.2)	(1.3)
(e) Significant items - income / (expense)		
Crown Sydney pre-opening costs	(3.5)	-
Goodwill impairment - Crown Aspinalls ⁽¹⁾	(52.8)	-
Goodwill impairment - DGN	-	(48.9)
Impairment of associate - Nobu ⁽¹⁾	(21.7)	-
Reassessment of contingent consideration - DGN ⁽²⁾	(1.7)	48.9
Tax amounts in significant items	1.0	-
	(78.7)	-

⁽¹⁾ Refer note 13 for further information.⁽²⁾ Refer note 15 for further information.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

4. Dividends Paid and Declared

	2020	2019
	\$m	\$m
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend (paid 4 October 2019)</i>		
Paid at 30.0 cents (2018: 30.0 cents) per share franked at 25% (2018: 60% franked) at the Australian tax rate of 30% (2018: 30%)	203.1	205.9
<i>Current year interim dividend (paid 17 April 2020)</i>		
Paid at 30.0 cents (2019: 30.0 cents) per share franked at 0% (2019: 60% franked) at the Australian tax rate of 30% (2019: 30%)	203.1	203.1
Total dividends appropriated	406.2	409.0
(b) Dividends declared and not recognised as a liability		
<i>Current year final dividend</i>		
No final dividend declared (2019: 30.0 cents per share franked at 25% at the Australian tax rate of 30%)	-	203.1
(c) Franking credits		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2019: 30%)	1.0	2.9
Franking credits/(debits) that will arise from the payment/(receipt) of income taxes payable/(refundable) as at the end of the financial year	48.0	(4.4)
	49.0	(1.5)
The amount of franking credits available for future reporting periods:		
Impact on the franking account of dividends announced before the financial report was authorised for issue but not recognised as a distribution to equity holders during the financial year	-	(21.8)
Total franking credits available for future reporting periods	49.0	(23.3)

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

5. Income Tax

	2020	2019
	\$m	\$m
(a) Income tax expense		
The prima facie tax expense, using the Australian tax rate multiplied by profit differs from income tax provided in the financial statements as follows:		
Profit before income tax	153.2	579.3
Prima facie income tax expense on profit at the Australian rate of 30% (2019: 30%)	46.0	173.8
Tax effect of:		
Non deductible depreciation and amortisation	1.7	1.7
Share of associates' net losses/(profits)	(0.1)	(4.0)
Differences in foreign tax rates	0.3	(0.9)
Deferred tax balances not previously brought to account	4.1	1.5
Income tax (over)/under provided in prior years	(8.9)	(0.6)
Non-deductible/(non-assessable) significant items	22.8	-
Revenue losses not brought to account	0.2	(2.1)
Other items - net	5.2	7.0
Income tax expense	71.3	176.4
Income tax expense comprises:		
Current expense	78.7	50.9
Deferred expense	2.5	126.1
Adjustments for current income tax of prior periods	(8.9)	(0.6)
Tax on significant items	(1.0)	-
	71.3	176.4
(b) Deferred income taxes		
Deferred income tax assets	170.7	159.5
Deferred income tax liabilities	(405.7)	(401.5)
Net deferred income tax assets/(liabilities)	(235.0)	(242.0)

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

5. Income Tax *continued*

	Statement of Financial Position		Statement of Profit or Loss	
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
(c) Deferred income tax assets and liabilities at the end of the financial year				
The balance comprises temporary differences attributable to:				
Doubtful debt provision	25.5	18.2	(7.3)	95.1
Employee benefits provision	46.1	41.0	(5.1)	(2.3)
Losses available for offsetting against future taxable income	1.7	25.6	23.9	0.4
Other receivables	0.3	0.5	0.2	1.2
Other provisions	36.7	40.9	4.2	13.6
Prepaid casino tax	(13.6)	(14.0)	(0.4)	(0.4)
Licences and intangibles	(205.1)	(225.6)	(20.5)	(1.0)
Land and buildings	(206.0)	(166.1)	39.9	26.3
Property, plant & equipment	50.8	25.6	(18.5)	(6.7)
Revaluation of investment to fair value	-	-	-	18.4
Other	28.6	11.9	(13.9)	(18.5)
Deferred income tax expense/(income)			2.5	126.1
Net deferred income tax assets/(liabilities)	(235.0)	(242.0)		

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Notes to the Financial Statements

For the year ended 30 June 2020

5. Income Tax *continued*

	2020	2019
	\$m	\$m
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	(242.0)	(114.0)
Tax income / (expense) during the period recognised in profit or loss	(2.5)	(126.1)
Adjustment on adoption of AASB 16 <i>Leases</i>	6.6	-
Exchange differences	0.1	(0.1)
Tax income / (expense) - derivatives	2.8	(1.8)
Carrying amount at the end of the year	(235.0)	(242.0)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable		
Tax losses arising in Australia for offset against future capital gains	94.8	86.8
Foreign income tax losses for offset against future foreign profits	885.7	753.0
Total tax losses not brought to account	980.5	839.8
Potential tax benefit at respective tax rates	214.5	184.2

(f) Unrecognised temporary differences

At 30 June 2020, there is no recognised or unrecognised deferred income tax liability (2019: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

(g) Tax consolidation

Crown Resorts Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Resorts Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Resorts Limited in order to allocate income tax expense between Crown Resorts Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

(h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase / decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, Crown Resorts Limited.

FINANCIAL REPORT 2020 continued

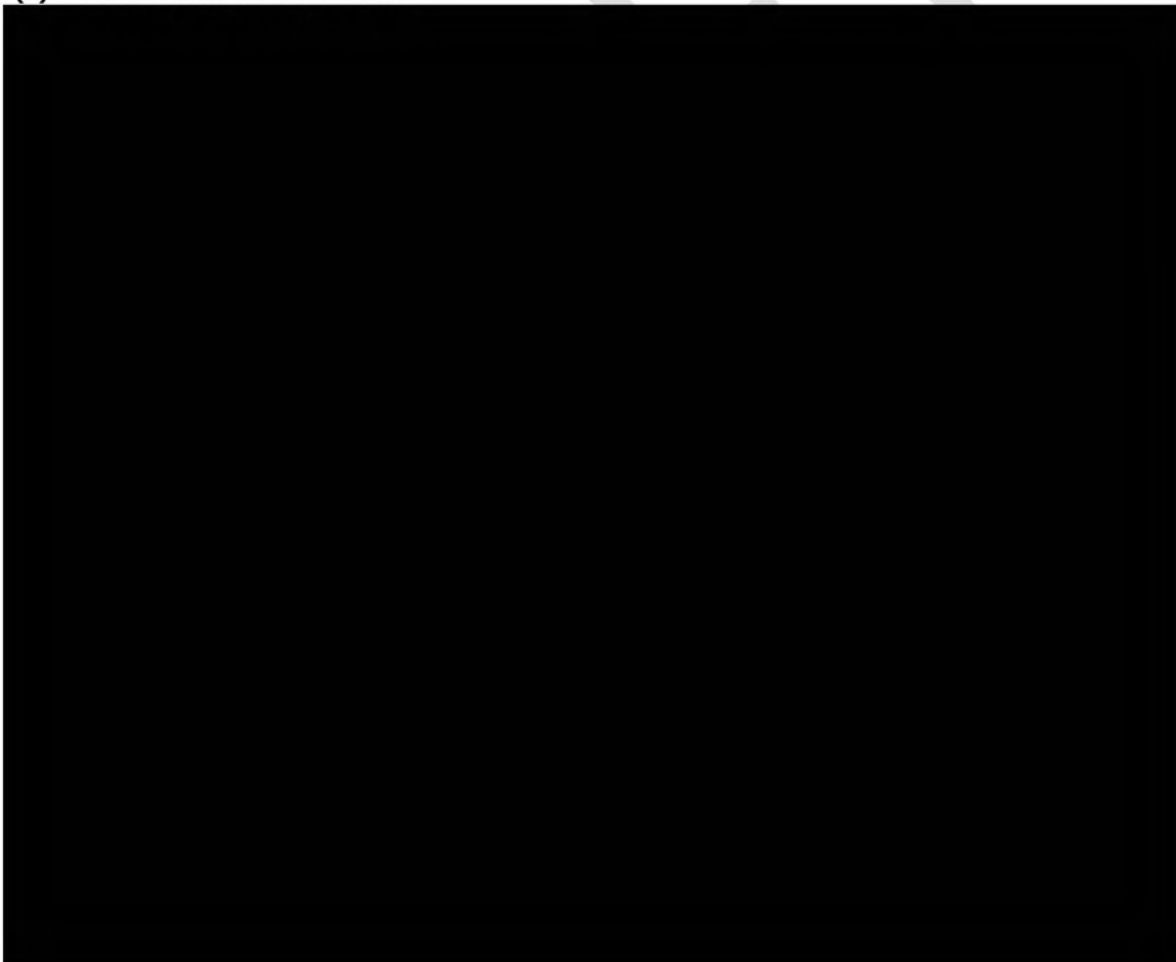
Notes to the Financial Statements

For the year ended 30 June 2020

6. Trade and Other Receivables

	2020	2019
	\$m	\$m
Current		
Trade receivables	193.5	189.7
Provision for doubtful debts (a)	(139.0)	(108.0)
	54.5	81.7
Other receivables	56.7	17.0
	111.2	98.7
Non-current		
Other receivables	-	157.8
	-	157.8

(a) Allowance for Doubtful Debts



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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

7. Other Financial Assets

	2020	2019
	\$m	\$m
Current		
Receivable on foreign exchange contracts	-	5.5
	-	5.5
Non-current		
Receivable on cross currency swaps	29.3	35.2
Other	-	2.3
	29.3	37.5

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 32.

8. Investments in Associates

	2020	2019
	\$m	\$m
Investment details:		
Associated entities - unlisted shares	186.0	206.9
Total investments in associates	186.0	206.9

	2020	2019
	\$m	\$m
Share of profits of associates		
Nobu Group	3.4	7.3
Aggregate share of profit from non material associates	(3.1)	6.0
	0.3	13.3

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2020	30 June 2019
Nobu Group	31 Dec ⁽¹⁾	Restaurants/Hotels	USA	20.0	20.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	UK	50.0	50.0
Chill Gaming Pty Ltd	30 June	Gaming software developer	Australia	50.0	50.0

⁽¹⁾ The Group uses 30 June results to equity account the investments.

The associates outlined above are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of each of the Group's material associates is set out below.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

8. Investments in Associates *continued*

	2020	2019
	\$m	\$m
Carrying amount of investment - Nobu Group:		
Balance at the beginning of the financial year	142.5	135.2
Share of associates' net profit/(loss) for the year	3.4	7.3
Impairment ⁽¹⁾	(21.7)	-
Foreign exchange movements	2.8	7.4
Dividends received	(5.9)	(7.4)
Carrying amount of investment in the Nobu Group at the end of the financial year	121.1	142.5

⁽¹⁾ Refer note 13 for further information.

9. Property, Plant and Equipment

Property, plant and equipment comprises owned and leased assets.

	2020	2019
	\$m	\$m
Property, plant and equipment - owned	4,837.4	4,259.0
Right-of-use assets - leased (refer note 10)	33.8	-
	4,871.2	4,259.0

Owned assets

	Freehold land & buildings	Buildings on leasehold land	Plant & equipment	Construction work in progress	Total property, plant & equipment
	\$m	\$m	\$m	\$m	\$m
Year ended 30 June 2020					
At 1 July 2019, net of accumulated depreciation and impairment	1,705.9	795.8	611.3	1,146.0	4,259.0
Additions	93.8	18.5	92.6	617.0	821.9
Depreciation expense	(43.4)	(49.1)	(151.4)	-	(243.9)
Exchange differences	-	-	0.4	-	0.4
Reclassification/ transfer	0.9	-	7.2	(8.1)	-
At 30 June 2020, net of accumulated depreciation and impairment	1,757.2	765.2	560.1	1,754.9	4,837.4
At 30 June 2020					
Cost (gross carrying amount)	2,283.1	1,616.9	2,568.8	1,754.9	8,223.7
Accumulated depreciation and impairment	(525.9)	(851.7)	(2,008.7)	-	(3,386.3)
Net carrying amount	1,757.2	765.2	560.1	1,754.9	4,837.4

As part of the refinancing undertaken in April 2020, Crown entered into new bi-lateral facilities totalling \$560 million and provided security to the lenders in the form of first ranking mortgages over certain Property, Plant and Equipment.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

9. Property, Plant and Equipment *continued*

	Freehold land & buildings	Buildings on leasehold land	Plant & equipment	Construction work in progress	Total property, plant & equipment
	\$m	\$m	\$m	\$m	\$m
Year ended 30 June 2019					
At 1 July 2018, net of accumulated depreciation and impairment	1,741.7	829.7	664.3	645.0	3,880.7
Additions	1.3	16.0	92.2	517.0	626.5
Disposals	-	-	(0.9)	-	(0.9)
Depreciation expense	(45.5)	(49.4)	(154.0)	-	(248.9)
Exchange differences	-	0.3	1.3	-	1.6
Reclassification/ transfer	8.4	(0.8)	8.4	(16.0)	-
At 30 June 2019, net of accumulated depreciation and impairment	1,705.9	795.8	611.3	1,146.0	4,259.0
At 30 June 2019					
Cost (gross carrying amount)	2,189.0	1,602.5	2,517.3	1,146.0	7,454.8
Accumulated depreciation and impairment	(483.1)	(806.7)	(1,906.0)	-	(3,195.8)
Net carrying amount	1,705.9	795.8	611.3	1,146.0	4,259.0

10. Leases

Group as Lessee

The Group has lease contracts for various items of property, offices, warehouses, vehicles and other equipment. Major property leases include the Crown Melbourne main site (discussed further below), a portion of the Crown Aspinalls property (lease expiring in 2031) and administration offices adjacent to the Crown Sydney complex (lease terms of 5 to 7 years).

Crown Melbourne main site lease

In 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which the Crown Melbourne Entertainment Complex is located. For years one to forty inclusive, the annual rent payable is one dollar per annum. For years forty-one to ninety-nine inclusive, the annual rent payable will be the then current market rent for the site. The carrying value of the right-of-use asset has been determined as if the standard had always applied, based on the payments in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease, applying the incremental borrowing rate at date of initial application of the standard. In estimating the market rent at commencement date, the Group engaged an independent property valuer.

Set out below are the carrying amounts of Right-of-use assets (included under Property, Plant & Equipment):

	Land & buildings	Other	Total
	\$m	\$m	\$m
Net carrying amount			
30 June 2020	30.2	3.6	33.8
Depreciation expense for the year ended			
30 June 2020	3.9	2.0	5.9

Additions to right-of-use assets during 2020 were \$9.0 million.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

10. Leases *continued*

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020
	\$m
Balance on adoption of AASB16 <i>Leases</i>	54.5
Additions	9.0
Accretion of interest	2.4
Payments	(7.1)
Exchange differences	(0.1)
Balance at the end of the financial year	58.7
Current	7.2
Non-current	51.5
	58.7

The maturity analysis of lease liabilities is disclosed in note 32.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. The group recognised rent expense from short-term leases of \$1.3 million and variable lease payments of \$1.0 million during the financial year. In addition, Crown was granted \$0.2 million in rent relief due to COVID-19, which has been recognised in the Statement of Profit & Loss.

The Group had total cash outflows for leases of \$9.2 million in 2020. The Group has lease contracts that have not yet commenced as at 30 June 2020. The future lease payments for these non-cancellable lease contracts are \$1.4 million within one year, \$5.8 million within five years and \$2.9 million thereafter.

Group as Lessor

The Group has entered into operating leases for retail tenancies within its Crown Melbourne and Crown Perth properties. Future minimum rental revenue receivables for the non-cancellable period of the operating leases are shown in the table below. The leases have terms between 3 and 25 years.

	2020	2019
	\$m	\$m
Payable within one year	20.6	24.5
Payable after one year but not more than five years	51.0	57.7
Payable more than five years	11.6	15.2
	83.2	97.4

Crown granted rent relief to its tenants as a result of the closure of Crown's properties. The majority of Crown's rental income is derived from Crown Melbourne which remained closed at balance date. Crown intends to continue to not charge rent to tenants whilst the property remains closed. The above amounts represent the contractual obligations, and will therefore be reduced by the rental relief provided to tenants. As Crown is unable to reliably estimate when Crown Melbourne will be re-opened, this amount has not been quantified.

The total contingent rent recognised as income during the year is \$4.6 million (2019: \$5.7 million). Contingent rentals which may become receivable in the future and separately invoiced amounts for recovery of property outgoings are excluded from the table above.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

11. Intangible Assets -Licences

	2020	2019
	\$m	\$m
Balance at the beginning of the financial year	1,064.0	1,080.6
Amortisation expense	(16.7)	(16.6)
Balance at the end of the financial year	1,047.3	1,064.0
Cost (gross carrying amount)	1,297.0	1,297.0
Accumulated amortisation and impairment	(249.7)	(233.0)
Net carrying amount	1,047.3	1,064.0

The casino licences are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence is being amortised until 2050. The Crown Perth licence (\$440.4 million) is assessed as having an indefinite useful life, as it does not expire, and therefore no amortisation is charged. Amortisation will commence on the Crown Sydney licence once the property is operational.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

12. Other Intangible Assets

	Goodwill ⁽¹⁾	Casino Management Agreement ⁽¹⁾	Other	Total
	\$m	\$m	\$m	\$m
Year ended 30 June 2020				
At 1 July 2019, net of accumulated amortisation and impairment	295.4	115.3	4.6	415.3
Impairment ⁽²⁾	(52.8)	-	-	(52.8)
Exchange differences	0.6	-	-	0.6
Amortisation expense	-	(3.7)	(3.8)	(7.5)
At 30 June 2020, net of accumulated amortisation and impairment	243.2	111.6	0.8	355.6
At 30 June 2020				
Cost (gross carrying amount)	243.2	245.3	18.4	506.9
Accumulated amortisation	-	(133.7)	(17.6)	(151.3)
Net carrying amount	243.2	111.6	0.8	355.6
Year ended 30 June 2019				
At 1 July 2018, net of accumulated amortisation and impairment	338.4	119.0	5.4	462.8
Additions	-	-	2.0	2.0
Impairment ⁽³⁾	(48.9)	-	-	(48.9)
Exchange differences	5.9	-	-	5.9
Amortisation expense	-	(3.7)	(2.8)	(6.5)
At 30 June 2019, net of accumulated amortisation and impairment	295.4	115.3	4.6	415.3
At 30 June 2019				
Cost (gross carrying amount)	295.4	245.3	22.5	563.2
Accumulated amortisation	-	(130.0)	(17.9)	(147.9)
Net carrying amount	295.4	115.3	4.6	415.3

⁽¹⁾ Purchased as part of business combinations.

⁽²⁾ Impairment relates to the goodwill in Crown Aspinalls. Refer note 13 for further details.

⁽³⁾ Impairment relates to the goodwill in DGN. Refer note 13 for further details

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 13). The goodwill balance at 30 June 2020 is allocated to Crown Melbourne \$26.9 million (2019: \$26.9 million), Crown Perth \$144.0m (2019: \$144.0 million), Crown Aspinalls \$Nil (2019: \$53.1 million), DGN \$52.4 million (2019: \$51.5 million) and Betfair \$19.9 million (2019: \$19.9 million).

The useful life of the Crown Melbourne casino management agreement is amortised on a straight line basis to 2050.

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Notes to the Financial Statements

For the year ended 30 June 2020

13. Impairment Testing

Intangible assets and items of Property Plant and Equipment

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGUs) identified according to the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets.

The allocation of goodwill and other intangible assets with indefinite useful lives to the Group's CGUs are outlined in note 11 and note 12.

The recoverable amount of a CGU is defined as the higher of the value in use and the fair value less cost of disposal. This implied value is then compared with the carrying value of the CGU to determine any impairment required. The recoverable amount of the Crown Melbourne, Crown Perth and Betfair CGUs has been determined based on a value in use calculation using a discounted cash flow methodology covering a five year period, with an appropriate terminal value at the end of that period. The methodology utilises cash flow forecasts that are based primarily on business plans presented to the Board.

The recoverable amount of the DGN, Crown Sydney and Crown Aspinalls CGUs has been determined based on fair value less costs of disposal, utilising a combination of independent valuations undertaken by third parties, internal assessments of asset values, a discounted cash flow methodology, forecast earnings for the CGU as well as trading multiples of entities of a similar nature to each CGU.

In addition, given the impact of COVID-19 on the valuation of real estate assets, the Group undertook an impairment assessment of the One Queensbridge site, which utilised fair value less costs of disposal and involved the use of independent valuations undertaken by third parties.

Investments in Associates

For equity accounted associates, in accordance with *AASB 128 Investments in Associates and Joint Ventures*, the Group is required to assess whether there is any objective evidence of impairment as a result of one or more events that occurred after initial recognition of the net investment, and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Crown has three equity accounted associates, as outlined in note 8. The Nobu Group, the Aspers Group and Chill Gaming have all been adversely impacted by COVID-19, and therefore the Group has determined that this would be considered objective evidence that an impairment analysis should be undertaken.

The recoverable amount of the Group's investment in each associate has been determined based on a value in use calculation using a discounted cash flow methodology covering a five year period, with an appropriate terminal value at the end of that period. The methodology utilises cash flow forecasts that are based primarily on business plans presented to the Board.

Value in use assessment

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing under the value in use method. The adopted recoverable amount has been determined based on a range of values calculated using the methods described below.

- Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period, risk adjusted where applicable.
- Terminal value is calculated using a perpetuity growth formula based on cash flow forecasts using a weighted average cost of capital (after tax) and forecast growth rate.
- Forecast growth rates are based on past performance and management's expectations of future performance as at 30 June 2020, based on the current circumstances, nature of the products and industries in which each business operates. The terminal growth rates beyond the five year period do not exceed the forecasted long term Australian inflation rate of 2.50% (2019: 2.50%).
- A weighted average cost of capital (after tax) of between 7.8% and 13.3% (2019: 8% and 12%) was used by the Group in impairment testing, risk adjusted where applicable.

Fair value less costs of disposal assessment

The following describes each key assumption on which management has based its recoverable amount calculation under the fair value less costs of disposal method. The below assumptions are in addition to those assumptions utilised in the independent valuations undertaken for the CGUs/assets.

For calculations using a discounted cash flow methodology the key assumptions are:

- Earnings forecasts are based on the business plan as presented to the Board, which are based on past performance and expectations for the future using a five year cash flow period, risk adjusted where applicable.
- Terminal value is calculated using a perpetuity growth formula based on cash flow forecasts using a discount rate and earnings multiples.
- A discount rate (after tax) of 13.3% was used (2019: range of 8% and 12%), risk adjusted where applicable.
- Cost of disposal of 2.0% has been utilised to discount the implied fair value.

Notes to the Financial Statements

For the year ended 30 June 2020

13. Impairment Testing *continued*

For calculations using trading multiples of entities of a similar nature to each CGU the key assumptions are:

- Trading multiples of publicly listed companies and entities of a similar nature to the CGU of between 8.0x and 10.5x next twelve months EBITDA have been utilised.
- Cost of disposal of between 1.0% and 2.0% has been utilised to discount the implied fair value.

The fair value measurement for the Crown Aspinalls, DGN and Crown Sydney CGUs and the One Queensbridge site are considered to be level 3 in the fair value hierarchy, as it is based on using inputs that are not based on observable market data. Where available, applicable level 2 information has been taken into account (refer to note 32 for explanation of the valuation hierarchy).

Outcome of impairment tests

Based on the valuation techniques performed, an impairment loss of \$52.8 million has been recorded against the Group's intangible assets during the year (2019: \$48.9 million). In addition, an impairment loss of \$21.7 million has been recorded against the Group's investments in associates (2019: nil).

As at 30 June 2019, goodwill relating to the acquisition of Crown Aspinalls was \$53.1 million (£29.3 million). At 30 June 2020, indicators of impairment were identified for the Crown Aspinalls CGU. These indicators were considered in the re-forecast of cash flows of Crown Aspinalls, which were developed as part of the annual business plan presented to the Board in June 2020. Based on the impairment testing undertaken, the recoverable amount of the Crown Aspinalls CGU is \$60.7 million (£33.8 million) as at 30 June 2020. As a result of the carrying amounts exceeding recoverable amount of the CGU, Crown has reduced goodwill relating to the acquisition of Crown Aspinalls by \$52.8 million (£29.3 million). This impairment loss has been included in the Statement of Profit or Loss.

At 30 June 2020, indicators of impairment were identified for the Group's investment in Nobu. These indicators were considered in the re-forecast of cash flows of Nobu, which were developed as part of the annual business plan presented to the Board in June 2020. Based on the impairment testing undertaken, the recoverable amount of the Group's investment in Nobu is \$121.2 million as at 30 June 2020. As a result of the carrying amount of the investment exceeding its recoverable amount, Crown has reduced the carrying amount of the investment in Nobu by \$21.7 million. This impairment loss has been included in the Statement of Profit or Loss.

Sensitivity analysis

For CGUs and associates where the recoverable amount was determined based on the value in use calculation, the key estimates and assumptions used to determine the value in use are based on management's current expectations based on past experience, current circumstances surrounding COVID-19, future plans and external market information. They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

For CGUs and development assets where the recoverable amount was determined based on fair value less costs of disposal, the key assumptions used to determine the fair value include trading multiples, earnings forecasts for the CGU and assumptions used in the independent valuations undertaken for the asset.

In the case of Crown Aspinalls and Nobu where an impairment charge was taken, an adverse change in any of the assumptions utilised to determine the fair value would lead to a further impairment charge of the CGU or the Group's investment in the associate. In relation to Crown Perth, based on the Board presented forecasts, an increase in the discount rate of greater than 1.00% could give rise to an impairment. It should be noted that the Crown Perth has opened earlier than anticipated and traded stronger than the Board presented forecasts. It is not considered that any reasonable possible change in any of the above assumptions would cause the carrying value of any other CGU or associate to materially exceed its recoverable amount.

The Group will continue to monitor the performance of all CGUs and associates going forward, and consider the impact on the impairment testing assumptions and carrying value.

FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

14. Other Assets

	2020	2019
	\$m	\$m
Non-current		
Prepaid casino tax at cost	100.8	100.8
Accumulated amortisation	(55.4)	(53.9)
	45.4	46.9
Other prepayments	3.4	1.9
	48.8	48.8

15. Trade and Other Payables

	2020	2019
	\$m	\$m
Current - unsecured		
Trade and other payables	190.1	278.3
Contract and contract-related liabilities ⁽¹⁾	137.8	152.5
Contingent consideration	2.4	-
Other	96.2	2.3
	426.5	433.1
Non-current - unsecured		
Casino licence payable ⁽²⁾	172.3	167.6
Contingent consideration	-	0.7
Other	-	86.8
	172.3	255.1

⁽¹⁾ Contract and contract related liabilities include unredeemed casino chips, loyalty program liabilities and advance customer deposits which decreased by \$14.7 million during the year (2019: decreased by \$24.5 million).

⁽²⁾ Net present value of the \$250.0 million payment due in 2033 relating to the Crown Melbourne Casino licence.

Contingent Consideration

As part of the purchase agreement with the previous owners of Winners Club, there may be an additional contingent consideration payment due based on the 2020 earnings of the DGN Group. During the current period, following a re-forecast of earnings of the DGN Group, Crown has increased the contingent consideration by \$1.7 million, which has been included in the Statement of Profit or Loss (2019: a reduction of \$48.9 million). The fair value measurement for contingent consideration is considered to be level 3 in the fair value hierarchy, based on using inputs that are not based on observable market data (refer to note 32 for explanation of the valuation hierarchy). A significant increase (decrease) in the future earnings of the DGN Group would result in a higher (lower) fair value of the contingent consideration liability.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

16. Interest-Bearing Loans and Borrowings

	2020	2019
	\$m	\$m
Current		
Bank Loans	-	28.5
Capital Markets Debt	-	259.1
Lease Liabilities	7.2	-
Other loans	1.0	-
	8.2	287.6
Non-current		
Bank Loans	280.0	-
Capital Markets Debt	790.3	790.0
Lease Liabilities	51.5	-
Other loans	-	1.0
	1,121.8	791.0

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 32.

Financial Risk Management

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 32.

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FINANCIAL REPORT 2020 *continued*

Notes to the Financial Statements

For the year ended 30 June 2020

16. Interest-Bearing Loans and Borrowings *continued*

Financing and Credit Facilities

Credit facilities are provided as part of the overall debt funding structure of the Crown Group as follows:

Financing and Credit Facilities

Facility Type	Facility Amount \$m	Drawn Amount \$m	Letters of Credit Issued \$m	Available \$m	Expiry Dates
Bank Facilities					
Bilateral Facilities	630.0	280.0	38.5	311.5	Apr 22 - Apr 24
GBP Syndicated Facility	89.8	-	-	89.8	Aug 20
Letter of Credit Facilities	125.5	-	125.5	-	Jan 22 - Jun 30
	845.3	280.0	164.0	401.3	
Debt Capital Markets					
Euro Medium Term Notes	174.6	174.6	-	-	Jul 2036
AUD Subordinated Notes	615.7	615.7	-	-	Apr 2075
	790.3	790.3	-	-	
Other					
Other Loans	1.0	1.0	-	-	Jun 2021
Total at 30 June 2020	1,636.6	1,071.3	164.0	401.3	
Total at 30 June 2019	1,561.0	1,078.6	282.0	200.4	

As part of the refinancing undertaken in April 2020, Crown secured new bank financing facilities totalling \$560 million. These bank facilities are secured by Property, Plant and Equipment as outlined in note 9. The remainder of the bank facilities are provided on an unsecured basis by domestic and international banks. Refer note 32(a)(i) for further details regarding interest rates.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility, syndicated facilities and the bilateral facilities.

Each of the above mentioned facilities is issued by or supported by a Group guarantee from Crown and certain subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

[Consider including Sydney Facility Discussion once finalised]

Refer to note 21(c) for a summary of Crown's overdraft facilities.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

17. Provisions

	Employee Entitlements	Other	Total
	\$m	\$m	\$m
At 1 July 2019	172.9	37.3	210.2
Arising during the year	100.9	10.4	111.3
Utilised during the year	(81.3)	(12.9)	(94.2)
At 30 June 2020	192.5	34.8	227.3
Current 2020	177.5	22.8	200.3
Non-current 2020	15.0	12.0	27.0
At 30 June 2020	192.5	34.8	227.3
Current 2019	158.4	27.6	186.0
Non-current 2019	14.5	9.7	24.2
At 30 June 2019	172.9	37.3	210.2

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

18. Contributed Equity

	2020	2019
	\$m	\$m
Issued share capital		
Ordinary shares fully paid	(203.3)	(203.3)
Movements in issued share capital		
Carrying amount at the beginning of the financial year	(203.3)	(71.9)
Share buy-back, inclusive of costs	-	(131.4)
Carrying amount at the end of the financial year	(203.3)	(203.3)
Shares held in Trust		
Balance at beginning of the financial year	-	(15.7)
Shares transferred under the Crown Long Term Incentive Plan	-	15.7
Balance at the end of the financial year	-	-
	2020	2019
	No.	No.
Issued share capital		
Ordinary shares fully paid	677,158,271	677,158,271
Movements in issued share capital		
Balance at the beginning of the financial year	677,158,271	687,421,194
Share buy-back	-	(10,262,923)
Balance at the end of the financial year	677,158,271	677,158,271

For the year ended 30 June 2019, the Group carried out an on-market share buy-back to a value of \$131.4 million. There was no additional share buy-back undertaken in the current year

Due to share buy-backs being undertaken at higher prices than the original subscription prices, the balance of contributed equity is reflected as a negative balance, which shows the excess value of shares bought over the original amount of subscribed capital. Refer note 31 for details of the Parent Entity's share capital, which has significant paid up capital.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

The voting rights attaching to ordinary shares provide that each ordinary shareholder present in person or by proxy or attorney or being a corporation present by representative at a meeting shall have:

- (a) on a show of hands, one vote only;
- (b) on a poll, one vote for every fully paid ordinary share held.

Capital Management

When managing capital, the Group's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2020, the Group paid dividends of \$406.2 million (2019: \$409.0 million). [The Group's dividend policy is to pay 60 cents per share on a full year basis, subject to Crown's financial position. Having regard to the impact on Crown's businesses from the mandatory closures and the uncertainty surrounding the resumption of trading at Crown Melbourne, Crown has determined not to declare a final dividend on ordinary shares. Future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time.]

Notes to the Financial Statements

For the year ended 30 June 2020

19. Reserves and Retained Earnings

	2020	2019
	\$m	\$m
Foreign currency translation reserve	(23.6)	(28.8)
Employee equity benefits reserve	22.3	18.9
Net unrealised gains reserve	(14.4)	(14.1)
Cash flow hedge reserve	18.8	25.4
	3.1	1.4
Foreign Currency Translation Reserve		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to recognise gains and losses on hedges of the net investment in foreign operations.		
Balance at the beginning of the financial year	(28.8)	(42.5)
Net foreign exchange translation	5.3	14.0
Non-controlling interest	(0.1)	(0.3)
Balance at the end of the financial year	(23.6)	(28.8)
Employee Equity Benefits Reserve		
The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.		
Balance at the beginning of the financial year	18.9	15.6
Movement for the period	3.4	3.3
Balance at the end of the financial year	22.3	18.9
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in ownership interests in a subsidiary, investments and associates equity, which do not impact control.		
Balance at the beginning of the financial year	(14.1)	(54.9)
Movement in non-controlling interest put option	(0.3)	40.8
Balance at the end of the financial year	(14.4)	(14.1)
Cash Flow Hedge Reserve		
The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.		
Balance at the beginning of the financial year	25.4	21.3
Movement in interest rate swaps	1.4	(1.6)
Movement in cross currency swaps	(4.2)	8.3
Movement in forward exchange contracts	(3.8)	(2.6)
Balance at the end of the financial year	18.8	25.4

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FINANCIAL REPORT 2020 *continued*

Notes to the Financial Statements

For the year ended 30 June 2020

19. Reserves and Retained Earnings *continued*

	2020	2019
	\$m	\$m
Retained Earnings		
Balance at the beginning of the financial year	5,298.8	5,306.0
Adoption of AASB 16 <i>Leases</i>	(17.6)	-
Net profit after tax attributable to equity holders of the parent	79.5	401.8
Total available for appropriation	5,360.7	5,707.8
Dividends provided for or paid	(406.2)	(409.0)
Balance at the end of the financial year	4,954.5	5,298.8

20. Capital Commitments

	2020	2019
	\$m	\$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	477.6	623.9
Payable after one year but not more than five years	11.9	82.8
	489.5	706.7

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

21. Cash Flow Statement Reconciliation

	2020	2019
	\$m	\$m
(a) Cash balance represents:		
Cash on hand and at bank	158.3	412.5
Deposits at call	128.6	713.5
	286.9	1,126.0

The above closing cash balances includes \$48.4 million (2019: \$133.9 million) of cash on the company's premises and cash held in bank accounts needed to run the day to day operations of the businesses and cash (including deposits on call) of \$238.5 million (2019: \$992.1 million) for other purposes. All deposits at call are with approved counterparties with investment grade ratings. Refer note 32(c) for further details.

	2020	2019
	\$m	\$m
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit after tax	81.9	402.9
Non cash items and items dealt with separately:		
- Depreciation and amortisation	275.5	273.6
- Asset impairment	74.5	48.9
- Share of associates' net (profit)/loss	(0.3)	(13.3)
- Net foreign exchange (gain)/loss	(0.2)	(1.3)
- Reassessment of contingent consideration - DGN	1.7	(48.9)
- Fair value movement of derivatives not in hedging relationships	2.3	(2.3)
Cash items not included in profit after tax:		
- Dividends received from associates	5.9	7.4
Items classified as investing/financing activities:		
- (Profit)/loss on sale of property, plant and equipment	(0.1)	(0.2)
- Net gain on disposal of subsidiaries and associates	-	(12.0)
Working Capital changes:		
- (Increase) / decrease in trade receivables and other assets	74.9	53.6
- (Increase) / decrease in inventories	(0.5)	0.6
- (Decrease) / increase in tax provisions	(113.7)	116.6
- (Decrease) / increase in trade and other payables, accruals, provisions and other liabilities	(75.0)	(47.5)
Net cash flows from operating activities	326.9	778.1

(c) Bank Overdraft Facilities

The Group has bank overdraft facilities available as follows:

Bank	2020	2019
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	US\$10 million	US\$10 million
Royal Bank of Scotland PLC	£18 million	£18 million

As at 30 June 2020 there were no drawn down amounts on the overdraft facilities (2019: nil).

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

22. Events After the Reporting Period

On 27 July 2020, the inquiry established by the NSW Independent Liquor and Gaming Authority (ILGA) under section 143 of the Casino Control Act 1992 (NSW) (Inquiry) recommenced public hearings. [The commissioner appointed to preside over the Inquiry has been instructed to report its findings to ILGA by 1 February 2021.]

23. Contingent Liabilities and Related Matters

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers have commenced a class action proceeding against Crown in the Federal Court of Australia. The proceeding has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. Crown has announced that it intends to vigorously defend the proceeding.

In addition to the above matters, entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The Group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

The group has no other material contingent liabilities at 30 June 2020.

24. Auditors' Remuneration

	2020	2019
	\$	\$
Fees to Ernst & Young (Australia) for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,468,377	1,575,277
Fees for other services:		
- Taxation services	2,479,861	3,567,326
- Other	82,000	138,103
Total fees to Ernst & Young (Australia)	4,030,238	5,280,706
Fees to other overseas member firms of Ernst & Young (Australia) for:		
Fees for auditing the financial report of any controlled entities	127,583	127,509
Fees for other services:		
- Taxation services	339,453	545,204
Total fees to overseas member firms of Ernst & Young (Australia)	467,036	672,713
Total auditor's remuneration	4,497,274	5,953,419

25. Government Grants

During the year, Crown was entitled to government payments relating to employee retention schemes in Australia and the UK as a result of COVID-19 totalling \$113.9m, the accounting for which is detailed below. Crown has elected to present grants related to payroll expenses as a deduction against the related expense in the Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Under the JobKeeper program, Crown recorded \$43.4 million in payroll subsidies which related to the period through to 30 June 2020 for employees that continued to work for Crown in either a full or partial capacity. The subsidy amount has been recognised as a reduction in 'Expenses-Operating activities' in note 2(c) and in the 'Costs incurred during mandated closure' detailed in the Segment Note.

Crown has recorded a further \$67.9 million in JobKeeper payments and \$2.6 million in Coronavirus Job Retention Scheme (UK) payments relating to employees that were stood down during the year. These amounts were paid in their entirety to Crown's employees and had no impact on the Statement of Profit or Loss.

At 30 June 2020, the amount receivable to Crown was \$50.2 million.

There are no unfulfilled conditions or contingencies attached to these grants.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

26. Earnings Per Share (EPS)

	2020	2019
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit / (loss) after tax used in calculating basic and diluted EPS (\$m)	79.5	401.8
Weighted average number of ordinary shares used in calculating basic EPS ('m)	677.2	680.2
Weighted average number of ordinary shares used in calculating diluted EPS ('m)	677.2	681.0

During the year ended 30 June 2019, Crown undertook an on-market share buy-back to a value of \$131.4 million. Following the completion of the buy-back, Crown's shares on issue reduced by approximately 10.3 million to approximately 677.2 million.

27. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

The Hon. Helen A Coonan	Chair (appointed as Chair on 24 January 2020)
Professor John S Horvath AO	Deputy Chair (appointed as Deputy Chair on 24 January 2020)
Kenneth M Barton	Chief Executive Officer (appointed 24 January 2020) & Managing Director (from 3 March 2020)
John H Alexander	Executive Director (Executive Chair until 24 January 2020)
Andrew Demetriou	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director (resigned 24 October 2019)
Jane Halton AO PSM	Non-Executive Director
Guy Jalland	Non-Executive Director
Michael R Johnston	Non-Executive Director
Antonia Korsanos	Non-Executive Director
Harold C Mitchell AC	Non-Executive Director
John Poynton AO	Non-Executive Director

(ii) Executives

Barry Felstead	Chief Executive Officer – Australian Resorts
Alan McGregor	Chief Financial Officer (appointed 13 March 2020)
W Todd Nisbet	Executive Vice President – Strategy and Development

(b) Remuneration of key management personnel

Total remuneration for key management personnel for the Group and Parent Entity during the financial year are set out below:

	2020	2019
Remuneration by category	\$m	\$m
Short term benefits	TBA	13.0
Post employment benefits	TBA	0.2
Long term incentives	TBA	2.4
	-	15.6

Further details regarding key management personnel and detailed disclosures of share based payment arrangements are contained in the Remuneration Report.

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Notes to the Financial Statements

For the year ended 30 June 2020

28. Related Party Disclosures

(a) Parent entity

Crown Resorts Limited is the ultimate parent entity of the Group.

(b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 29.

Investments in associates and joint ventures are set out in note 8.

(c) Entity with significant influence over the Group

Based on a substantial shareholder notice dated 11 June 2019 lodged by the Consolidated Press Holdings Group ("CPH"), comprising Consolidated Press Holdings Pty Limited and its related corporations, a group related to Mr James Packer, CPH had a relevant interest in 249,253,302 of the Company's fully paid ordinary shares at balance date. This equates to 36.81% of the Company's fully paid ordinary shares (2019: 36.81%) based on the total number of shares on issue at the relevant balance date.

(d) Key management personnel

Disclosures relating to key management personnel are set out in note 27, and in the Remuneration Report.

(e) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

(f) Transactions with related parties

The Group had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided management services in accordance with a Services Agreement, in addition to corporate secretarial and administrative services of \$1.2 million during the year (2019: \$3.5 million). CPH paid costs on behalf of Crown to third parties totalling \$0.7 million during the year (2019: \$1.0 million). At 30 June 2020 there was \$0.4 million owing to CPH (2019: \$0.4 million).

Crown and its controlled entities provided CPH with hotel and banqueting services of \$11,000 during the year (2019: \$12,000). At 30 June 2020 there were no amounts owing from CPH (2019: \$nil).

In line with its commitment to the NSW Government, Crown has ongoing access rights to the golf course and other facilities at Ellerston (a property in the Hunter Valley owned by CPH and an entity associated with Ms Gretel Packer). During the period Crown paid \$1.0 million for the access rights (2019: \$1.0 million).

(ii) Associates

During the period, Crown paid the Nobu Group \$2.2 million (2019: \$2.7 million) in license and management fees relating to restaurants at Crown Melbourne and Crown Perth.

FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

29. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Resorts Limited and its controlled entities. Significant controlled entities and those that are party to a Deed of Cross Guarantee with the parent entity are set out below:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2020	2019		2020 %	2019 %
Crown Resorts Limited			Australia	Parent Entity	
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Betfair Pty Ltd	A	A	Australia	100	100
Betfair Australasia Pty Ltd	A	A	Australia	100	100
Burswood Limited	A	A	Australia	100	100
Burswood Nominees Ltd	A	A	Australia	100	100
Burswood Resort (Management) Ltd	A	A	Australia	100	100
Capital Club Pty Ltd			Australia	100	100
Club Gaming Pty Ltd			Australia	100	100
Crown Asia Investments Pty Ltd	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Pty Ltd			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Group Investments One LLC			USA	100	100
Crown CCR Group Investments Two LLC			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown Digital Holdings Pty Ltd	A	A	Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown (Gaming Technology) Holdings Pty Ltd			Australia	100	100
Crown Gateway Luxembourg Pty Ltd			Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Resorts International Holdings Ltd			Bahamas	100	100
Crown Investment Holdings LLC			USA	100	100
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Queensbridge Development Pty Ltd			Australia	100	100
Crown Queensbridge Holdings Pty Ltd			Australia	100	100
Crown Queensbridge Property (Hotel) Pty Ltd			Australia	100	100
Crown Queensbridge Property (Residential) Pty Ltd			Australia	100	100
Crown Queensbridge Nominees One Pty Ltd			Australia	100	-
Crown Queensbridge Nominees Two Pty Ltd			Australia	100	-
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd			Australia	100	100

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

29. Investment in Controlled Entities *continued*

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2020	2019		2020 %	2019 %
Crown Sydney Holdings Pty Ltd	A	A	Australia	100	100
Crown Sydney Property Pty Ltd	A	A	Australia	100	100
Crown Training Pty Ltd			Australia	100	100
Crown US Investments LLC			USA	100	100
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Holdings Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Pty Ltd	A	A	Australia	100	100
DGN Games LLC			USA	85	85
Flienn Pty Ltd			Australia	100	100
Gender Fitness Pty Ltd			Australia	100	100
Jade West Entertainment Pty Ltd			Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	100
PBL Overseas (CI) Pty Ltd	A	A	Australia	100	100
PBL (CI) Finance Pty Ltd			Australia	100	100
Pennwin Pty Ltd			Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Renga Pty Ltd			Australia	100	100
Royal Gaming Pty Ltd			Australia	100	100
Sociologic Games Limited			Israel	85	85

⁽¹⁾ The proportion of ownership interest is equal to the proportion of voting power held.

A These controlled entities have entered into a deed of cross guarantee dated 21 June 2017 with the parent entity under ASIC Instrument 2016/785 - the "Closed Group" (refer note 30).

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

30. Deed of Cross Guarantee

Crown Resorts Limited and certain controlled entities, as detailed in note 29, are parties to a Deed of Cross Guarantee dated 21 June 2017 under which each company in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

By entering into the Deed, pursuant to ASIC Instrument 2016/785, certain controlled entities of Crown have been granted relief from the *Corporations Act 2001* requirements for preparation, audit and reporting of financial reports and directors' reports.

The consolidated Statement of Profit or Loss and Statement of Financial Position of the entities which are members of the Closed Group are detailed below.

	Closed Group	
	2020	2019
	\$m	\$m
Consolidated Statement of Profit or Loss		
Profit / (loss) before income tax	432.5	544.0
Income tax (expense) / benefit	(83.0)	(174.0)
Net profit / (loss) after income tax	349.5	370.0
Retained earnings / (accumulated losses) at the beginning of the financial year	5,040.0	5,079.0
Adoption of AASB 16 Leases	(15.6)	-
Dividends provided for or paid	(406.2)	(409.0)
Retained earnings / (accumulated losses) at the end of the financial year	4,967.7	5,040.0

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

30. Deed of Cross Guarantee *continued*

	Closed Group	
	2020	2019
	\$m	\$m
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	271.3	1,073.2
Trade and other receivables	77.3	53.0
Inventories	16.2	15.8
Prepayments	41.0	34.8
Other financial assets	-	5.5
Total current assets	405.8	1,182.3
Non-current assets		
Receivables	848.1	896.3
Other financial assets	1,692.0	1,835.0
Investment in associates	54.1	54.5
Property, plant and equipment	4,658.4	4,154.8
Intangible assets - licences	947.3	964.0
Other intangible assets	303.3	310.9
Deferred tax assets	155.9	155.4
Other assets	48.8	48.8
Total non-current assets	8,707.9	8,419.7
Total assets	9,113.7	9,602.0
Current liabilities		
Trade and other payables	398.2	402.6
Interest-bearing loans and borrowings	5.9	287.6
Income tax payable	48.1	153.6
Provisions	195.6	172.3
Other financial liabilities	2.4	-
Total current liabilities	650.2	1,016.1
Non-current liabilities		
Other payables	172.3	245.6
Interest-bearing loans and borrowings	1,371.1	1,348.7
Deferred tax liability	403.7	399.8
Provisions	27.0	24.3
Other financial liabilities	-	4.5
Total non-current liabilities	1,974.1	2,022.9
Total liabilities	2,624.3	3,039.0
Net assets	6,489.4	6,563.0
Equity		
Contributed equity	1,480.0	1,480.0
Reserves	41.7	43.0
Retained earnings	4,967.7	5,040.0
Total equity	6,489.4	6,563.0

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

31. Parent Entity Disclosures

	Crown Resorts Limited	
	2020 \$m	2019 \$m
Results of the parent entity		
Profit after tax for the period	564.5	410.7
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	564.5	410.7
Financial position of the parent entity		
Current assets	17.2	35.7
Non-current assets	14,416.4	14,253.6
Total assets	14,433.6	14,289.3
Current liabilities	110.5	236.8
Non-current liabilities	5,004.1	4,891.7
Total liabilities	5,114.6	5,128.5
Total equity of the parent entity comprising of:		
Issued capital	9,277.1	9,277.1
Employee equity benefits reserve	13.0	13.0
Accumulated profits/(losses)	28.9	(129.3)
Total equity	9,319.0	9,160.8

Contingent liabilities

There are no other contingent liabilities for the parent entity at 30 June 2020 (2019: \$nil), other than those disclosed in note 23.

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2020 (2019: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee as well as bank and capital market debt facilities with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 29 and 30 and further details on bank and capital market debt facilities are set out in note 16.

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Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, capital market debt, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate, share price and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties is undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board is informed on a regular basis of risk management activities.

(a) Market Risk

(i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 16.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated as cash flow hedges.

	2020	2019
	\$m	\$m
Financial assets		
AUD cash on hand and at bank	96.8	206.6
AUD deposits at call	126.7	711.6
GBP cash on hand and at bank	4.9	33.5
USD cash on hand and at bank	8.2	38.5
USD deposits at call	1.9	1.9
Total financial assets	238.5	992.1
Financial liabilities		
AUD bank loans	280.0	20.0
AUD capital market debt	415.7	415.4
HKD bank loans	-	8.5
Total financial liabilities	695.7	443.9
Net exposure	(457.2)	548.2

As at balance date, the Group maintained floating rate liabilities of \$695.7 million (2019: \$443.9 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$238.5 million (2019: \$992.1 million). Under the AUD financial liabilities outstanding the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 200 and 400 basis points.

Of the AUD cash on hand and at bank \$96.8 million is interest bearing and is invested at approximately BBSW. Deposits at call of \$126.7 million are invested at BBSW plus a margin of between 30 and 90 basis points. The Group maintains cash and cash equivalents on hand of \$48.4 million for operational purposes and is non interest bearing (2019: \$133.9 million).

As at balance date, the Group had GBP cash on hand and at bank of \$4.9 million which is interest bearing and accrues at the UK daily cash rate (2019: \$33.5 million). The Group had no floating rate borrowings in GBP (2019: nil).

Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(i) Interest rate risk – cash flow *continued*

As at balance date, the Group had no floating rate borrowings in HKD (2019: \$8.5 million) and had minimal interest earning cash and cash equivalents (2018: minimal).

As at balance date, the Group had USD cash on hand and at bank of \$8.2 million which is interest bearing and is invested at approximately US LIBOR (2019: \$38.5 million). In addition, the Group had USD deposits at call of \$1.9 million, which is invested at approximately US LIBOR (2019: \$1.9 million). The Group maintained no floating rate borrowings in USD (2019: \$nil).

Group Sensitivity

As a result of an increase in interest rates of 50 basis points the Group's post-tax-profit for the year would have decreased by \$1.6 million (2019: increased by \$1.9 million). As a result of a decrease in interest rates to zero (between 10 basis points and 30 basis points) and the Group's post-tax-profit for the year would have increased by \$0.5 million (2019: a decrease in interest rates of 50 basis points resulting in an decrease in profit of \$1.9 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2020	2019
	\$m	\$m
Cash flow hedge		
Maturity under 1 year	200.0	-
Maturity 1 -5 years	-	200.0
Maturity over 5 years	174.6	174.6
Closing Balance	374.6	374.6

As at balance date the key terms of the interest rate swap contracts were as follows:

Hedge Type	Maturity Date	Interest Rate Received	Interest Rate Paid	Fair Value of
				Swap Contract \$m
Year Ended 30 June 2020				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(2.4)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	29.3
Year Ended 30 June 2019				
Interest Rate Swap Contract	December 2020	BBSW	2.55%	(4.5)
Cross Currency Swap Contract	June 2036	USD 4.91%	AUD 7.05%	35.3

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.

(ii) Interest rate risk – fair value

Where appropriate, the Group enters into fixed rate debt to mitigate exposure to interest rate risk. As the Group holds fixed rate debt there is a risk that the fair value of financial instruments will fluctuate because of market movements in interest rates. The level of fixed rate debt at balance date was \$375.7 million (2019: \$634.8 million). The Group pays between 6.5% and 8.5% (2019: 4.5% and 8.5%) on fixed rate debt. As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2019: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances (2019: nil).

FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the functional currency of the relevant entity.

The Group uses forward exchange contracts and cash flow hedges to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2020	2019
	\$m	\$m
USD Exposure		
Financial assets		
Cash and cash equivalents	4.2	13.4
Total financial assets	4.2	13.4
Net exposure	4.2	13.4
	2020	2019
	\$m	\$m
GBP Exposure		
Financial assets		
Cash and cash equivalents	5.7	9.4
Total financial assets	5.7	9.4
Financial liabilities		
Trade and other payables	5.1	-
Total financial liabilities	5.1	-
Net exposure	0.6	9.4
	2020	2019
	\$m	\$m
HKD Exposure		
Financial assets		
Cash and cash equivalents	4.4	14.3
Trade and other receivables	2.4	27.6
Total financial assets	6.8	41.9
Financial liabilities		
Trade and other payables	1.4	23.0
HKD Debt Facilities	-	8.5
Total financial liabilities	1.4	31.5
Net exposure	5.4	10.4

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

(a) Market Risk *continued*

(iii) Foreign exchange risk *continued*

Group sensitivity

Based on the financial instruments held at balance date, the sensitivity to fair value movements through profit and loss and other comprehensive income as a result of reasonably possible changes in exchange rates are as follows:

	Net profit after tax		Other comprehensive	
	higher/(lower)		income higher/(lower)	
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
AUD/USD +10 cents (2019: +10 cents)	(0.5)	(1.7)	-	-
AUD/USD -10 cents (2019: -10 cents)	0.7	2.2	-	-
AUD/GBP +5 cents (2019: +5 cents)	-	(0.8)	-	-
AUD/GBP -5 cents (2019: -5 cents)	0.1	0.9	-	-
AUD/HKD +50 cents (2019: +50 cents)	(0.5)	(0.9)	-	-
AUD/HKD -50 cents (2019: -50 cents)	0.6	1.0	-	-

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date the Group had no cash flow hedges in relation to foreign exchange contracts.

	Notional Amounts		Average Rate	
	2020	2019	2020	2019
	\$m	\$m		
Buy USD/Sell AUD				
Maturity under 1 year	-	30.4	n/a	0.8290
Closing Balance	-	30.4		

(b) Price Risk

(i) Equity Securities Price Risk

In December 2018, Crown entered into a derivative instrument to hedge its exposure under the 2017 Senior Executive Incentive Plan. This hedge does not qualify for hedge accounting and therefore has not been designated in a hedge accounting relationship. At inception the derivative asset was valued at \$4.0 million, with the value of the instrument reduced to \$2.3 million at 30 June 2019. At 30 June 2020 the value of the instrument was reduced to nil, a loss of \$2.3 million in the current period. This unrealised loss in relation to the derivative instrument was included in the Statement of Profit or Loss.

The fair value of the instrument is sensitive to movements in the current and forecast share price for Crown Resorts with any further movements in fair value to be included in the Statement of Profit or Loss in future periods.

(ii) Commodity Price Risk

Neither the Group nor the parent entity is exposed to commodity price risk.

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Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

(c) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is outlined under each applicable note.

The Group does not hold any credit derivatives or collateral to offset its credit exposure.

All investment and financial instruments activity is with approved counterparties with investment grade ratings and is in accordance with approved policies. There are no significant concentrations of credit risk within the Group and the aggregate value of transactions is spread amongst a number of financial institutions to minimise the risk of default of counterparties.

Credit risk in trade receivables is managed in the following ways:

- (i) The provision of credit is covered by a risk assessment process for all customers.
- (ii) Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
- (iii) The provision of cheque-cashing facilities for gaming patrons is subject to detailed policies and procedures designed to minimise any potential loss, including the taking up of bank opinions and the use of a central credit agency which collates information from major casinos around the world.

In assessing the doubtful debts provisioning for trade receivables, the Group has measured credit risk using the 'Simplified Approach'. The Simplified Approach requires the recognition of lifetime expected credit losses at all times. The Group has elected to use a provision matrix utilising historical default rates, as well as taking into account current conditions and forecasts of future economic conditions. If the Group becomes aware of circumstances relevant to an individual or group of debtors that results in the matrix not being an appropriate basis for provisioning, then management discretion will be applied.

(d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 0.7% or \$8.2 million of the Group's interest bearing liabilities will mature in less than 12 months (2019: 26.7% or \$287.6 million).

As at balance date the Group had \$401.3 million in undrawn committed bank lines and \$286.9 million in cash and cash equivalents to mitigate the maturing liabilities (2019: \$200.4 million and \$1,126.0 million respectively).

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		more than 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial assets								
Cash and cash equivalents	286.9	1,126.0	-	-	-	-	286.9	1,126.0
Receivables - trade	111.2	98.7	-	18.4	-	-	111.2	117.1
Receivables - other	-	-	-	139.4	-	-	-	139.4
Cross currency interest rate swaps receivable	9.0	8.8	35.9	35.3	98.8	106.0	143.7	150.1
Total financial assets	407.1	1,233.5	35.9	193.1	98.8	106.0	541.8	1,532.6
Financial liabilities								
Trade and other payables	426.5	433.1	-	87.5	172.3	167.6	598.8	688.2
Lease liabilities	7.2	-	12.6	-	38.9	-	58.7	-
Other loan liabilities	1.0	-	-	1.0	-	-	1.0	1.0
Capital markets	-	259.1	-	-	790.3	790.0	790.3	1,049.1
Bank loans	-	28.5	280.0	-	-	-	280.0	28.5
Interest rate swaps payable	2.2	2.7	-	1.2	-	-	2.2	3.9
Cross currency interest rate swaps payable	12.3	12.3	49.2	49.2	135.4	147.7	196.9	209.2
Total financial liabilities	449.2	735.7	341.8	138.9	1,136.9	1,105.3	1,927.9	1,979.9
Net maturity	(42.1)	497.8	(305.9)	54.2	(1,038.1)	(999.3)	(1,386.1)	(447.3)

FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued* (e) Fair Value of Financial Instruments

The fair value of the Group's financial assets and financial liabilities approximates the carrying value as at balance date.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level One – the fair value is calculated using quoted prices in active markets;
- Level Two – the fair value is estimated using inputs other than quoted prices included in Level One that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level Three – the fair value is estimated using inputs for the asset or liability that are not based on observable market data, including cash flow forecasts, implied growth rates and implied discount rates.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation Technique			Total \$m
	Quoted market price Level One \$m	Observable inputs Level Two \$m	Non market observable Level Three \$m	
Year ended 30 June 2020				
Financial Assets				
Cross currency swap contracts	-	29.3	-	29.3
	-	29.3	-	29.3
Financial Liabilities				
Contingent consideration	-	-	2.4	2.4
Interest rate swap contracts	-	2.4	-	2.4
	-	2.4	2.4	4.8
Year ended 30 June 2019				
Financial Assets				
Foreign exchange contracts	-	5.5	-	5.5
2017 Senior Executive Incentive Plan Hedge	-	2.3	-	2.3
Cross currency swap contracts	-	35.2	-	35.2
	-	43.0	-	43.0
Financial Liabilities				
Contingent consideration	-	-	0.7	0.7
Interest rate swap contracts	-	4.5	-	4.5
	-	4.5	0.7	5.2

There have been no transfers between fair value measurement levels during the financial year ended 30 June 2020.

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FINANCIAL REPORT 2020 continued

Notes to the Financial Statements

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

(e) Fair Value of Financial Instruments *continued*

Reconciliation of Level Three fair value movements

	2020 \$m	2019 \$m
Financial Liabilities		
Opening balance	0.7	47.0
Profit and Loss	1.7	(48.9)
Other Comprehensive Income	-	2.6
Closing Balance - Financial Liabilities	2.4	0.7

(f) Changes in liabilities arising from financing activities

	Bank Loans \$m	Capital Markets Debt \$m	Lease Liabilities \$m	Other Loans \$m	Derivatives \$m	Total Liabilities from Financing Activities \$m
Year ended 30 June 2020						
At 1 July 2018	28.5	1,049.1	-	1.0	4.5	1,083.1
Adoption of AASB16	-	-	54.5	-	-	54.5
Cash flows	251.9	(259.1)	(6.5)	-	-	(13.7)
Foreign exchange variations	(0.4)	-	(0.1)	-	-	(0.5)
Movement in fair value	-	-	-	-	(2.1)	(2.1)
Other	-	0.3	10.8	-	-	11.1
At 30 June 2020	280.0	790.3	58.7	1.0	2.4	1,132.4
Year ended 30 June 2019						
At 1 July 2018	54.6	1,437.1	-	1.0	2.1	1,494.8
Cash flows	(27.3)	(397.7)	-	-	-	(425.0)
Foreign exchange variations	1.2	-	-	-	-	1.2
Movement in fair value	-	-	-	-	2.4	2.4
Other	-	9.7	-	-	-	9.7
At 30 June 2019	28.5	1,049.1	-	1.0	4.5	1,083.1

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Crown Resorts Limited Audit Committee Final Dividend 12 August 2020

Dividend Policy

Crown's dividend policy is 60 cents per share on a full year basis, subject to the company's financial position. The annual dividend amount will be paid evenly between the interim and final dividends.

Recommendation

Having regard to the impact on Crown's businesses from the mandatory closures and the uncertainty surrounding the resumption of trading at Crown Melbourne, Management is recommending to not declare a final dividend on ordinary shares.

The F20 dividend summary is as follows:

	Cents per share	Shares on issue	Payment
Interim dividend	30.0	677,158,271	\$ 203,147,481
Final dividend proposed	0.0	677,158,271	\$ -
Total dividend	30.0		\$ 203,147,481

Availability of Franking Credits for Crown Dividends

Whilst no dividend is recommended for the current period, Crown's franking credits balance available for future dividends is as follows:

Franking credits	\$m
The amount of franking credits available for the subsequent financial year:	
Franking account balance as at the end of the financial year at 30%	1.0
Franking credits that will arise from the payment of income taxes payable as at the end of the financial year	48.0
Total franking credits available for future reporting periods	49.0

Conduit Foreign Income

Not applicable.



Crown Resorts Limited Audit Committee Final Dividend 12 August 2020

DIVIDEND HISTORY

	2020 ACTUAL	2019 ACTUAL	2018 ACTUAL	2017 ACTUAL	2016 ACTUAL	2015 ACTUAL	2014 ACTUAL	2013 ACTUAL	2012 ACTUAL	2011 ACTUAL	2010 ACTUAL	2009 ACTUAL	2008 ACTUAL
INTERIM DIVIDEND PER SHARE	30.0c	30.0c	30.0c	30.0c	33.0c	18.0c	18.0c	18.0c	18.0c	18.0c	18.0c	18.0c	25.0c
COST \$M	203.1	203.1	206.7	218.5	240.4	131.1	131.1	131.1	131.1	136.5	136.5	136.5	169.5
% OF FULL YEAR NORMALISED PROFIT AFTER TAX *	239%	56%	54%	60%	46%	31%	35%	41%	41%	42%	47%	49%	46%
SPECIAL DIVIDEND PER SHARE				83.0c									
COST \$M				604.6									
FINAL DIVIDEND PER SHARE	0.0c	30.0c	30.0c	30.0c	39.5c	19.0c	19.0c	19.0c	19.0c	19.0c	19.0c	19.0c	29.0c
COST \$M	0.0	203.1	206.2	206.7	287.7	138.4	138.4	138.4	138.4	144.1	144.1	144.1	196.7
% OF FULL YEAR NORMALISED PROFIT AFTER TAX *	0%	56%	54%	57%	55%	33%	37%	43%	43%	45%	50%	51%	53%
TOTAL COST \$M	203.1	406.3	412.9	1,029.7	528.1	269.5	269.5	269.5	269.5	280.6	280.6	280.6	366.2
TOTAL DIVIDEND - cents per share	30.0c	60.0c	60.0c	143.0c	72.5c	37.0c	37.0c	37.0c	37.0c	37.0c	37.0c	37.0c	54.0c
NORMALISED PROFIT AFTER TAX*	84.9	362.8	384.9	365.6	527.8	416.8	377.9	322.3	319.8	323.6	288.4	280.7	370.1
% DISTRIBUTED (excluding special dividend)				116%									
% DISTRIBUTED	239%	112%	107%	282%	100%	65%	71%	84%	84%	87%	97%	100%	99%

*For financial years 2008 to 2010 NPAT includes profit from associates

For financial years 2011 to 2013 NPAT excludes profit from associates

For financial years 2014 onwards NPAT excludes profit from associates and includes dividends received from associates

For financial year 2020 NPAT includes costs incurred during mandated closure



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee
From: Alan McGregor
Date: 7 August 2020
Subject: Assurance from Associates

Dear Committee Members

Attached to this paper are signed Assurance Certificates from Aspers and Nobu.

We have a number of other associates that are either dormant or are not reporting any profits for which we have not requested Assurance Certificates, including Chill Gaming. An Assurance Certificate will be sought from Chill Gaming when it starts reporting a profit.

Kind regards

Alan McGregor
Chief Financial Officer

3.4



17 July 2020

The Directors
Crown Resorts Limited
Level 3, Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia

Dear Directors

Corporate Governance

This letter has been prepared at your request as part of your Corporate Governance procedures. We acknowledge that Aspers UK Holdings Limited ("**Aspers**") is an Associate of Crown Resorts Limited ("**Crown**") and accordingly, the results of Aspers are reflected in Crown's financial results to the extent of Crown's ownership interest.

Financial Reporting

1. We have reviewed the monthly management accounts ("**Accounts**") for the year ended 30 June 2020 for Aspers.
2. With regard to the integrity of the Accounts:
 - (a) the Accounts comply in all material respects with the accounting standards as required by UK law, other than certain adjustments to be made in the statutory accounts of Aspers;
 - (b) the Accounts give a true and fair view, in all material respects, of the financial position as at 30 June 2020 and performance of Aspers for the year then ended; and
 - (c) all information has been provided to Crown through Aspers Board meetings and associated papers which would allow the CEO and CFO of Crown to make the judgment as to whether Aspers will be able to pay its debts as and when they become due and payable.
3. With regard to the financial records and systems of risk management and internal compliance and control for the year ended 30 June 2020:
 - (a) the financial records of Aspers have been properly maintained in accordance UK law;

3.4

- (b) the statements made in 2 above regarding the integrity of the Accounts are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by Aspers Board of Directors;
 - (c) the risk management and internal compliance and controls system of Aspers were operating efficiently and effectively in all material respects during the year ended 30 June 2020; and
 - (d) subsequent to 30 June 2020, no changes or other matters have come to our attention that would have material effect on the operation of risk management and internal compliance and control systems of Aspers.
4. We will advise Crown Management of any adjustments to the results presented in the Accounts as they occur.

Internal Controls and Procedures

5. We are responsible for establishing and maintaining internal financial control and procedures at Aspers and we have:
- (a) either designed such controls and procedures or caused controls and procedures to be designed under our supervision to ensure that material information is made known to us, particularly during the period in which the Accounts have been prepared;
 - (b) evaluated the effectiveness of Aspers' internal controls and procedures as of the end of the period covered by the Accounts; and
 - (c) we believe, based on this evaluation, that the controls and procedures are operating effectively in all material respects.
6. Based on our most recent evaluation, there:
- (a) have not been any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting during the year ended 30 June 2020 which are reasonably likely to adversely affect Aspers' ability to record, process, summarise and report financial information; and
 - (b) has not been any fraud, to our knowledge during the year ended 30 June 2020, whether or not material, that involves management or other employees who have a significant role in the Aspers internal controls.
7. There were no changes in Aspers' internal controls over financial reporting that occurred during the year covered by this report that have materially affected, or is reasonably likely to materially affect Aspers' internal controls over financial reporting.

Risk Management

8. At Aspers:
 - (a) appropriate processes and responsibilities for identifying, managing and reporting material business risks have been established and operated throughout the year to 30 June 2020; and
 - (b) appropriate steps have been taken to review the effectiveness of Aspers' risk management and internal control system and we confirm no material weaknesses have been identified.
9. The following HIGH RATED risks have been identified at Aspers:
 - (a) Gaming Integrity;
 - (b) Anti-Money Laundering; and
 - (c) Responsible Gambling / Safeguarding of Customers.
 - (d) Financing, trading and liquidity risks in regard to the COVID-19 pandemic
10. Policies and procedures around HIGH RATED risk areas are continuously monitored to minimise our exposures.

Occupational Health and Safety

11. At Aspers, the oversight of the health and safety of employees, contractors and customers (Occupational Health and Safety or OHS) including:
 - (a) provision of a safe workplace through identification and mitigation of OHS risks;
 - (b) maintaining an effective incident reporting and investigation process;
 - (c) maintaining an effective Workers' Compensation claims management and return to work process;
 - (d) maintaining an effective OHS induction and on-going training program;
 - (e) ensuring appropriate staff consultation on OHS matters via an OHS committee and/or through other means; and
 - (f) undertaking an annual review of the effectiveness of the OHS management system through analysis of available data (eg incident and hazard report data and compliance audit results) and to use this to drive continuous improvement in OHS performance,

is the responsibility of local General Managers, with additional oversight through monthly senior manager meetings and a quarterly executive review meeting.

12. Effective plans and controls to address OHS risks have been implemented and Aspers complies with relevant OHS laws.

Yours sincerely



JDA Aspinall
Director
For and on behalf of Aspers UK
Holdings Ltd



R A Noble
Director
For and on behalf of Aspers UK
Holdings Ltd



1 August 2020

The Directors
Crown Resorts Limited
Level 3, Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia

Dear Directors

Corporate Governance

This letter has been prepared at your request as part of your Corporate Governance procedures. We acknowledge that Nobu Hospitality, LLC and Nobu Restaurant Group Holding Company, LLC together with their subsidiaries ("**Nobu Group**") are associates of Crown Resorts Limited ("**Crown**") and accordingly, the results of the Nobu Group are reflected in Crown's financial results to the extent of Crown's ownership interest.

Financial Reporting

- 1) We have reviewed the monthly management accounts ("**Accounts**") for the half year ended 30 June 2020 for the Nobu Group.
- 2) With regard to the integrity of the Accounts:
 - (a) the Accounts comply in all material respects with the accounting standards as required by US law, other than certain adjustments to be made in the statutory accounts of the Nobu Group; and
 - (b) the Accounts give a true and fair view, in all material respects, of the financial position as at 30 June 2020 and performance of Nobu Group for the half year then ended.
- 3) With regard to the financial records and systems of risk management and internal compliance and control for the half year ended 30 June 2020:
 - a) the financial records of the Nobu Group have been properly maintained in accordance with US law;

Nobu Restaurant Group LLC / Nobu Hospitality LLC
40 West 57th Street, Suite 320, New York, NY 10019
www.noburestaurants.com

- b) the statements made in 2 above regarding the integrity of the Accounts are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Nobu Group's Board of Directors;
 - c) the risk management and internal compliance and controls system of the Nobu Group were operating efficiently and effectively in all material respects during the half year ended 30 June 2020, despite a significant reduction in workforce due to COVID-19 and the related government mandates that have negatively impacted hotel and restaurant operations worldwide; and
 - (c) subsequent to 30 June 2020, no changes or other matters have come to our attention that would have material effect on the operation of risk management and internal compliance and control systems of the Nobu Group.
- 4) We will advise Crown Management of any adjustments to the results presented in the Accounts as they occur.

Internal Controls and Procedures

- 5) We are responsible for establishing and maintaining internal financial control and procedures at the Nobu Group and we have:
- a) either designed such controls and procedures or caused controls and procedures to be designed under our supervision to ensure that material information is made known to us, particularly during the period in which the Accounts have been prepared;
 - b) evaluated the effectiveness of the Nobu Group's internal controls and procedures as of the end of the period covered by the Accounts; and
 - c) we believe, based on this evaluation, that the controls and procedures are operating effectively in all material respects.
- 6) Based on our most recent evaluation, there:
- (a) have not been any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting during the half year ended 30 June 2020 which are reasonably likely to adversely affect the Nobu Group's ability to record, process, summarise and report financial information; and
 - (b) has not been any fraud, to our knowledge during the half year ended 30 June 2020, whether or not material, that involves management or other employees who have a significant role in the Nobu Group's internal controls.
- 7) There were no changes in the Nobu Group's internal controls over financial reporting that occurred during the half year covered by this report that have materially affected, or are

reasonably likely to materially affect, the Nobu Group's internal controls over financial reporting.

Risk Management

- 8) At the Nobu Group:
- (a) appropriate processes and responsibilities for identifying, managing and reporting material business risks have been established and operated throughout the half year to 30 June 2020; and
 - (b) appropriate steps have been taken to review the effectiveness of the Nobu Group's risk management and internal control system and we confirm no material weaknesses have been identified.
- 9) The following HIGH RATED risks have been identified at the Nobu Group:

Labor

- We continue to monitor employees for Covid-19 infections and require infected employees to quarantine for two weeks. Employees exposed to infected staff are required to be tested. Temperature checks and wellness questionnaires are performed prior to shifts at the restaurants.
- We continue to rehire employees on an "as-needed" basis as restaurants reopen and increase their operations within the guidelines provided by local governments.
- We operate our restaurants and hotels in accordance with government regulations to ensure that our restaurants and hotels are safe and clean for employees and customers.

Potential loss of key licenses or leases

- The Nobu Chicago Hotel managed by Nobu Hospitality and the rooftop lounge operated by Nobu Restaurant Group opened July 1, 2020. The full restaurant opening is delayed until government restrictions are lifted on indoor dining in Chicago.
- We opened a hotel and restaurant in Warsaw during July 2020.
- We have negotiated short-term rent forgiveness or rent deferrals for most of the restaurants in the United States. Only one lease remains in negotiation at this time.
- We intended to open a small temporary restaurant in Bally's Grand Hotel in Las Vegas while Nobu Las Vegas inside the Hard Rock Hotel is being renovated. We have been unable to operate the temporary restaurant due to the Covid-19 related closure of the Bally's Grand Hotel in March. We anticipate returning to the Hard Rock Hotel, rebranded as the Virgin Hotel, when the entire facility reopens in October 2020.
- Nobu Honolulu was closed by government order in March 2020. Management has decided not to reopen this restaurant.

- Nobu Berkeley St. in London closed March 31, 2020. The employees at this restaurant will move to the new restaurant at the Nobu Hotel Portman Square. Both the restaurant and hotel are scheduled to open in late October 2020.
- Nobu Hong Kong closed for renovations on June 30, 2020. The entire facility will undergo significant renovations with reopening scheduled for January 1, 2023.

Economic factors leading to a decline in discretionary spend



Reputational impacts from events e.g. food quality/contamination

- Food quality and clean kitchens remain the highest priority. We do have the very occasional, random food-related complaint and such complaints have been handled at the restaurant level.
- All restaurants and hotels maintain the highest standards of cleanliness and comply with government regulations.

All of these issues potentially pose a significant risk to Nobu Group. However, we address all issues to consistently maintain the highest quality food and operation standards.

- 10) Policies and procedures around HIGH RATED risk areas are continuously monitored to minimise our exposures.

Occupational Health and Safety

- 11) At the Nobu Group, the oversight of the health and safety of employees, contractors and customers (Occupational Health and Safety or OHS) includes these components:
- (a) provision of a safe workplace through identification and mitigation of OHS risks;
 - (b) maintaining an effective incident reporting and investigation process;

- (c) maintaining an effective Workers' Compensation claims management and return to work process;
 - (d) maintaining an effective OHS induction and on-going training program;
 - (e) ensuring appropriate staff consultation on OHS matters via an OHS committee and/or through other means;
 - (f) undertaking an annual review of the effectiveness of the OHS management system through analysis of available data (eg incident and hazard report data and compliance audit results) and to use this to drive continuous improvement in OHS performance is the responsibility of local General Managers and the Human Resources department of the Nobu Group; and
 - (g) effective plans and controls to address OHS risks have been implemented and Nobu Group complies with relevant OHS laws.
- 12) Health and Safety compliance is the responsibility of local General Managers, with oversight from corporate human resources.

Yours sincerely

2020.07.31
18:10:24 -05'00'

John Kendrick
Chief Financial Officer



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee

From: Mary Manos

Date: 7 August 2020

Subject: Draft Resolutions

Dear Committee Members

It is proposed that the Committee resolve as follows:

Accounting Issues Report: It was **RESOLVED** that the Accounting Issues Report be noted.

ASX Appendix 4E: Results for the Full Year ending 30 June 2020: It was **RESOLVED** that the draft Appendix 4E be approved subject to those amendments suggested in the meeting and agreed to by the Committee (if any), and that the Committee recommend the Appendix 4E to the Board for approval.

Final Dividend Recommendation: It was **RESOLVED** that it be recommended to the Board that no final dividend be declared.

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AGENDA ITEM 4:
Treasury and Compliance Report



Crown Resorts Limited

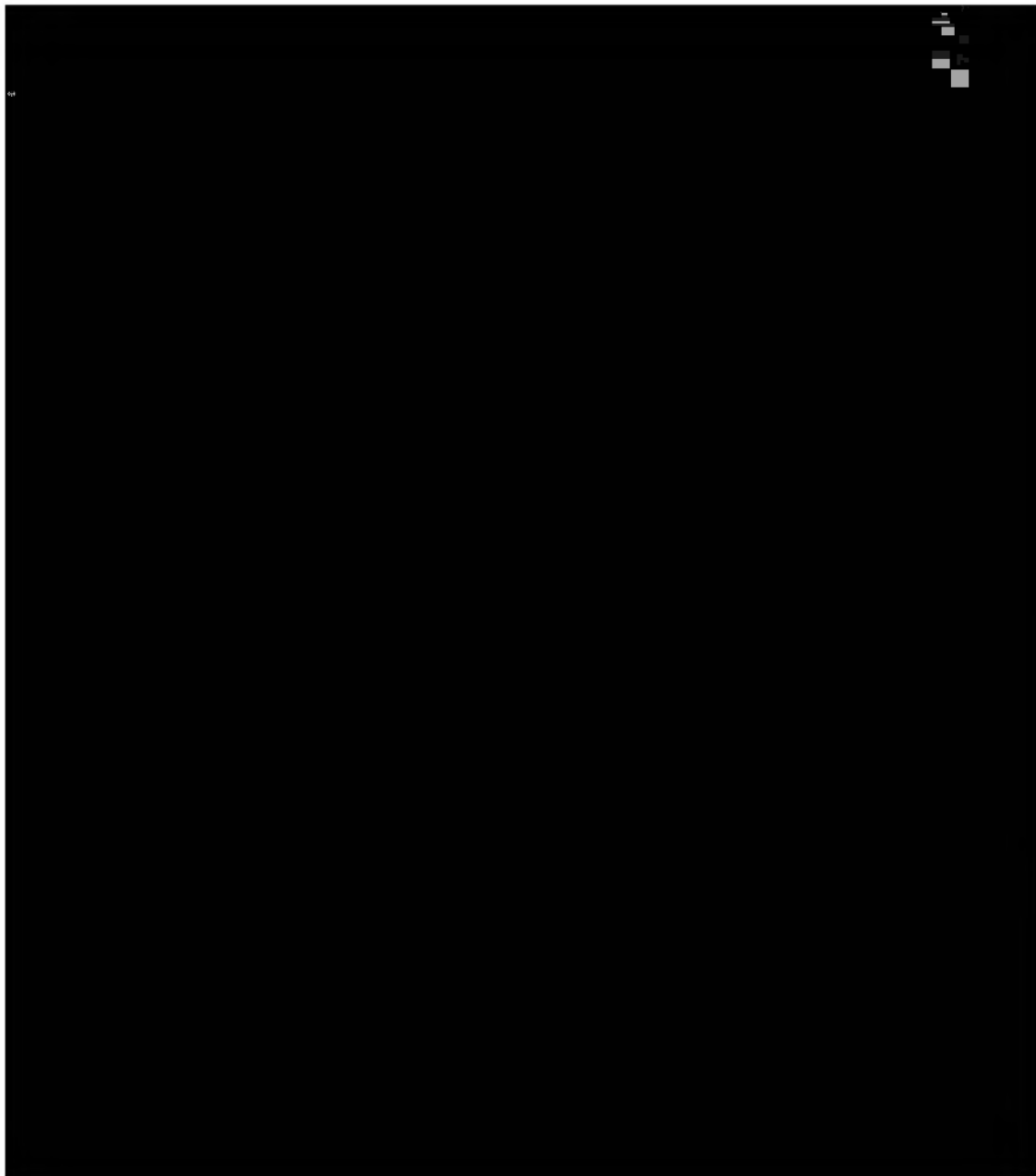
Treasury and Compliance Report – 12 August 2020

1. CONSOLIDATED GROUP CASH FLOWS

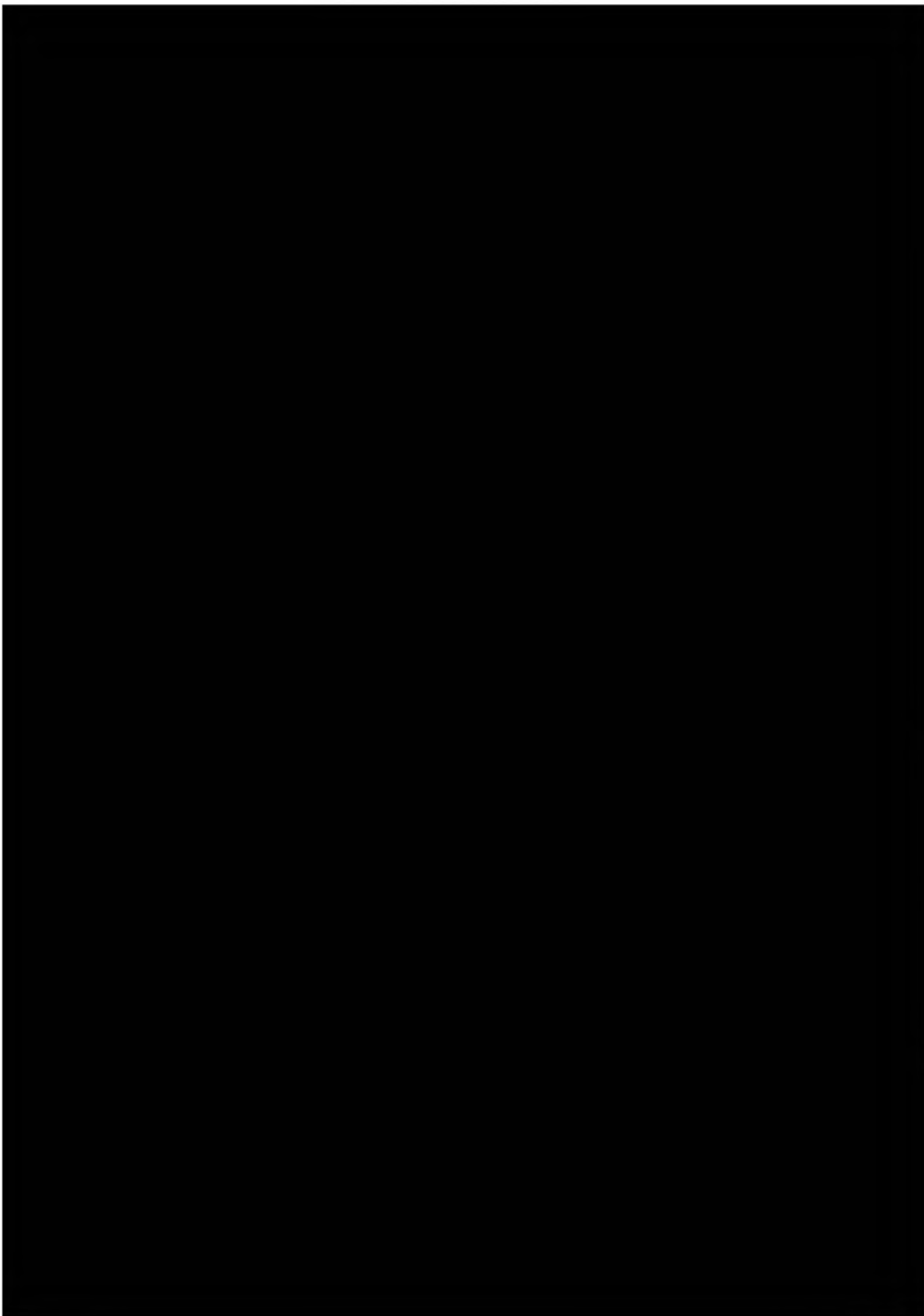
The actual cashflows for the year ended 30 June 2020 are presented below:

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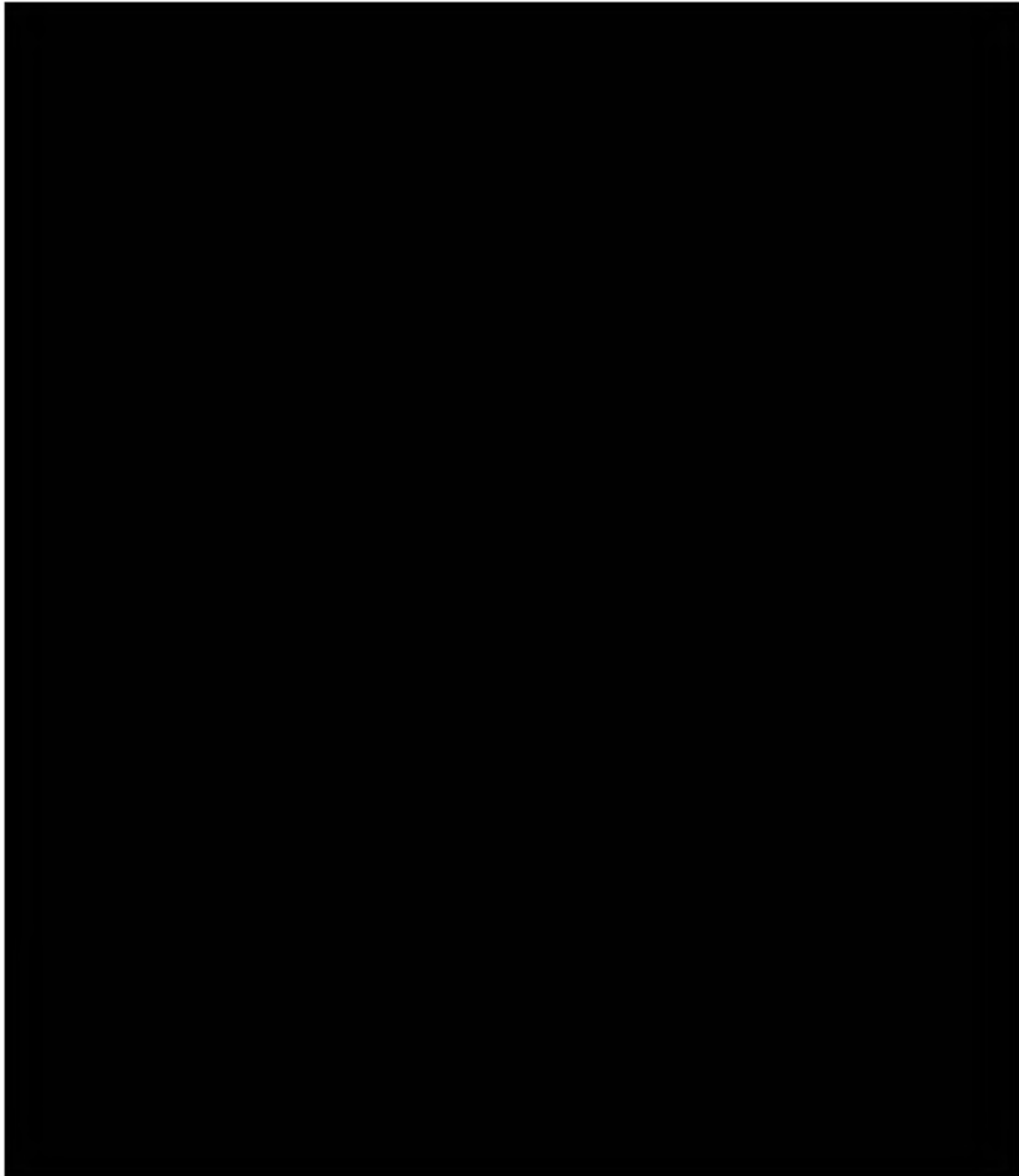
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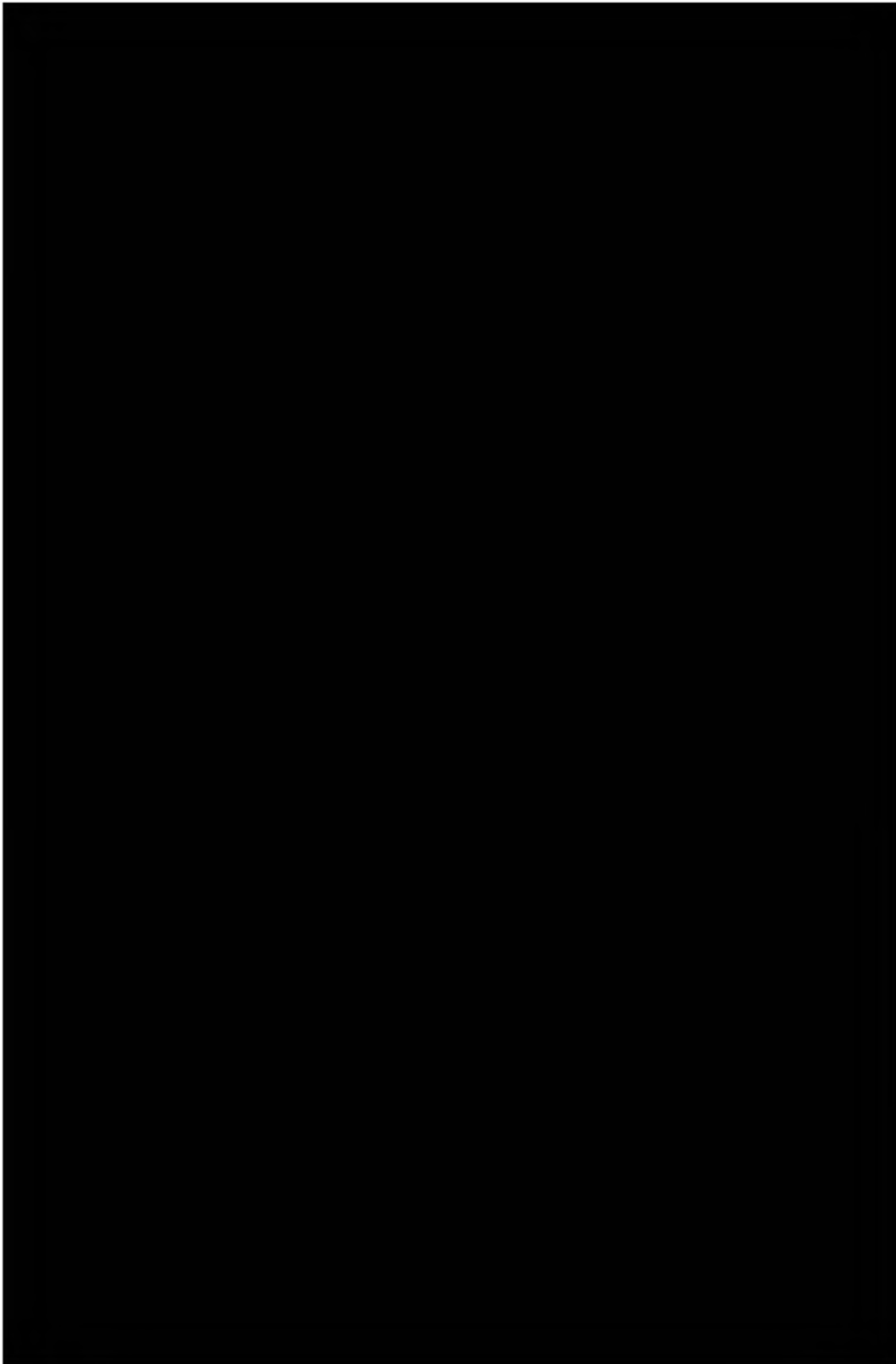


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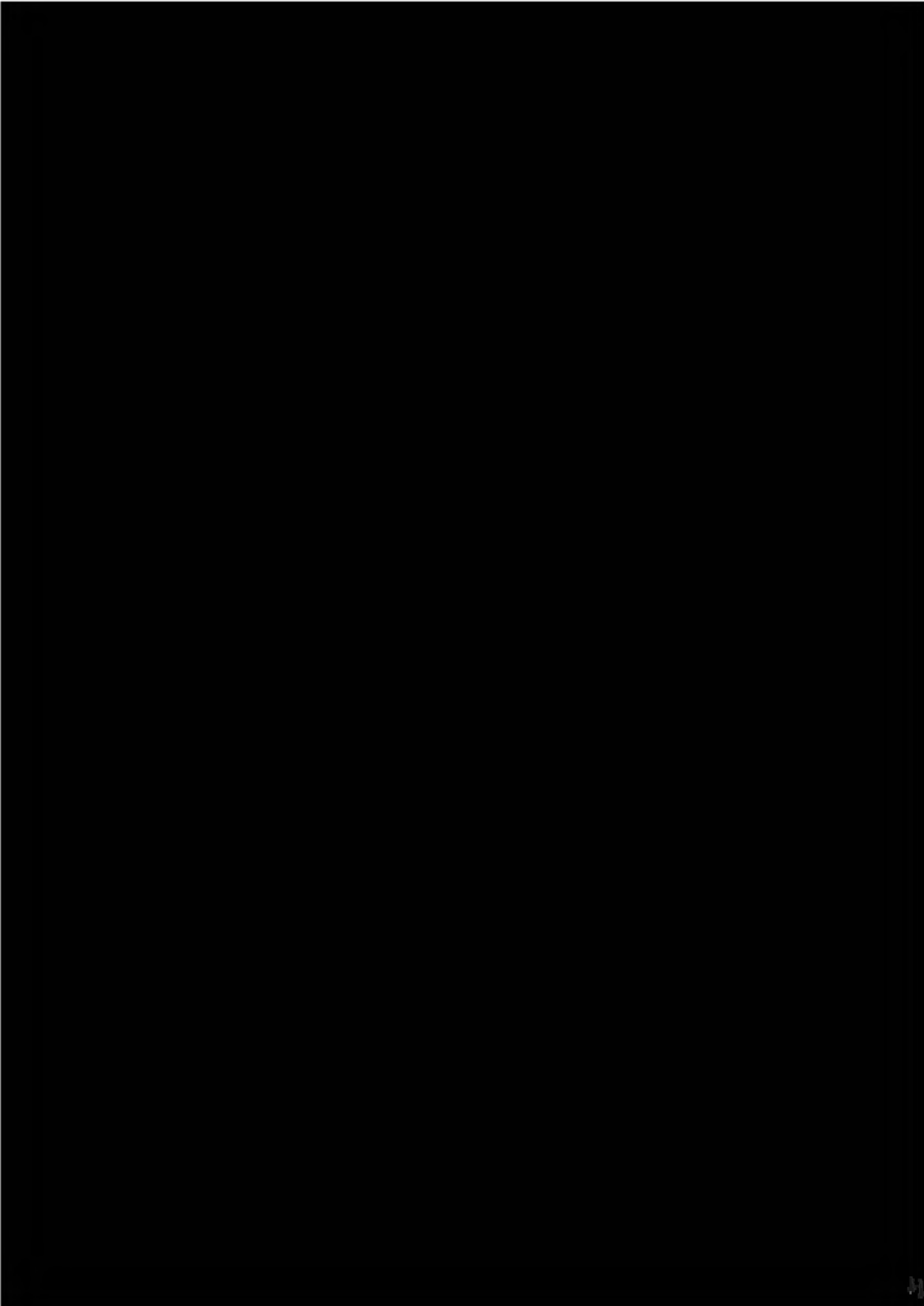


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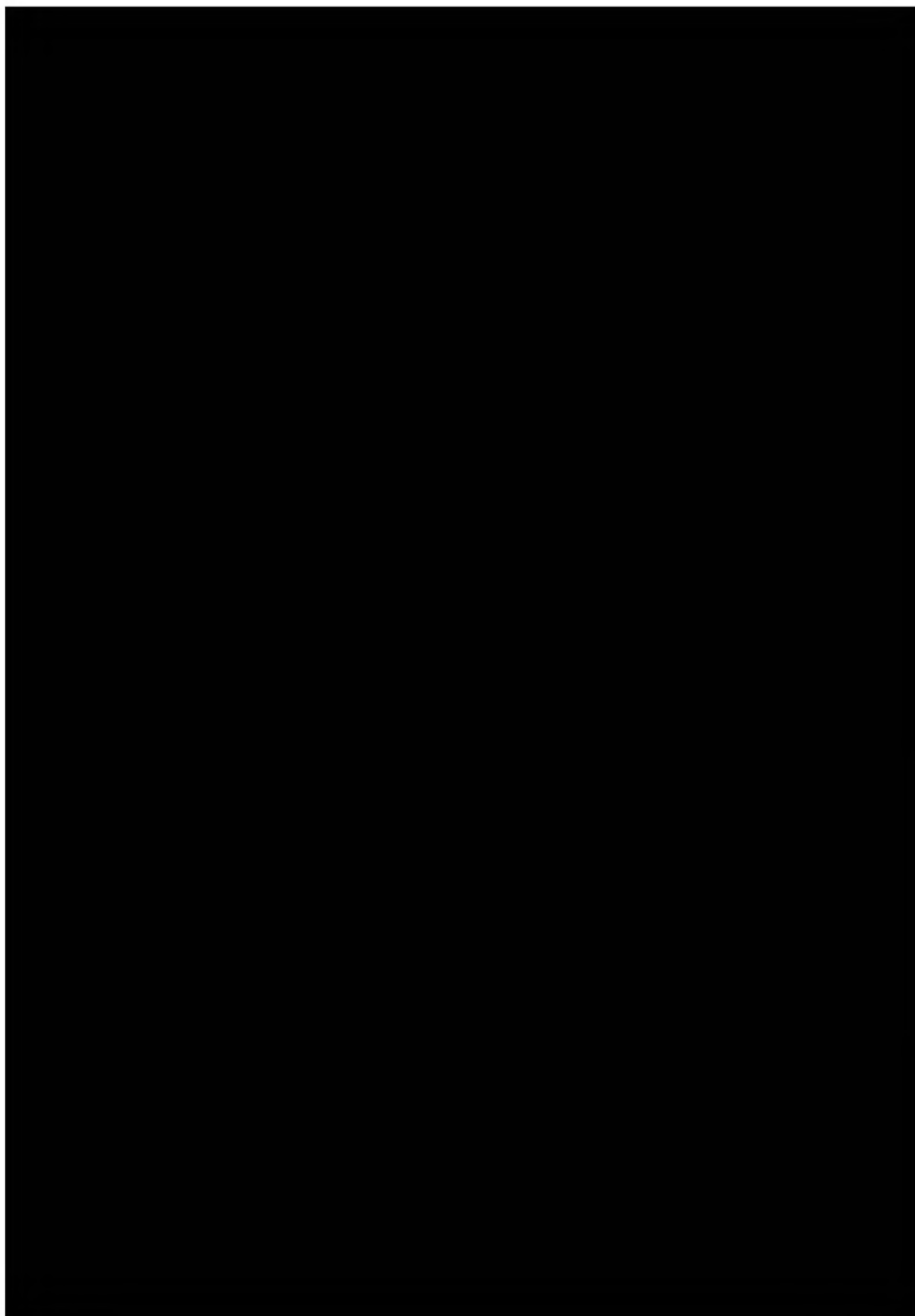




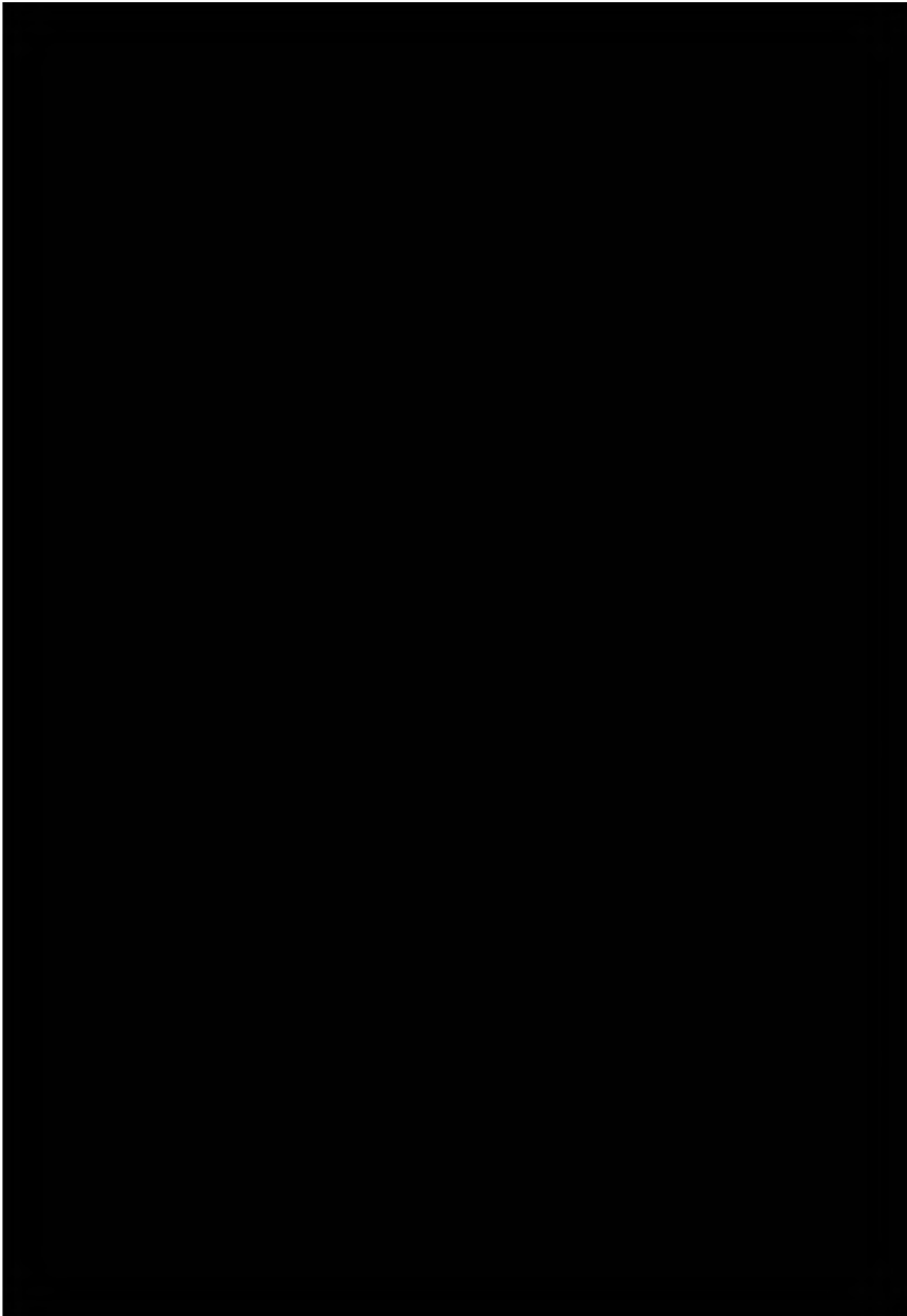
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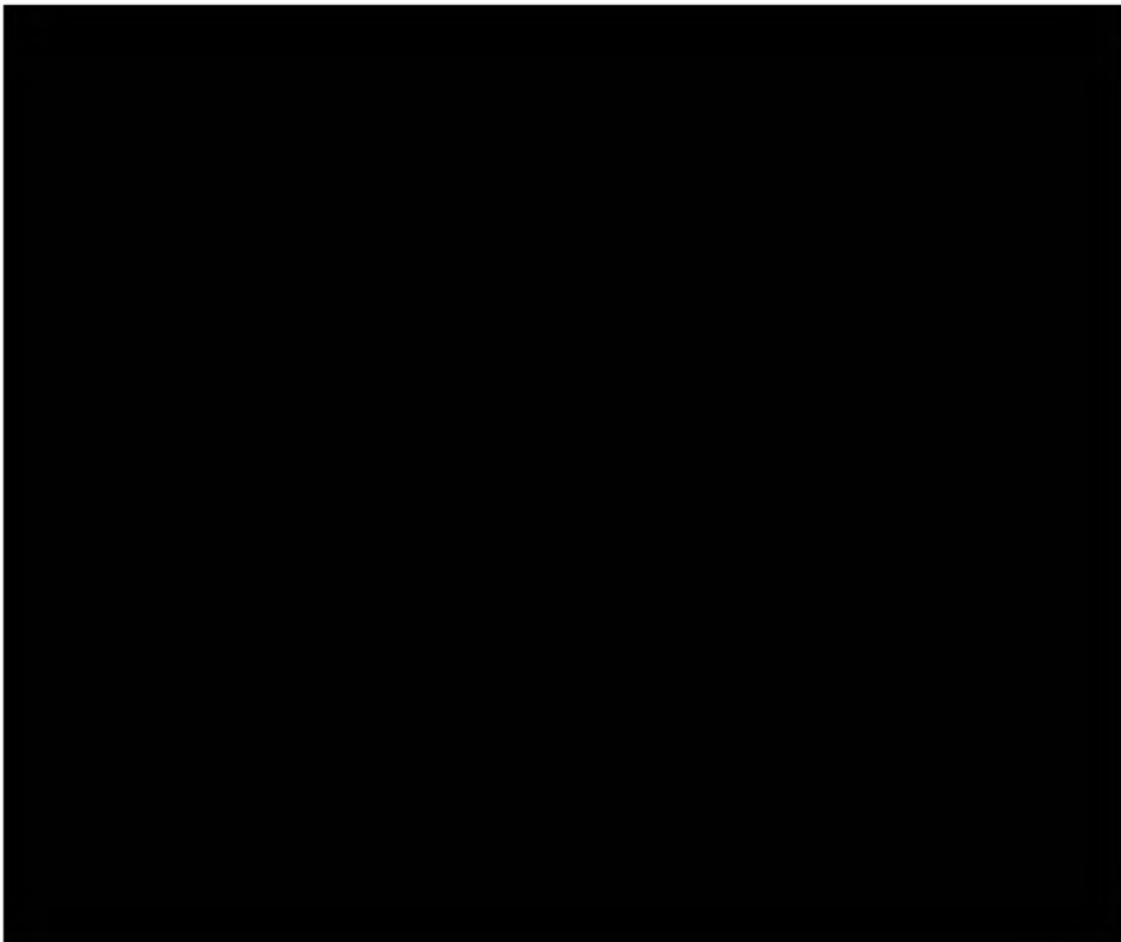
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AGENDA ITEM 5:
Auditor's Report

Crown Resorts Limited

Audit Status Report to the Audit and
Corporate Governance Committee for the
year ended 30 June 2020

10 August 2020

5.1



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Welcome

Dear Audit and Corporate Governance Committee Members



Michael Collins
EY Assurance
Partner

Our procedures in relation to the audit of Crown Resorts Limited and its controlled entities ('Crown' or the 'Group') for the year ended 30 June 2020 are in progress.

To facilitate your consideration of the unaudited 4E, we have listed all known key matters for your consideration at the date of this report. We are currently in the process of performing audit procedures over the full financial statements. Our procedures will also extend to the directors' report and remuneration report when received.

This report is intended solely for the use of the Audit and Corporate Governance Committee ('Audit Committee'), other members of the Board of Directors and senior management, and should not be used for any other purpose nor given to any other party without our prior written consent.

We would like to thank your staff for the assistance provided to us during the engagement.

I look forward to the opportunity of discussing with you any aspects of this report or any other issues arising from our work.

If you have any queries in the meantime, please feel free to contact Alison Parker on 0438 600 402 or Michael Collins on 0414 455 854.

Yours faithfully



Alison Parker
EY Assurance
Partner

Michael Collins
Partner

Alison Parker
Partner

5.1



Crown Resorts Limited

For the year ended 30 June 2020

Executive Summary Areas of Audit Focus Audit Differences Control Environment Appendices

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Crown Resorts Limited

For the year ended 30 June 2020

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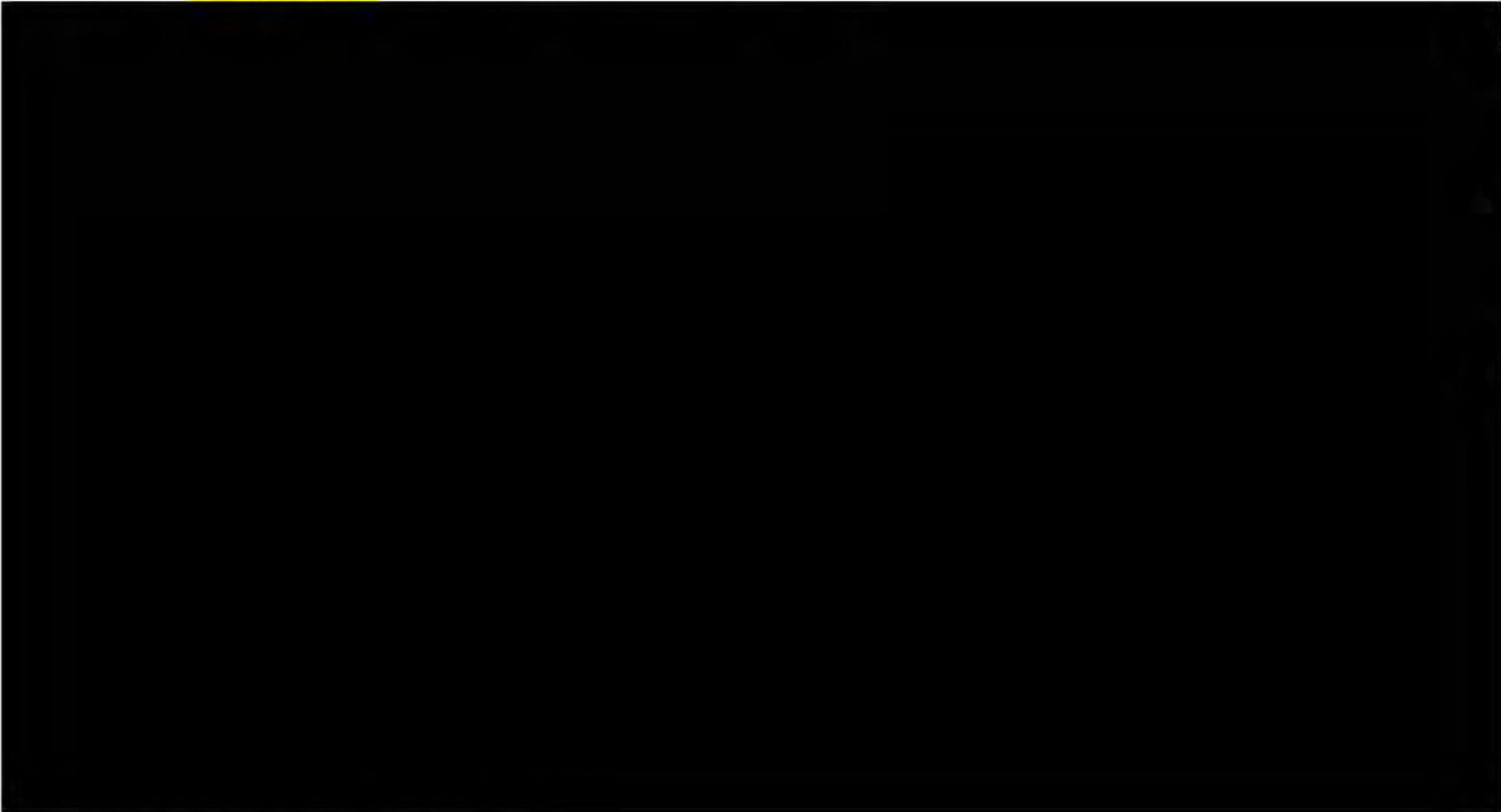




Crown Resorts Limited

For the year ended 30 June 2020

Executive Summary **Areas of Audit Focus** Audit Differences Control Environment Appendices



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CGU impairment assessment



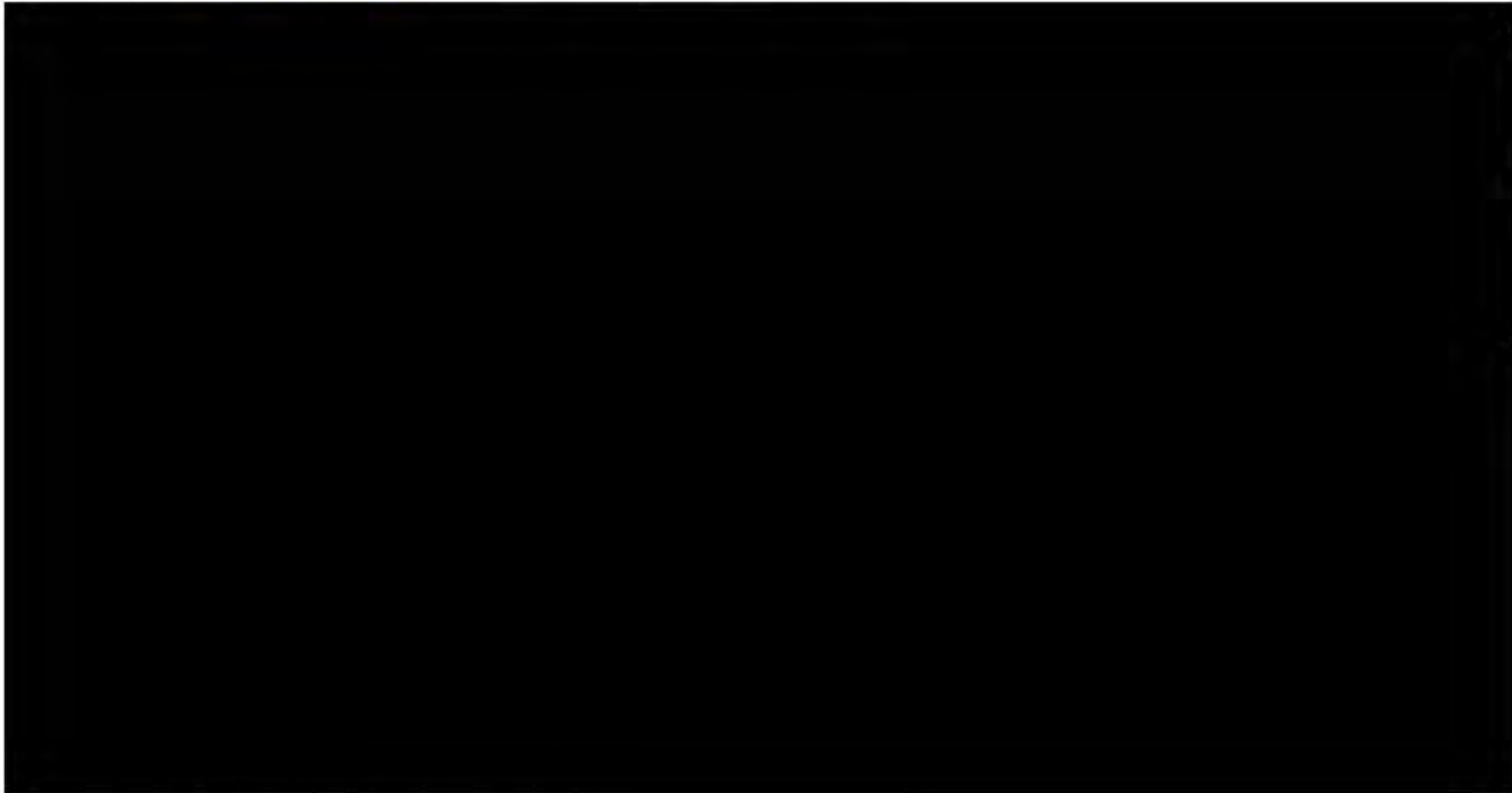
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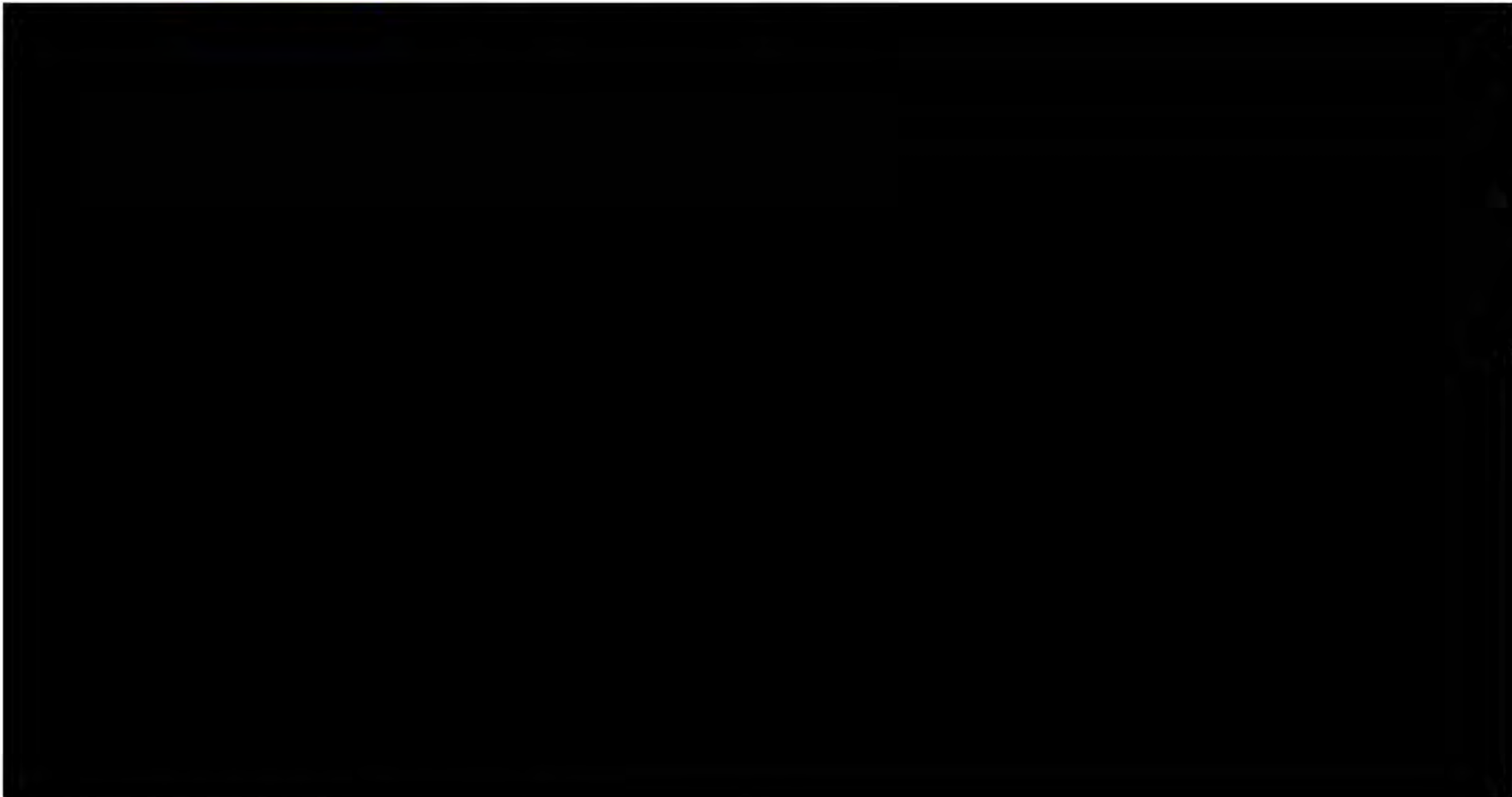
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Crown Resorts Limited

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Crown Resorts Limited

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Equity accounted investments



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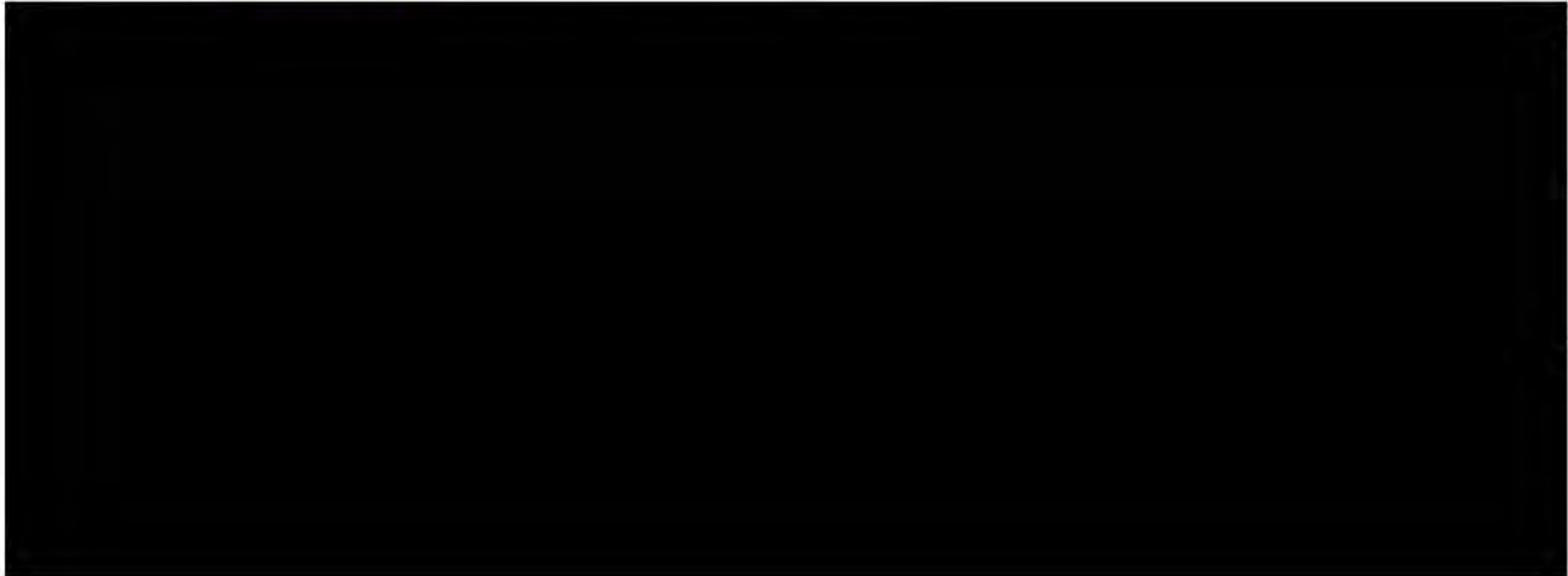
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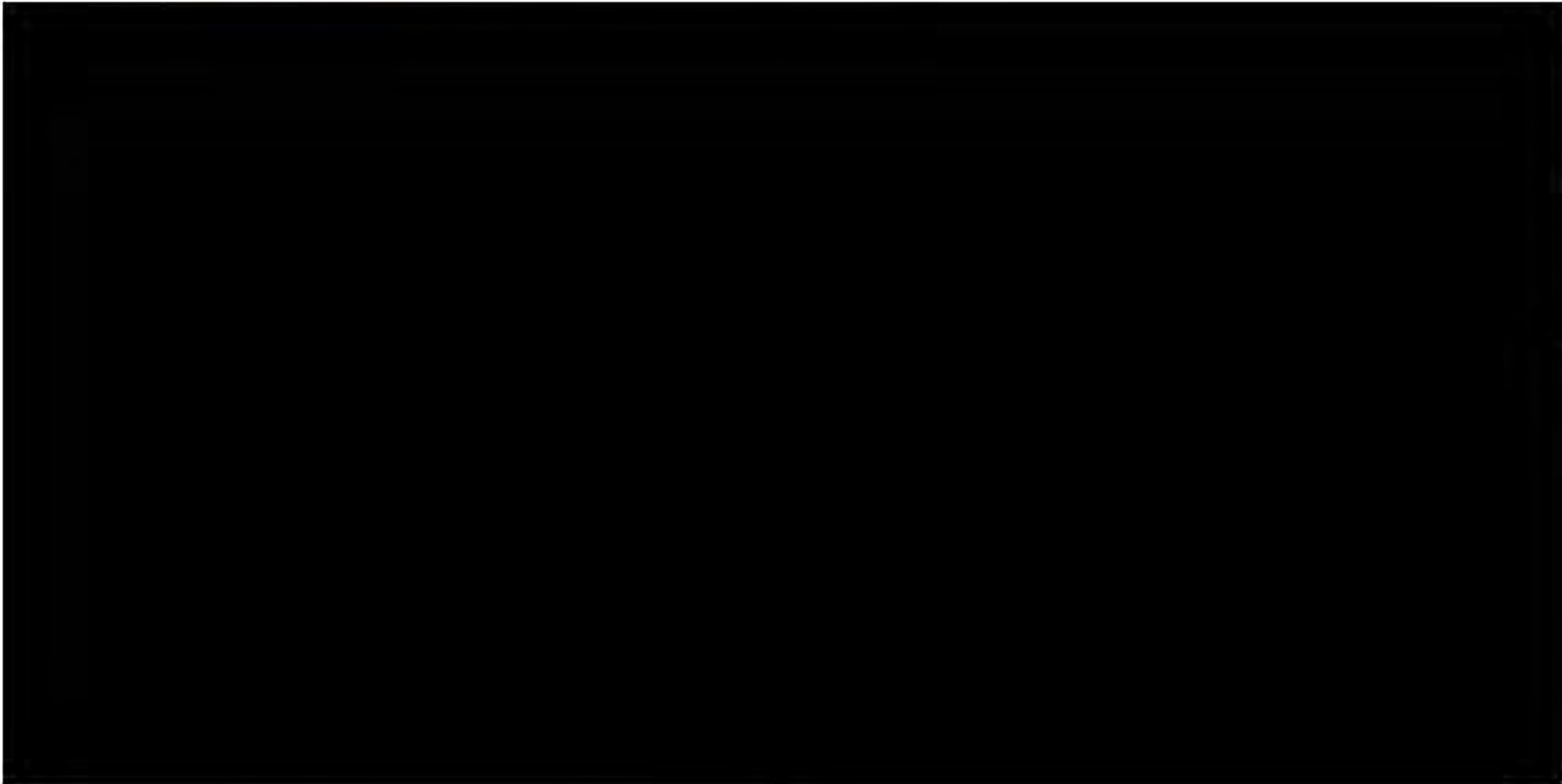
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Crown Resorts Limited

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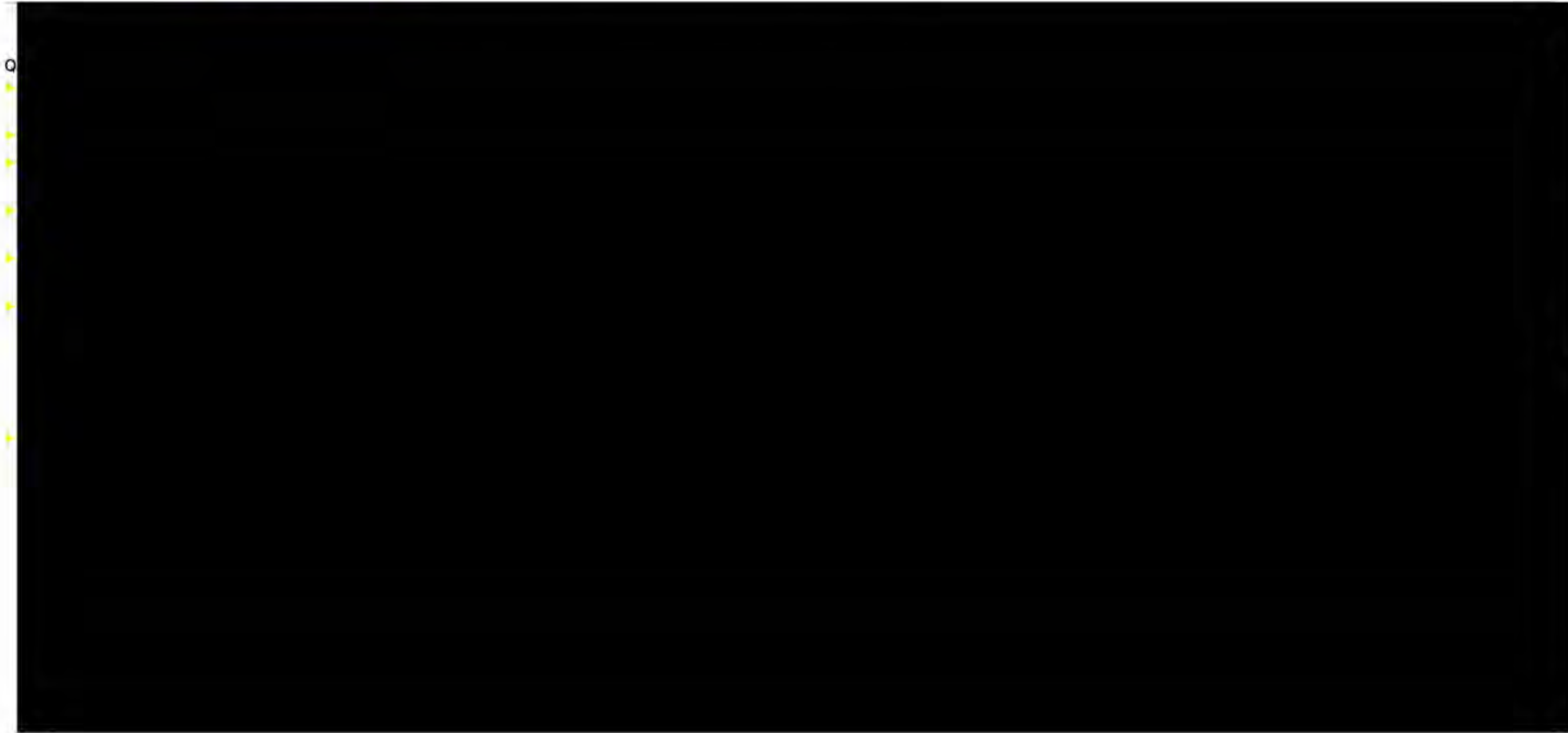
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Crown Resorts Limited

For the year ended 30 June 2020

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Crown Resorts Limited

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Crown Resorts Limited

For the year ended 30 June 2020

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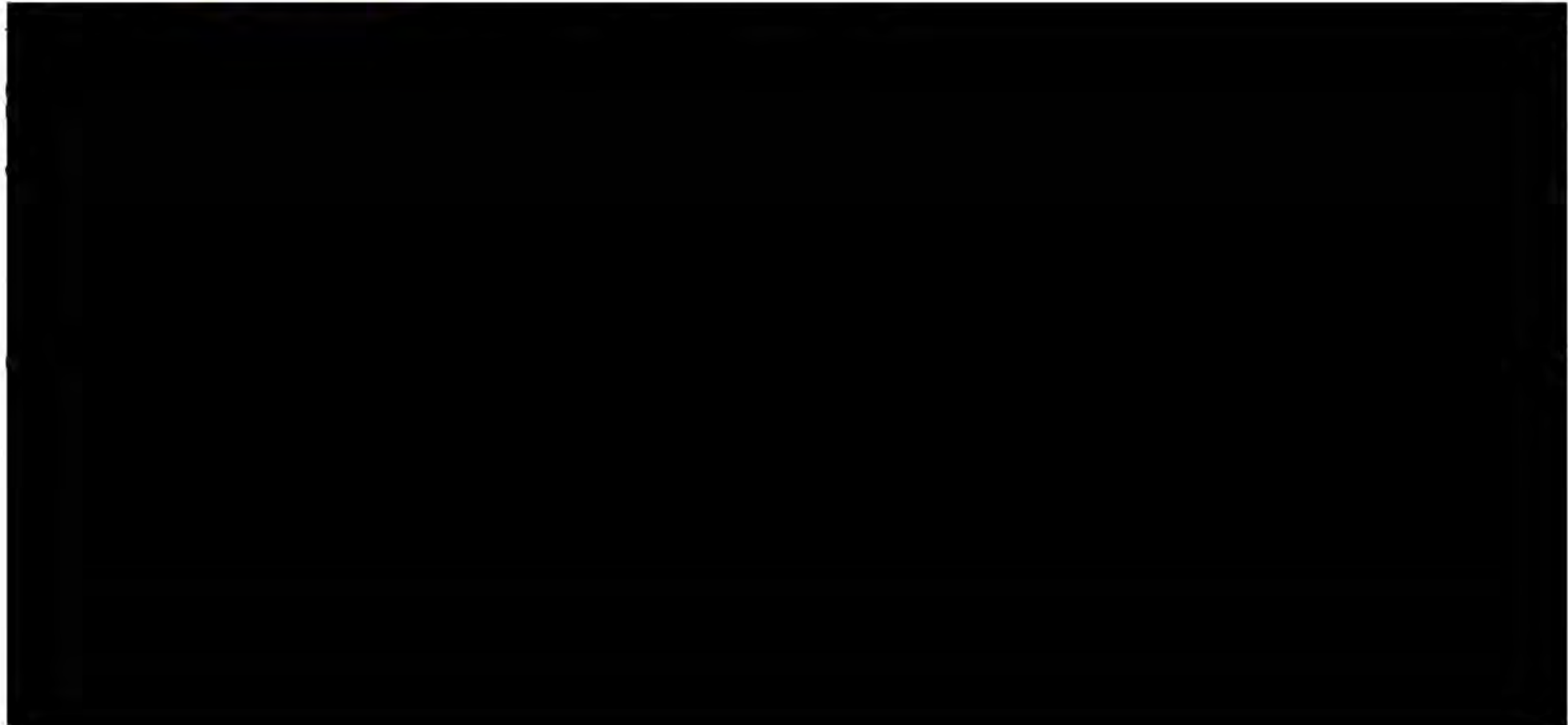
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Crown Resorts Limited

For the year ended 30 June 2020

Executive Summary **Areas of Audit Focus** Audit Differences Control Environment Appendices



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Crown Resorts Limited

For the year ended 30 June 2020

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Crown Resorts Limited

For the year ended 30 June 2020

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Regulatory reviews

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Crown Resorts Limited

For the year ended 30 June 2020

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Crown Resorts Limited

For the year ended 30 June 2020

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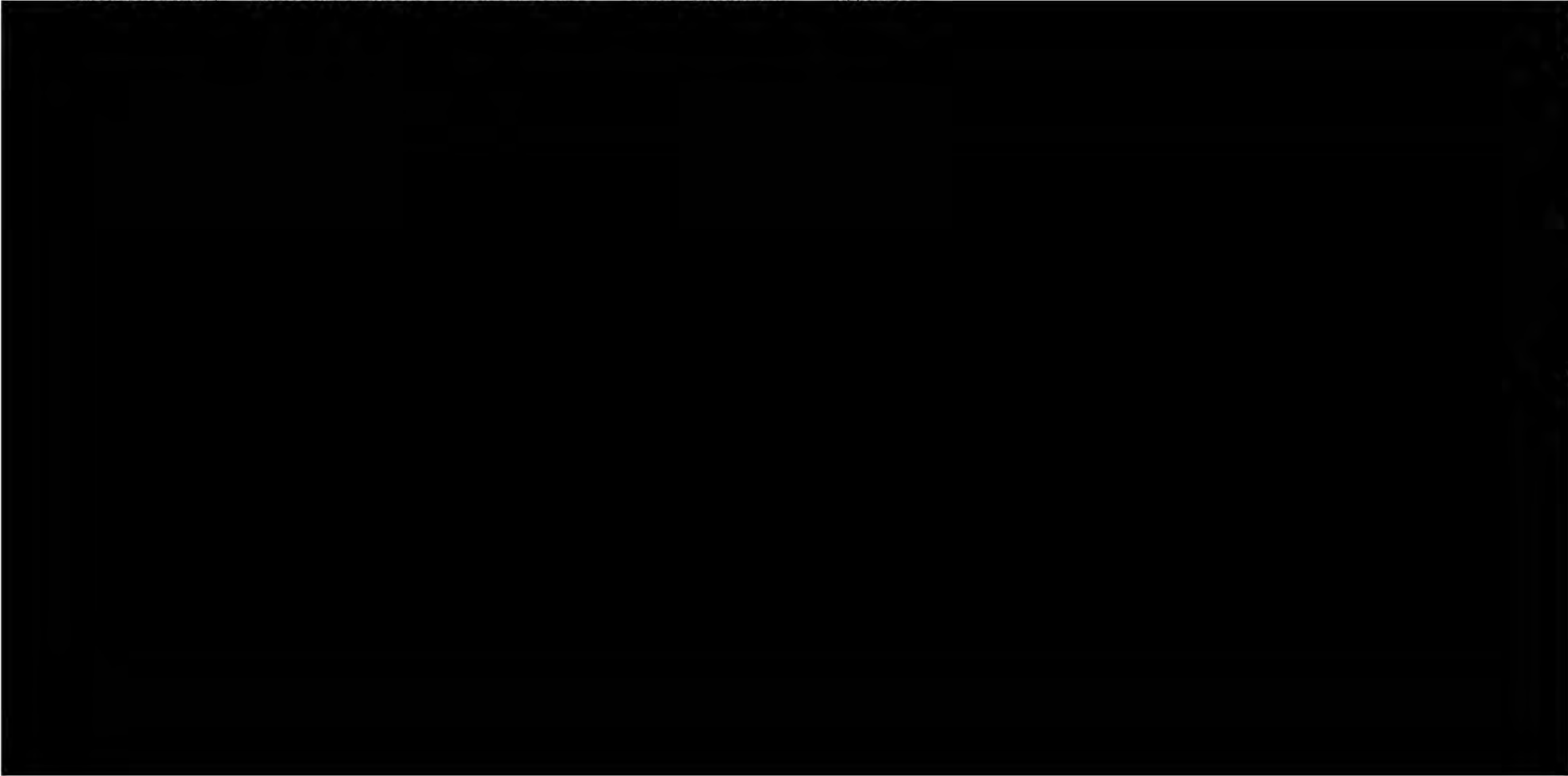
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Crown Resorts Limited

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Crown Resorts Limited

For the year ended 30 June 2020

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Audit Differences

5.1



Assessment of Control Environment

5.1

Appendices



Other Required Audit Committee Communications

Auditing Standards require us to report to you certain matters not in the body of this report.



Outstanding Matters

The items in here relates to outstanding matters at the date of the release of this report.



ASIC Areas of Focus

Audit Committee members should be aware of ASIC's focus areas, which includes the impact of ASIC FAQs in relation to COVID-19 and financial reporting.



Draft Auditor Independence Declaration

Here is the draft auditor's independence declaration to the Directors of Crown Resorts Limited.



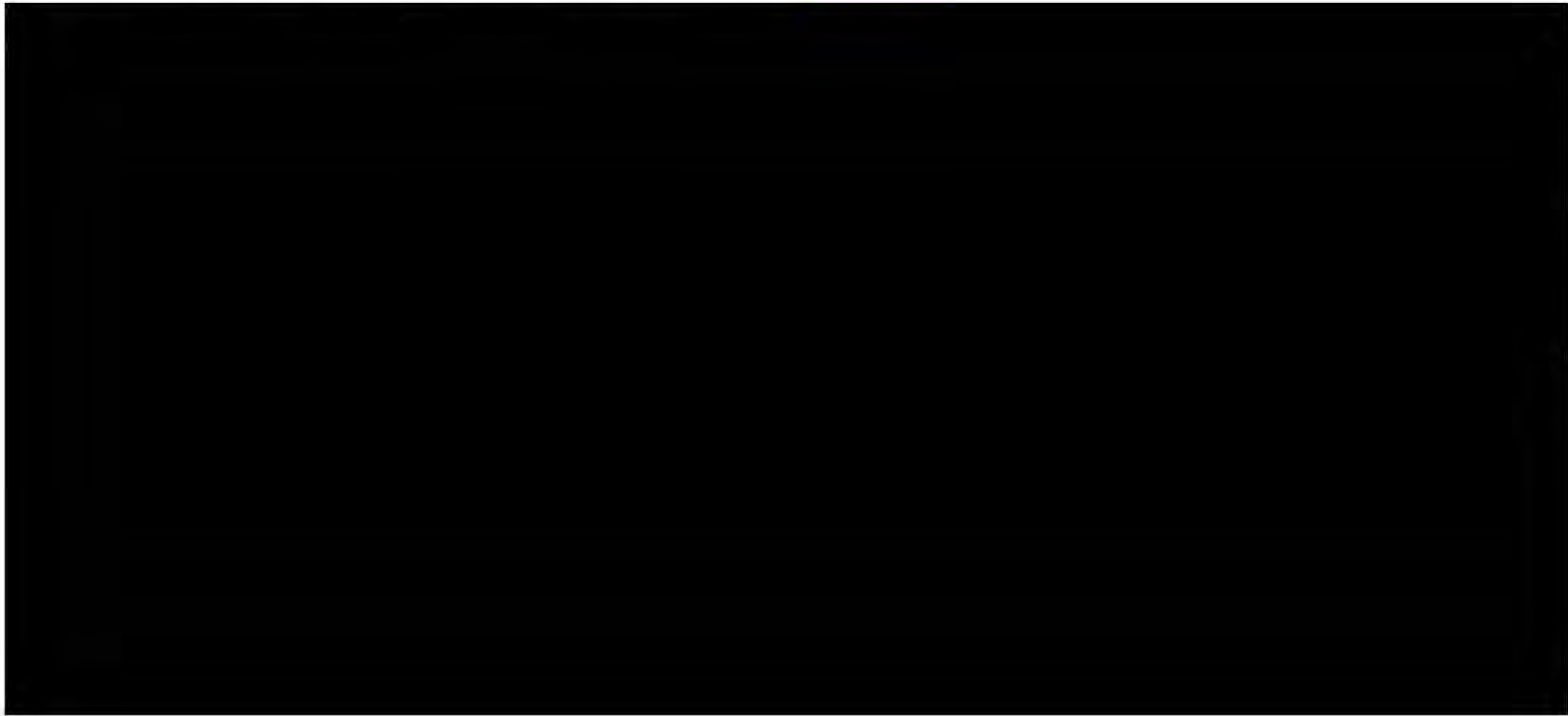
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Crown Resorts Limited

For the year ended 30 June 2020

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Appendix B - Outstanding Matters

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Crown Resorts Limited

For the year ended 30 June 2020

Executive Summary Areas of Audit Focus Audit Differences Control Environment **Appendices**

Appendix C - ASIC areas of focus and COVID-19 FAQs

Background

On 7 July 2020, ASIC announced its areas of focus for 30 June 2020 financial reports of listed entities and other entities of public interest with many stakeholders. The Media Release focusses heavily on areas most impacted by the COVID-19 pandemic including the reporting of asset values and provisions as well as disclosures of uncertainties, key assumptions and sensitivities.

The release also draws attention to the reporting process and that companies need to adequately apply appropriate experience and expertise in the reporting and audit process particularly in more difficult and complex areas, such as asset values and other estimates.

Attention is drawn to what entities are reporting in their OFR. Information should be useful and meaningful covering underlying drivers of results, information around strategies, key risks and other matters impacting future prospects. Directors are cautioned around the potential for non-IFRS information to be potentially misleading. Reference is made to ASIC Regulatory Guides 247 *Effective disclosure in an operating and financial review* and RG 230 *Disclosing non-IFRS financial information*.

The role of directors and management is also specifically identified as ASIC calls on preparers to focus on the quality of financial information. Companies must have 'appropriate processes, records and analysis to support information in the financial report' and companies should apply appropriate experience and expertise. Further information is available in ASIC's Information Sheets 183 *Directors and financial reporting* and 203 *Impairment of non-financial assets: Materials for directors*.

ASIC COVID-19 frequently asked questions (FAQ)

Due to the impact of the COVID-19 pandemic on Australian companies which caused difficulties in financial reporting, ASIC has drafted FAQs which can be found here: <https://asic.gov.au/regulatory-resources/financial-reporting-and-audit/covid-19-implications-for-financial-reporting-and-audit-frequently-asked-questions-faqs/>.

EY's Perspective

ASIC's areas of focus for its financial reporting surveillance program as outlined in the Media Release are broadly the same as those highlighted by ASIC in previous periods and are as follows:

ASIC Area of focus	Application to our audit
Recognition and measurement	[Redacted]
Value of assets (including intangibles, property, inventories, receivables/loans, investments, other financial assets, contract assets and deferred tax assets)	
Liabilities (including provisions for onerous contracts, financial guarantees and restructuring)	
Disclosures	
Sources of estimation uncertainty	
Key assumptions and sensitivity analysis	
Operating and financial review	
Going concern assessments and solvency	
Subsequent events	

5.1



Appendix D - Draft Auditor Independence Declaration

Auditor's Independence Declaration to the Directors of Crown Resorts Limited

As lead auditor for the audit of the financial report of Crown Resorts Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Crown Resorts Limited and the entities it controlled during the financial year.

Ernst & Young

Michael Collins
Partner
XX September 2020

5.1



EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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ED None

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5.1



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee

From: Mary Manos

Date: 7 August 2020

Subject: **Assessment of Auditor Independence**

Dear Committee Members

Article 5.5 of the Committee's Charter requires that the Committee periodically review the independence of the Company's external auditors, having regard to any relationships with Crown beyond the external audit function that could impair the external auditor's independence or judgment of Crown.

In addition, the Committee is required to consider annually any non-audit services provided by Ernst & Young to determine whether the provision of those non-audit services is compatible with the independence of the external auditor and does not compromise the auditor's independence.

Review of Independence

To assist the Committee in its review, we have requested that Ernst & Young confirm for the Committee that it continues to meet all internal independence processes and criteria.

Attached as **Annexure A** is a draft independence statement provided by Ernst & Young for this purpose, the final will be included in the Closing Report.

In addition, given that this is the full year results meeting, and consistent with previous years, a representative of Ernst & Young's Independence Team, Leigh Walker, will attend the meeting to provide the Committee with an overview of current Ernst & Young independence processes.

Audit v Non-audit Services

Crown acquired non-audit services from Ernst & Young largely in relation to the Cannery tax litigation matter, the DGN restructure and compliance related taxation matters.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are as follows:

	2020	2019
	\$	\$
Fees to Ernst & Young (Australia) for:		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,468,377	1,575,277
Fees for other services:		
- Taxation services	2,479,861	3,567,326
- Other	82,000	138,103
Total fees to Ernst & Young (Australia)	4,030,238	5,280,706
Fees to other overseas member firms of Ernst & Young (Australia) for:		
Fees for auditing the financial report of any controlled entities	127,853	127,509
Fees for other services:		
- Taxation services	339,453	545,204
Total fees to overseas member firms of Ernst & Young (Australia)	467,306	672,713
Total auditor's remuneration	4,497,544	5,953,419

The ratio of non-audit to audit services provided by Ernst & Young to Crown is approximately 1.8.

A breakdown of taxation service fees (for Australia) at a high level is set out below:

Matter	Amount
Cannery	\$347,369
Compliance	\$429,236
ATO audits/RfIs	\$349,468
Employment matters	\$68,542
CML	\$188,882
DGN	\$624,018
GST Matter	\$39,163
Other matters	\$433,183

Advice to the Board

Crown is required to disclose in its Directors' Statutory Report certain information in relation to the provision of non-audit services by the auditor, Ernst & Young, including:

- ∑ a statement whether the directors are satisfied that the provision of non-audit services, during the financial year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act; and
- ∑ a statement of the directors' reasons for being satisfied that the provision of non-audit services, during the financial year, by the auditor did not compromise the auditor independence requirements of the Corporations Act.

The above statements must be made in accordance with written advice endorsed by a resolution of the Committee and signed by a member of the Committee.

Attached as **Annexure B** is a draft written advice for endorsement by the Committee, subject to any changes the Committee may have.

Recommendation and Proposed Resolution

Based on the representations provided by Ernst & Young in relation to the independence processes and the analysis above, it is open to the Committee to conclude that it remains satisfied with the independence of the external auditor. It is proposed that the Committee resolve as follows:

RESOLVED that:

1. having conducted a formal review, the Committee is satisfied that the external auditor, Ernst & Young, remains independent;
2. in the opinion of the Committee, the provision of non-audit services by Ernst & Young during the 2020 financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and the Committee is satisfied that the provision of non-audit services during the 2020 financial year did not compromise the auditor independence requirements of the *Corporations Act 2001*; and
3. the draft advice provided to the Committee in advance of the meeting be approved, signed by the Chair of the Committee and provided to the Board of Directors of the Company.

Kind Regards

Mary Manos
General Counsel & Company Secretary

ANNEXURE A
INDEPENDENCE STATEMENT PROVIDED BY ERNST & YOUNG

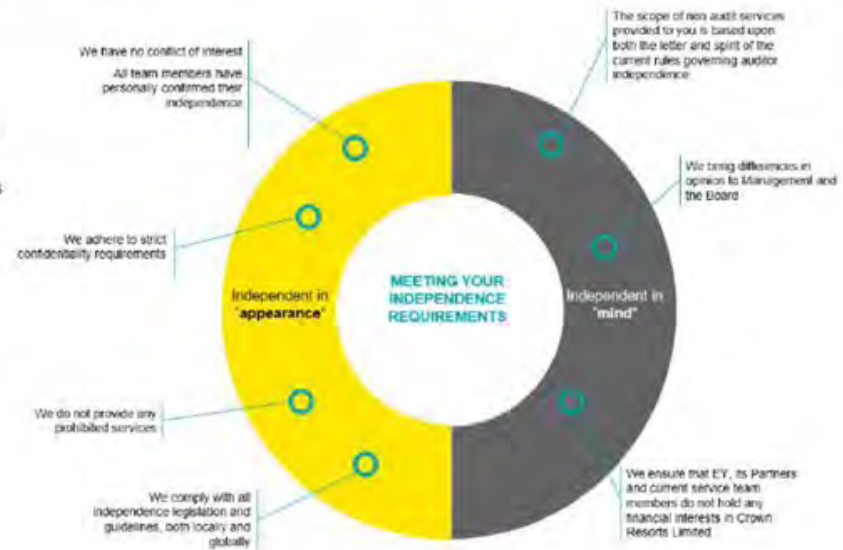
Appendix A - Independence

We confirm that we have complied with the *Corporations Act 2001*, and in our professional judgement, the engagement team and the Firm are independent.

We are satisfied that all EY locations world-wide which have provided services in the past or are currently providing services to Crown Resorts Limited have complied with the Crown Resorts Limited non-audit services policy during the year ended 30 June 2020. We are satisfied that the services provided by EY during the year ended 30 June 2020 do not impact our independence.

We are not aware of any other relationships between the Firm or other firms that are members of the global network of EY firms and Crown Resorts Limited that, in our professional judgement, may reasonably be thought to bear on independence.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you and your Board consider the facts of which you are aware and come to a view.



5.2

ANNEXURE B**ADVICE OF THE COMMITTEE RE NON-AUDIT SERVICES****[TO BE PRINTED ON CROWN RESORTS LETTERHEAD]**

Board of Directors
Crown Resorts Limited
Level 3, Crown Towers
8 Whiteman Street
SOUTHBANK VIC 3006

Dear Directors

Provision of Non-audit Services by Ernst & Young during the 2020 Financial Year

On 12 August 2020, at its meeting, the Audit and Corporate Governance Committee (the **Committee**) considered the provision of audit and non-audit services provided by Crown's auditor, Ernst & Young, during the 2020 financial year. The Committee advises as follows:

The Committee is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

- (a) all non-audit services have been reviewed by the Committee to ensure that they did not impact the impartiality and objectivity of the auditor; and
- (b) none of the services involved reviewing or auditing the auditor's own work or acting in a management decision-making capacity for the Company.

Yours sincerely,

Toni Korsanos
Chair of the Audit and Corporate Governance Committee



AGENDA ITEM 6:
Tax Status Report



Audit and Corporate Governance Committee

Memorandum

To: Audit and Corporate Governance Committee

From: Alan McGregor

Date: 7 August 2020

Subject: Tax Report

Dear Committee Members

Attached is a written overview of the Company's material taxation issues for the period 1 January 2020 to 30 June 2020.

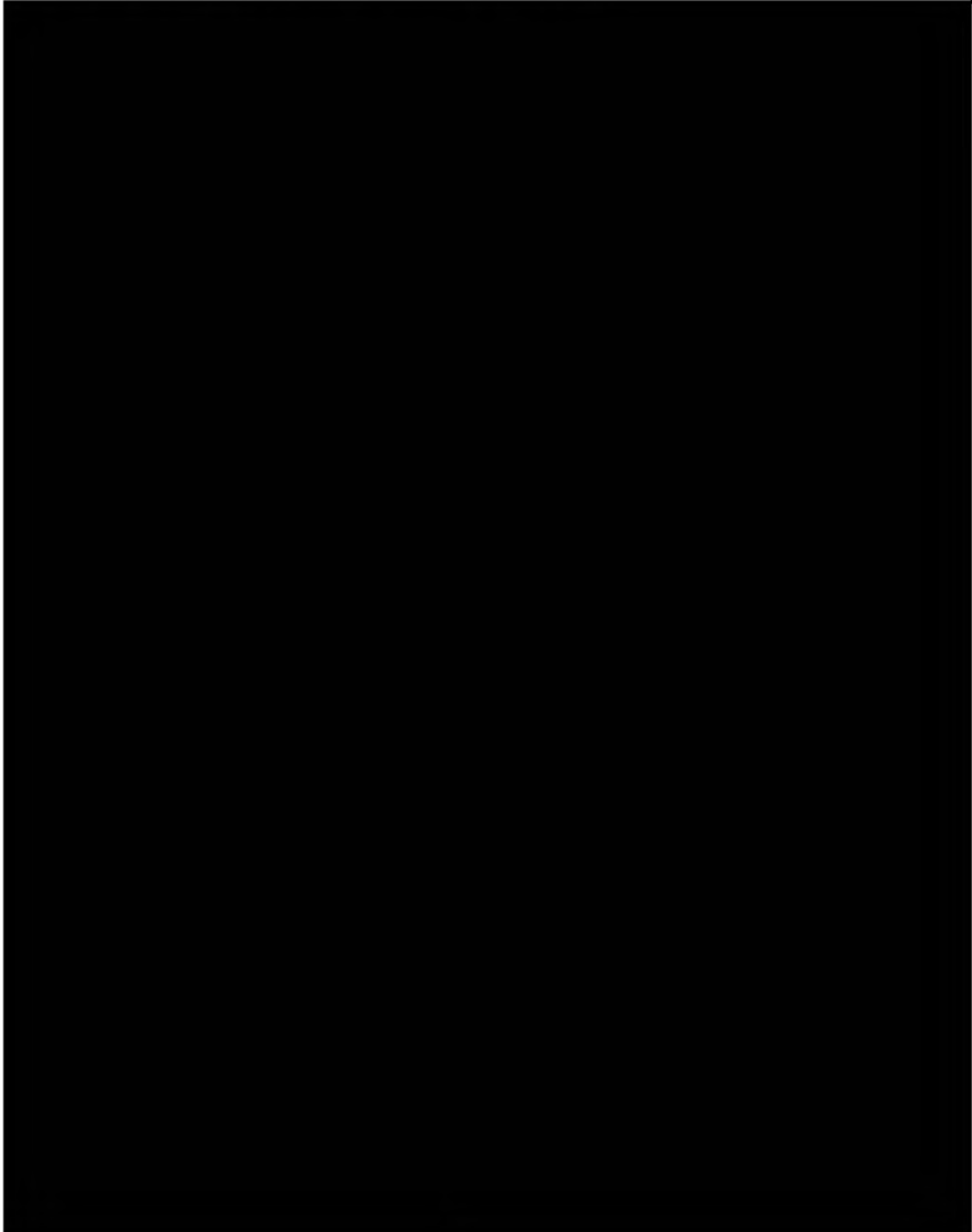
Kind Regards

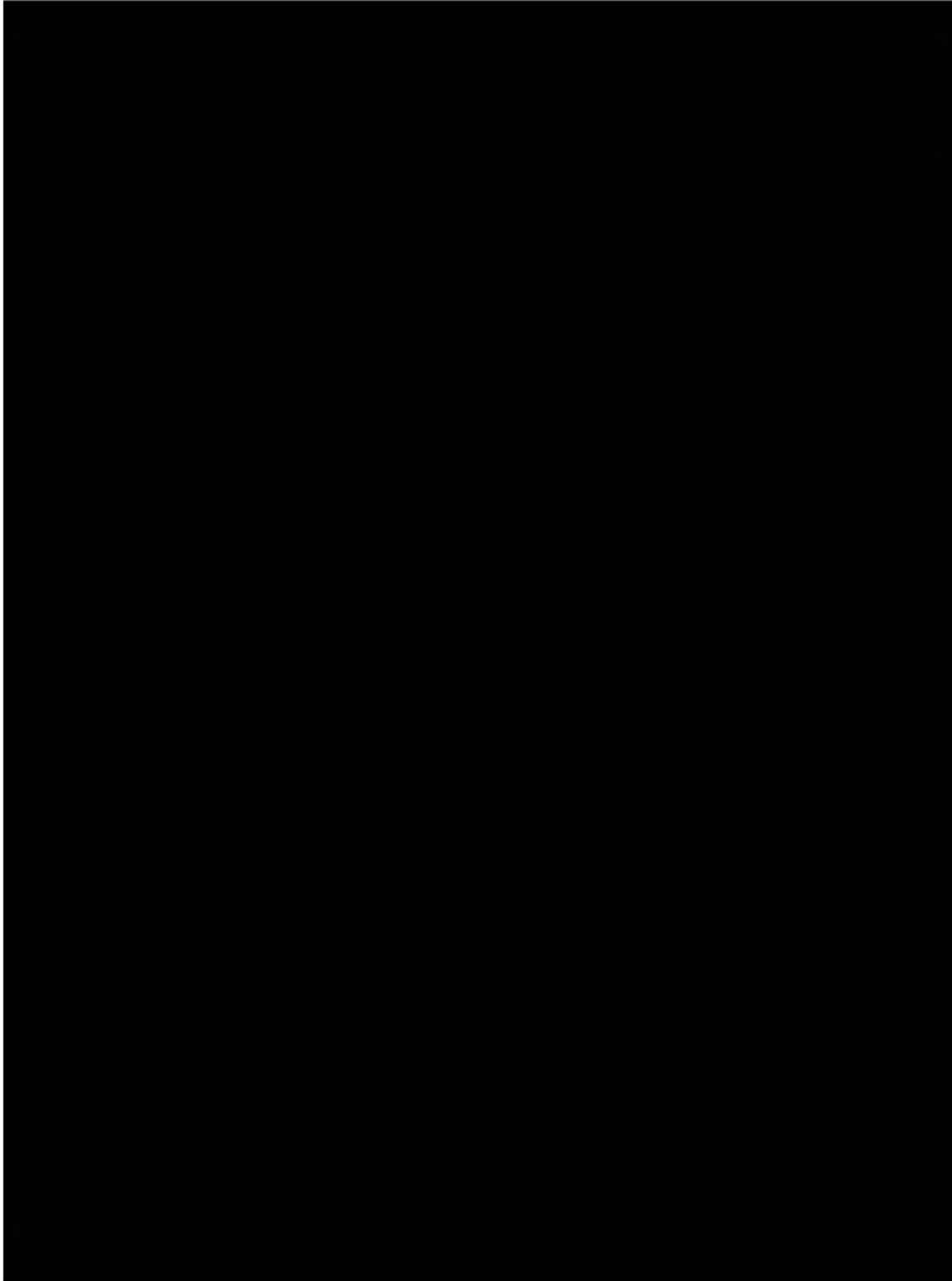
Alan McGregor
Chief Financial Officer

Tax Status Report

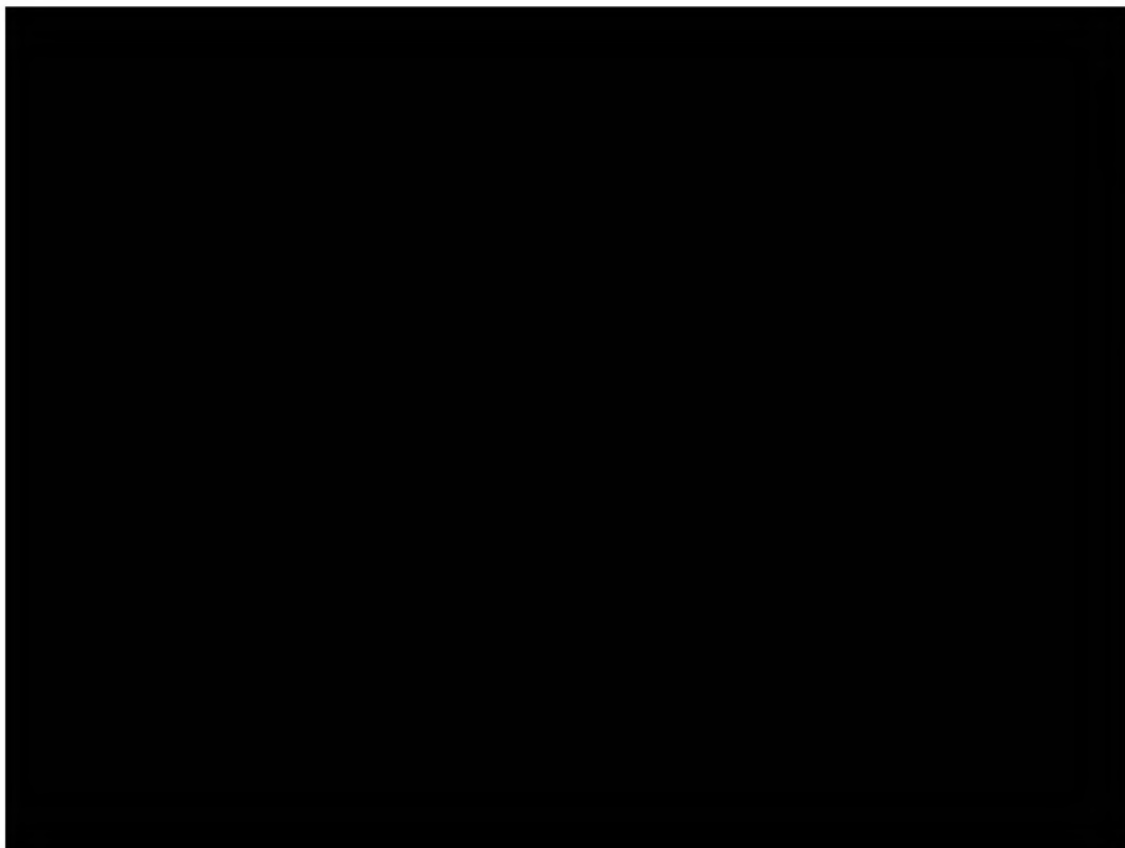
1. Period

This Tax Status Report is for the period 1 January 2020 to 30 June 2020.





¹ The effective tax rate at theoretical was 32.72%, whilst the effective tax rate at reported was 31.12%





CROWN RESORTS LIMITED – VOLUNTARY TAX TRANSPARENCY CODE REPORT

Crown Resorts is one of Australia's largest entertainment groups and makes a major contribution to the Australian economy through its role in tourism, employment, training, and its corporate responsibility programs.

Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth and is nearing completion of the Crown Sydney Hotel Resort Project. Overseas, Crown owns and operates Crown Aspinalls in London and also participates in the online gaming arena with a 100% interest in Betfair which is an online betting exchange and an 85% interest of DGN games which is an online social gaming business.

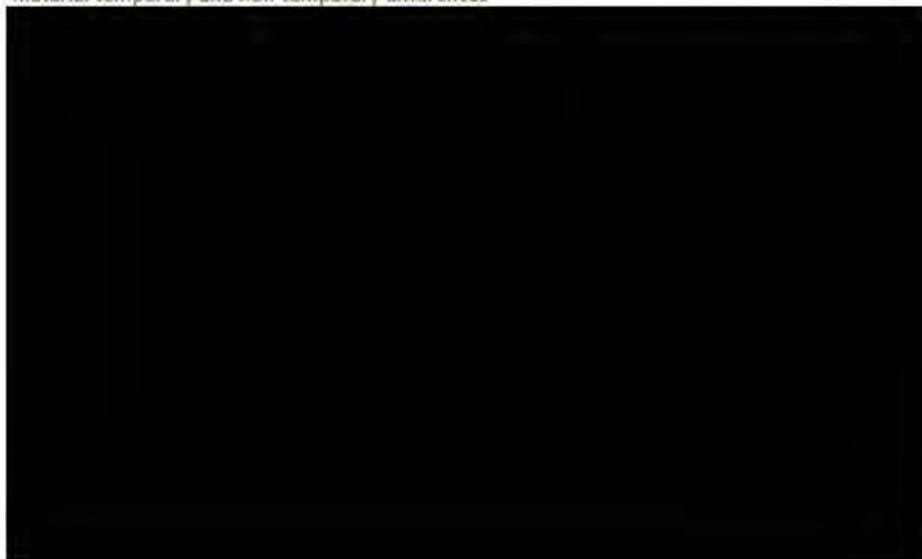
Crown returns a substantial amount of its revenue to the community through the various taxes levied on its operations. Outside legislative commitments, Crown takes its responsibility to the communities in which it operates seriously with an ongoing, proactive effort to make a genuine difference in the lives of people through charity partnerships and community-focussed collaborations.

In this respect, Crown supports many community causes and organisations through employee volunteering opportunities, a variety of resorts specific community partnerships and the Crown Resorts Foundation.

As one of Australia's largest taxpayers, Crown is committed to being a responsible corporate citizen and meeting our tax responsibilities. Transparency is a sub-set of this social responsibility. As part of our commitment to transparency, we are publishing this report on a voluntary basis, in line with the guidelines set out in the Australian Tax Transparency Code recommended by the Board of Taxation and adopted by the Federal Government. The information below relates to the year ended 30 June 2020.

Part A

Reconciliation of accounting profit to income tax expense and income tax payable including identification of material temporary and non-temporary differences





Part B

Crown's approach to tax policy, tax strategy and governance

Crown is committed to full compliance with its statutory obligations and takes a principled, transparent and sustainable approach to tax risk management. Crown manages tax risk like any other operational risk in our business and in this regard, we have a comprehensive organisation wide risk management framework, which is supplemented by tax specific policies and procedures. Of particular note is Crown's Tax Policy, which includes an internal escalation process for referring tax matters to the Group Tax function. The CFO must report any material tax issues to the Board. Crown's Tax Strategy is implemented through its Tax Policy.

Crown's approach to tax management is to operate and pay the correct amount of tax when it is due and payable as prescribed under the law. Crown will consult the Australian Taxation Office (ATO) (or other relevant tax authority) when clarity is needed.

Crown seeks to have a pro-active and cooperative approach to engaging with the ATO and responding to ATO enquiries on a timely basis. Crown is a part of the "Top 100" cohort of taxpayers the ATO has identified in the context of its Justified Trust program. In this respect, the ATO conducts an annual review of Crown's Australian consolidated income tax return and in this context, Crown discloses to the ATO all material transactions undertaken.

¹ The ETR for Global Operations has been calculated as income tax expense divided by accounting profit before tax but excluding associates and significant items relating to impairments and reassessment of contingent consideration. Consequently, the ETR is illustrative of the sustainable ETR that applies to the Crown Group's Global Operations.

² The ETR for the Australian Operations has been calculated as income tax expense divided by accounting profit before tax but excluding dividend income from overseas subsidiaries. Consequently, the ETR is illustrative of the sustainable ETR that applies to the Crown Group's income generated within Australia.

Australian Tax Contribution Summary

	\$m
<i>Corporate income tax</i>	77.3
<i>Other Australian taxes and imposts paid to State and Federal Governments</i>	
Payroll Tax	35.5
Fringe Benefits Tax	3.3
Gaming Taxes (incl Community Benefit Levy)	301.8
Point of Consumption Tax	7.8
Rates & Land Tax	30.5
Returns to racing industry	24.4
TOTAL TAXES PAID	<u>480.6</u>

In addition to the above, Crown collects and remits to the ATO significant sums of Goods and Services Tax and Pay as You Go Withholding Tax.

Information about International Related Party Dealings

With a number of business interests in foreign jurisdictions, Crown transacts with related parties in those jurisdictions. All material transactions between Crown and its international related parties during the year were conducted, priced and documented on an arm's length basis having regard to Australian transfer pricing laws.

As a large taxpayer, Crown is under constant review by the ATO. Details of its international related party dealings are disclosed to the ATO as part of this review process.



AGENDA ITEM 7:
Continuous Disclosure Report



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee

From: Mary Manos

Date: 7 August 2020

Subject: **Continuous Disclosure Report**

7

Dear Committee Members

During the period, all ASX announcements were made in accordance with Crown's Continuous Disclosure Policy requirements.

For the Committee's information, set out below is a list of all announcements which have been placed on the Company's ASX platform since the last report provided in February 2020 (with the most recent on top). The column on the far right indicates who approved the announcement prior to release.

Date	Title	Pages	Approved by
24 June 2020	NSW Independent Liquor and Gaming Authority Inquiry Update	8	Disclosure Committee
23 June 2020	Revised Crown Perth Operating Conditions	1	Disclosure Committee
15 June 2020	Interest Payment – CWNHB	4	Disclosure Officer
4 May 2020	Response to COVID-19 – Trading Update	1	Board
1 May 2020	Ceasing to be a substantial holder	4	Not applicable
1 May 2020	Becoming a substantial holder	17	Not applicable
29 April 2020	Blackstone Advises of Purchase of Crown Shares	1	Disclosure Committee
16 April 2020	Response to COVID-19 - Market Update	3	Disclosure Committee
6 April 2020	Change in substantial holding from PPT	12	Not applicable
3 April 2020	NSW Independent Liquor and Gaming Authority Inquiry	2	Disclosure Committee
2 April 2020	Update - Dividend/Distribution - CWN	4	Disclosure Officer

Date	Title	Pages	Approved by
2 April 2020	F20 Interim Dividend - Update	1	Board
23 March 2020	Response to Covid-19 - Update - Revised Operating Conditions	1	Disclosure Committee
20 March 2020	Trading Halt	2	Disclosure Officer
20 March 2020	Pause in Trading	1	Not applicable
19 March 2020	Response to Covid-19 – Update	1	Disclosure Committee
18 March 2020	Change in substantial holding from PPT	15	Not applicable
17 March 2020	Response to Covid-19 Update	1	Disclosure Committee
16 March 2020	Interest Payment - CWNHB	4	Disclosure Officer
16 March 2020	Response to Covid-19	1	Disclosure Committee
13 March 2020	Appointment of Chief Financial Officer	1	Disclosure Committee
6 March 2020	Initial Director's Interest Notice - Ken Barton	3	Disclosure Officer
3 March 2020	Appointment of Ken Barton as a Director	1	Disclosure Officer
2 March 2020	Change of Director's Interest Notice - Helen Coonan	3	Disclosure Officer
19 February 2020	CWN Subordinated Notes II - Key Financial Ratios	2	Disclosure Officer
19 February 2020	2020 Half Year Results - Presentation Slides	14	Board
19 February 2020	Crown Announces 2020 Half Year Results	6	Board
19 February 2020	Dividend/Distribution - CWN	4	Disclosure Officer
19 February 2020	2020 Half Year Results - Appendix 4D	26	Board
7 February 2020	Change in Substantial Holding	12	Not applicable



AGENDA ITEM 8:
Diversity Report



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee

From: Mary Manos and Gen Arnold

Date: 7 August 2020

Subject: **Diversity Report**

Dear Committee Members

Background

The ASX Corporate Governance Principles and Recommendations include recommendations to: (i) establish a Diversity Policy; (ii) to establish and report on specific measurable diversity objectives; and (iii) to report on the participation of women at various levels within Crown.

In line with the ASX Corporate Governance Principles and Recommendations, the Diversity Policy requires that Crown establish measurable objectives for achieving gender diversity and to assess the both the objectives and Crown's progress in achieving those objectives annually. A copy of the Crown Diversity Policy is attached at **Annexure A** for your reference.

Crown's Diversity Policy

Crown's Diversity Policy has not been updated since it was introduced in 2011. A number of advancements in diversity at Crown have been made since the inception of that Policy, including the establishment of a Gender Action Plan. On that basis, the Diversity Policy will be reviewed and updated as appropriate, with updates to be presented to this Committee for consideration prior to adoption.

Application of Policy

In accordance with the Policy, Crown first established the measurable objectives for achieving gender diversity which would apply from the period commencing 1 July 2011. Those objectives were reviewed and revised in 2015, 2017, 2018 and 2019 to recognise that a number of the originally adopted objectives had been achieved.

The adopted objectives which applied for the period ending 30 June 2020 are set out below (**Gender Objectives**) together with an assessment of Crown's progress in achieving those Gender Objectives.



Objective	Crown's Progress
<p>1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.</p>	<p>Crown has adopted this recruitment objective as part of its commitment to diversity and in line with the Crown Resorts Limited Diversity Policy.</p> <p>In order to meet the above objective, all positions in Crown Resorts must be supported through a consistent, unbiased and thorough recruitment process, managed by the relevant recruitment team, including for positions identified through succession planning or otherwise. This process is overseen by the Executive team at each property.</p> <p>During the financial year, female candidates were shortlisted for 80% of Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken during the financial year. For the positions that did not have a female candidate shortlisted, there were no female applicants.</p> <p>Crown has continued, and expanded on, its efforts around attracting and sourcing female candidates, including through:</p> <ul style="list-style-type: none"> • the adoption of robust practices to increase long-term gender balances in areas of the business where female applications and appointments are underrepresented; and • undertaking focus groups in relation to the Gaming areas of the business to inform the end to end recruitment process. <p>Recruitment commenced for Crown Sydney, with a focus on gender-balanced shortlists for positions.</p> <p>A female from Senior Management was involved in the interview process for all except two Senior Management and Senior Executive positions within the group for which a recruitment process was undertaken.</p> <p>Crown Resorts</p> <p>There were no Senior Management or Senior Executive roles filled during the year for which a recruitment process was undertaken.</p>



Objective	Crown's Progress
	<p>Crown Melbourne Limited</p> <p>11 Senior Management or Senior Executive roles were filled during the financial year, with two female appointments made. Nine of the roles had female candidates shortlisted. Two of these 11 positions were not advertised and were direct appointments.</p> <p>Crown Perth</p> <p>Four Senior Management or Senior Executive roles were filled during the financial year with no females appointed to the roles. Three of the roles had female candidates shortlisted. Two roles were put on hold before hire stage due to COVID.</p> <p>Crown Sydney</p> <p>16 Senior Management or Senior Executive roles were filled during the financial year. With six female appointments made. 12 of the roles had female candidates shortlisted. Two of the 16 positions were direct appointments.</p> <p>Despite efforts, recruitment was unable to source female candidates for the following positions:</p> <ul style="list-style-type: none"> • Chinese Executive Chef • Senior IT Manager <p>Crown Aspinalls</p> <p>Two Senior Management or Senior Executive roles were filled during the financial year with females appointed to both roles.</p> <p>Betfair</p> <p>Two Senior Management or Senior Executive roles were filled during the financial year with no females appointed to the roles. Female candidates were shortlisted for both roles.</p>



Objective	Crown's Progress
<p>2. To promote leadership opportunities for female employees by maintaining the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.</p>	<p>During the financial year, Crown's wholly owned properties achieved a 38.75% female participation rate in leadership and development programs which represents a 15.5% decrease on financial year 2020.</p> <p>The participation rate was, in part, impacted by the COVID-19 property closures and stand downs, with no leadership and development programs being conducted over this period.</p> <p>As detailed at Objective 5, Crown published its first Gender Action Plan for FY20 to FY23 (GAP) which includes Retention and Development as a key theme. Crown is reviewing its current leadership and development programs and framework to address this objective.</p> <p>Participation rates for each property are set out below:</p> <ul style="list-style-type: none"> • Melbourne – 38% in F20 as compared to 45% in F19. • Perth – 60% in F20 as compared to 60% in F19. • Aspinalls – 45% participation rate in F20 compared to 50% in F19. • Betfair – 12% participation rate in F20 compared to 21% in F19.
<p>3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.</p>	<p>In the 2020 financial year, Crown conducted an internal review only. While an external validation review was scheduled to be undertaken during the financial year, this has been deferred to the 2021 financial year as a result of Crown's property closures due to COVID-19.</p> <p>The internal pay gap review confirmed that there was no statistically significant pay gap identified for like for like roles.</p> <p>Crown's Workplace Gender Equity Agency (WGEA) Report for 2019-20 demonstrated a further reduction in the gender pay gap from the previous year of 9.3 to 8.0. The results of the internal analysis, which considers like for like roles, are inconsistent with the WGEA data as the WGEA data considers the average pay of all salaried roles within the group, including senior executive positions up to and including the CEO.</p>



Objective	Crown's Progress
<p>4. To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs.</p>	<p>Crown continued its participation in the following local and national programs during the 2020 financial year:</p> <ul style="list-style-type: none"> • Male Champions of Change (MCC) program. • CEOs for Gender Equity in Western Australia. • Women in Gaming and Hospitality Australasia (WGH). <p>During the 2020 financial year, Crown also became a member of Not In My Workplace which is an organisation committed to addressing workplace harassment and abuse.</p> <p>Throughout the financial year, the following initiatives were achieved at Crown, in alignment with the MCC Action Group meetings:</p> <p><i>Promoting female sports</i></p> <p>Crown was a key sponsor for the International Women's Day T20 World Cup Final MCC forum.</p> <p><i>Flexible work arrangements</i></p> <p>In response to COVID-19, Crown successfully supported many of its employees in working remotely which is expected to inform and accelerate flexible working arrangements going forward. Crown introduced new technology platforms to facilitate communication with employees during this period.</p> <p><i>Violence against women</i></p> <p>Crown's Family and Domestic Violence Support Policy which provides uncapped paid leave entitlements to employees experiencing, or supporting someone experiencing, family violence was extended to casual employees.</p> <p>While not specifically related to Crown's employees, Crown Melbourne worked with the Victorian Government and service providers to establish a program to provide safe accommodation, at no cost, to those experiencing domestic and family violence during the COVID-19 pandemic. Crown has provided over 400 room nights under this program.</p>



Objective	Crown's Progress
<p>5. To progress the objectives of the Gender Action Plan for FY20 to FY23 (the Plan) and to annually assess the progress of the Plan's objectives.</p>	<p>During the 2020 Financial Year, Crown published its first Crown Resorts Gender Action Plan for FY20 to FY23 (GAP) which strengthens Crown's longstanding commitment to gender equity.</p> <p>The GAP focuses on five key themes of Recruitment and Promotion, Retention and Development, Flexibility, Cultural Change and Communication, and Intersectionality.</p> <p>In addition to the initiatives set out above for Objectives 1 to 4 above, Crown progressed the following GAP objectives:</p> <p><i>Recruitment and Promotion</i></p> <p>Development of reporting dashboards to monitor Crown's progress against its 40:40:20 target.</p> <p><i>Retention and Development</i></p> <p>Development of a talent management framework to manage and track this objective.</p> <p><i>Flexibility</i></p> <p>Increased focus and communications on flexible working arrangements, particularly throughout the COVID-19 pandemic.</p> <p>Improvements around leave purchase options to provide greater flexibility for employees.</p> <p><i>Cultural Change and Communication</i></p> <p>Diversity and inclusion key performance objectives have been set for all salaried roles.</p> <p>Implementation of a social communication platform to enable two-way engagement which has been effective during the COVID-19 closure period.</p> <p>Crown became a member of the Diversity Council Australia, an independent not-for-profit body leading diversity and inclusion in the workplace.</p> <p><i>Intersectionality</i></p> <p>Crown continued its focus on intersectionality, raising awareness of Crown's diversity programs</p>



Objective	Crown's Progress
	through <i>Crown Community</i> and through the <i>Crown Pride, Cultural and Linguistically Diverse, and Family Support</i> employee networks.

Annual Report disclosures

Crown's Gender Objectives and its progress towards achieving them must be disclosed in its Annual Report.

In addition, the proportion of women employees in the Crown group, women in senior executive positions and women on the Board as at 30 June 2020 must also be reported on. The results of these measures are as follows:

Measure	Result
Proportion of women employees in the group	There were 5,255 women in the group. This represents 43.19% of the total workforce of 12,166 employees. This is a slight improvement (0.49%) on FY19.
Proportion of women in senior executive positions in the group	There were 22 women in senior executive positions in the group. This represents 28.9% of senior executive positions in the group. This is a 0.9% decrease on FY19 (29.8%).
Proportion of women on the Board	There were three female Directors out of a total of 11 Directors, or 27.27%.

The draft Corporate Governance Statement included in the papers has provision for the above information to be included. The Corporate Governance Statement will be included in Crown's 2020 Annual Report.

Annual assessment of objectives

As noted, Crown's Policy requires that Crown review its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown.

Management has formally reviewed the Gender Objectives and recommends that the Gender Objectives included in Crown's GAP be adopted and reported on going forward. A copy of the GAP is attached as Annexure B.

The GAP has the following five areas of focus:

1. *Recruitment and Promotion* – To achieve 40:40:20 representation across the group, with each Executive accountable for achieving this target within their business unit.
2. *Retention and Development* – To ensure Crown retains women at a level equitable or better than the retention of their male colleagues and that women at Crown receive appropriate opportunities and encouragement so that they benefit from all that Crown has to offer.



3. *Cultural Change and Communication* – To ensure that all employees work in a safe and respectful environment where their contributions are welcomed and valued.
4. *Flexibility* – To have flexibility for every role at Crown.
5. *Intersectionality* – To partner with Crown’s Indigenous Program, CROWNability and Crown Pride Committee to address specific areas for women participating in those programs.

Each focus area in the GAP, other than Intersectionality, includes a number of measurable objectives which are identified as mid-term and long-term targets. These targets incorporate elements of, and expand on, the measurable objectives which were set for financial year 2020.

In addition, the ASX Corporate Governance Council’s Fourth Edition of the Corporate Governance Principles and Recommendations recommend that entities in the S&P/ASX 300 (which includes Crown) set a measurable objective for achieving gender diversity in the composition of its Board of having not less than 30% of its directors of each gender within a specified period.

As part of the F20 Crown Board and Committee evaluation, directors were asked to consider within which specified time period is it appropriate for Crown to achieve at least 30% female representation on its Board.

The responses to the Board and Committee evaluation, which were considered by the People, Remuneration and Nomination Committee on 7 August 2020, express a desire (based on the responses of a majority of the directors (7 out of 10)) to achieve 30% female representation on the Board within two years. Subject to adoption of this measurable objective by the Board at its 18 August 2020 meeting, it is proposed that the following measurable objective be included in the 2020 Corporate Governance Statement for financial year 2021:

To have not less than 30% of directors on the Crown Board of each gender by 30 June 2022.

Proposed resolutions

It is recommended that the Committee resolve as follows:

1. having reviewed its previously adopted Gender Objectives, the revised Gender Objectives presented to the Committee be adopted with effect from 1 July 2020; and
2. the appropriate Annual Report disclosures based on the information set out in this paper be included in Crown’s 2020 Corporate Governance Statement.

Kind regards

Many Manos

General Counsel and Company Secretary



**Annexure A
Diversity Policy**

See attached.



Crown Resorts Limited Diversity Policy

Crown Resorts Limited ACN 125 709 953
A public company limited by shares

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1. Background

1.1. What Diversity means to Crown

Diversity is the variety of differences in people who make up our employee base and our Board, including such differences as life experience, work and educational experience, language, gender, nationality, personality profile, age, ethnicity, cultural background and work status.

1.2. Corporate Benefits Arising from Employee and Board Diversity

Crown understands that diversity is an economic driver of competitiveness for companies, contributing to business success and shareholder value.

Some of the generally accepted corporate benefits arising from employee and Board diversity include better financial performance and improved workforce participation.

In addition, the promotion of diversity broadens the pool for recruitment of high quality employees and board members, enhances employee retention, encourages greater innovation and improves our corporate image and reputation.

1.3. Our Commitment

Crown is committed to creating an environment in which equity and diversity are recognised as being essential to the high performance of Crown and incorporated into Crown's day to day business.

2. Framework for Embracing Diversity

2.1. Development of Corporate Culture

Crown seeks to promote an environment of equity and diversity by adhering to some key principles including:

- (a) Taking steps to attract and retain well qualified employees, senior management and Board members from a deep talent pool;
- (b) Eliminating artificial, unfair and inappropriate barriers to workplace and Board participation and facilitating equal employment opportunities based on merit, performance and potential;
- (c) Taking action against inappropriate workplace behaviours including discrimination and harassment;
- (d) Providing the opportunity for workplace flexibility when meeting business requirements; and
- (e) Creating an inclusive workplace culture, recognising that people are different and valuing those differences.

2.2. Selection Processes and Recruitment

Crown policy requires that all positions at Crown are filled on the basis of merit. This means that applicants for positions for which a formal recruitment process is undertaken will be assessed on the basis of the competencies they possess in relation to the requirements of the

job. Merit based selection ensures the opportunity exists for all applicants for such positions to demonstrate their competencies for the position being offered.

As part of Crown's commitment to filling positions on the basis of merit, some positions will be filled by persons previously identified through Crown's succession planning or by persons possessing specialised skills and experience.

At operational level, Crown recognises the importance of having a diverse workforce. Crown encourages people from all backgrounds to apply to work at Crown and to apply for promotion opportunities once employed by Crown.

All employees involved in recruitment and selection are trained in their responsibilities as an Equal Employment Opportunity (EEO) employer and undergo formal assessment of their skills.

Recruitment agencies who may be engaged by Crown from time to time are required to adhere to Crown's EEO policies and to recommend a diverse pool of candidates to Crown for consideration.

2.3. Training and Development

Crown encourages the personal development of its employees and offers extensive training and development programs which seek to develop technical skills, people management and leadership skills.

Online learning is increasingly being offered so as to enhance access opportunities to all employees.

At operational level, English and English as a second language classes are offered for employees who would like to improve their spoken, written or oral comprehension skills in English.

Managers and supervisors receive training around EEO obligations and the advantages of a diversity aware workforce. All employees also receive EEO Awareness training.

2.4. Succession Management

Crown offers targeted development programs relating to career advancement including programs which develop skills and experience that prepare employees for senior management positions.

As part of its talent and succession management program, Crown also works with high potential employees to formulate targeted development plans to address identified knowledge, skills and experience gaps that may prevent them from moving into more senior positions. A focus on high potential employees is critical in building the pool and pipeline of future leaders.

Tailored mentoring and coaching programs, involving another Crown Senior Executive or external specialist coaches are available to Crown employees.

2.5. Flexibility

Crown's wholly owned businesses operate 24 hours a day, 7 days a week and in a highly competitive service industry requiring employees to demonstrate a commitment to service excellence.

All permanent employees of Crown are offered equitable conditions of service and a range of benefits such as on site dining facilities providing free meals to employees during their shift,

uniform laundering and repair services and, in some cases, an on site gymnasium. Requests for flexible work arrangements due to special requirements of employees are considered on a case by case basis.

Crown believes the need to balance work and life requirements is important. Crown has established a number of policies and programs to assist employees to achieve this. Parental Leave Policies have been developed and family leave entitlements outline the leave arrangements available to assist employees to balance their work and family responsibilities.

3. Gender Diversity – Measureable Objective

Crown will report annually in its Annual Report commencing in 2012 the proportion of women employees in the Crown Resorts Limited group, women in senior executive positions and women on the Board.

In addition, Crown has established measurable objectives for achieving gender diversity and will assess the objectives and Crown's progress in achieving those objectives annually, and will report the results of those objectives in its Annual Report commencing in 2012.

Crown Resorts Limited
June 2011



Annexure B
Gender Action Plan (F20 to F23)

See attached.



CROWN RESORTS
GENDER ACTION PLAN
F20 - F23



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ABOUT CROWN RESORTS

Crown Resorts Limited (Crown) is one of Australia's largest entertainment groups, with properties and investments in Melbourne, Perth, Sydney and London.

We are the largest single-site private sector employer in both Victoria and Western Australia with approximately 18,500 people working across our resorts in over 700 roles including hospitality, tourism, gaming, entertainment, marketing, finance, information technology, human resources, learning & development, legal, and health and safety.

Crown has a strong reputation for providing safe and inclusive workplaces where every employee and guest feels welcomed and respected.



All non-Crown specific statistics and results of studies included in this Gender Action Plan are courtesy of Australian Women Donors Network, or are taken from *The Business Case for Gender Equality*, published by the Australian Government in November 2018.

WELCOME TO COUNTRY

MELBOURNE

Womin Djeka (meaning Welcome) *Mar-ran biik biik. Boonwurrung Nairm derp bordrupen uther weelam.*

On behalf of the Boonwurrung, a language group of the greater Kulin nations, we welcome you to the estate of the Yaluk-ut Weelam clan of the Boonwurrung, whose lands extend from the Werribee River, to the south-eastern suburbs of Melbourne – where Crown is located.

According to Boonwurrung traditions, this land is protected by the creator Bundjil, who travels as the eagle, and by Waang, who protects the waterways and travels as the crow.

Bundjil always taught the Boonwurrung to welcome guests and asked that all guests made two commitments – to obey and respect the traditions and ways of Bundjil, and not to harm the land or children of Bundjil.

As the spirit of our ancestors live on, let the wisdom and the spirit of generosity which Bundjil taught us influence the opportunities that may arise at this meeting place.

Womin Djeka Mar-ran biik biik. Boonwurrung Nairm derp bordrupen uther weelam.
Welcome, respect our sacred laws and enjoy our beautiful traditional Country.

Pinbata Carolyn Briggs

Boonwurrung

PERTH

*Ngalluk jurapiny wanju nunnuk
ngallah Noongar Boodja
Nitjah ngallah moorts Boodja
koorah koorah
Nitjah ngallah karlah Boodja
koorah waanginy gaany ngallah
jurapiny moort ngallah boodja
Koorah waanginy kedala
ngallah yaakiny ngallak Noongar
Nyitiyang
Ngallak, Ngallak-a gaany*

Written by Noongar Elders and Ngallak Koort Boodja Group members Doolan-Leisha Eatts, Yuraleen Dorothy Winmar and Frederick Joseph Pickett

By the banks of the bilya-maarl (Swan river, Perth), we mark respect for the living Culture of the traditional custodians of the land.

We are pleased to welcome you to our Noongar country.

This is our ancestors' land from the dreamtime.

This is our homeland of history.

And as one we are proud people of our land.

Through history till today, we stand together black and white.

We are, we are one.

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SYDNEY

We would like to acknowledge the Traditional Owners of the land on which Crown Sydney is being built, the Gadigal People of the Eora Nation and pay our respects to Elders past, present and emerging.





WHY YOU NEED TO READ THIS GENDER ACTION PLAN

At Crown, we believe that all employees should have every opportunity to reach their full potential. This belief underpins Crown's overall commitment to diversity and inclusion in our workplaces with our focus on gender equity a core element.

Crown's journey towards gender equity has been progressing well over the last few years. We have focused on addressing key policy issues and, as a result, we have implemented important policies including Paid Parental Leave, Purchased Leave, Domestic Violence Support Leave and flexible working arrangements. These policies are at industry standard or above.

These policy changes help to remove some of the economic disparities that may arise between male and female employees at Crown. It is clear these disparities exist across Australia with women typically retiring with only 47 per cent of the retirement savings of men. The two factors driving this are that, on average, women spend less time in the workforce and are paid less when they are. Crown's policies are aimed at addressing the causes of these disparities.

To determine the extent of any pay inequality at Crown, we asked specialist analysts to undertake a review of salary levels across all roles at Crown. That review revealed that on a like-for-like basis we reward our male and female employees at a comparable level. Despite that, the data we report to the Workplace Gender Equality Agency (WGEA) indicates that the average salary we pay women at Crown is 9.3 per cent less than the average salary for men.

When we look behind the averages from the WGEA data, the disparity is in a large part due to the lack of equal gender

representation across all levels of our organisation. We are committed to addressing the imbalance through this Gender Action Plan (GAP). The GAP sets out a range of initiatives that will help, over time, improve the level of female representation across all levels in the organisation.

Beyond the policy changes and the GAP, Crown is committed to leading by example and achieving gender equity by encouraging a shift in mindset. We have made a start on this through the introduction of our Gender Fitness app which measures the balance of attendance and contribution of all employees in meetings. We will also be implementing further cultural initiatives and engaging communication channels to create an environment that allows women at all levels to seek and achieve career advancement.

Our vision for gender equity is to reach a point where every person, regardless of gender, who decides to work with Crown, has the same opportunity to advance and is rewarded equally for their success.

Ken Barton

Chief Financial Officer & CEO Crown Digital
Male Champion of Change

Crown Resorts **Gender Action Plan** F20 – F23

WHY GENDER EQUITY

The primary aim of this GAP is to further advance and promote inclusive and diverse employment at Crown by planning how we can support and develop employees who identify as female.

It should be noted however, that many programs and initiatives that might have originated from our aim to achieve gender equity (such as our parental leave policy) ensure that all of our employees are valued, respected and given opportunities to develop professionally.

Crown values and celebrates diversity, and acknowledges that this GAP does not seek to address all forms of gender inequality, but primarily focuses on the inequalities that exist between men and women. We also acknowledge that other inequalities exist in our community that relate to Lesbian, Gay, Bisexual, Trans and Gender Diverse, and Intersex people and communities, and affirm the right to equality and fairness for LGBTIQ+ individuals.

Crown welcomes and respects guests, employees, and suppliers of all genders and identities, and undertakes a range of programs and initiatives to ensure that all of our employees are valued, respected and given opportunities to develop professionally.





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WHAT AUSTRALIA'S WORKPLACE GENDER EQUALITY AGENCY SAYS ABOUT GENDER EQUALITY

Workplace gender equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of gender.

Australia, along with many countries worldwide, has made significant progress towards gender equality in recent decades, particularly in education, health and female workforce participation.

However, the gender gap in the Australian workforce is still prevalent; women continue to earn less than men, are less likely to advance their careers as far as men, and accumulate less retirement or superannuation savings. At the same time, men have less access than women to family-friendly policies such as parental leave or flexible working arrangements.

The aim of gender equality in the workplace is to achieve broadly equal outcomes for women and men, not necessarily outcomes that are exactly the same for all. To achieve this requires:

- workplaces to provide equal pay for work of equal or comparable value;
- removal of barriers to the full and equal participation of women in the workforce;
- access to all occupations and industries, including leadership roles, regardless of gender; and
- elimination of discrimination on the basis of gender, particularly in relation to family and carer responsibilities.

Achieving gender equality is important for workplaces not only because it is 'fair' and 'the right thing to do', but because it is also linked to a country's overall economic performance. Workplace gender equality is associated with:

- improved national productivity and economic growth;
- future proofing the Australian economy;
- increased organisational performance;
- enhanced ability of companies to attract talent and retain employees; and
- enhanced organisational reputation.

The above information and more can be found at:
www.wgea.gov.au/learn/about-workplace-gender-equality



Crown Resorts Gender Action Plan F20 - F23



OUR JOURNEY SO FAR

While this is our first GAP, we are proud to say that we have been working for many years at ensuring that our female employees are supported and respected.

For some time, we developed various programs and initiatives without having an articulated focus on gender equity to drive them. We are very proud of these initiatives that we continue to promote, and demonstrate that we've been listening and responding to the needs of our female employees, and the community generally, for a long time. Since establishing our dedicated program to advance gender equity, we have achieved many more milestones, some of which are featured in the following timeline.



GENDER EQUITY PRODUCES REAL RESULTS - FOR CROWN AND FOR OUR EMPLOYEES

Holding events, launching initiatives, and even changing policies are admirable and noteworthy actions, but we need to measure, see and understand the effect they have on our employees and culture.

The personal stories in this GAP remind us of how policies and actions can make a difference... how each of us can make a difference.

- Enhancements to ERIK App – including ability to arrange shift swaps and pickups via the app

- Crown introduced five days of paid leave for employees experiencing family and domestic violence

- Revised Women of Crown Management Program was launched, with 12 female employees in the inaugural intake

2015

2016

- Crown Perth and Corrective Services partnership (employment opportunity for females who have been subject to domestic violence)

- Role of Group Manager Gender Equity was created and filled



- Crown Melbourne's Flexible Work Policy was established, giving managers and employees greater use of flexible work options
- Crown introduced paid parental leave
- Gender Advisory Group established at Crown Melbourne and Crown Perth
- Gender Fitness App launched

2017

- Two females appointed to the Board of Crown, lifting the total female representation to 30%
- Executive Sub Committee established in Perth

- Crown Melbourne's Nursing Mother's Room refurbished
- Gender Pay Gap review conducted by external consultant

2018

- Crown announced uncapped family and domestic violence leave



WHERE ARE WE NOW?

Achieving real equity and equality can only occur if we identify, state, and acknowledge where we can improve.

The following facts and figures depict the reality of Crown's gender equity when we developed this GAP. This information will help us advance gender equity and measure our progress and outcomes as we implement this GAP.

FEMALE COMPOSITION PROGRESS



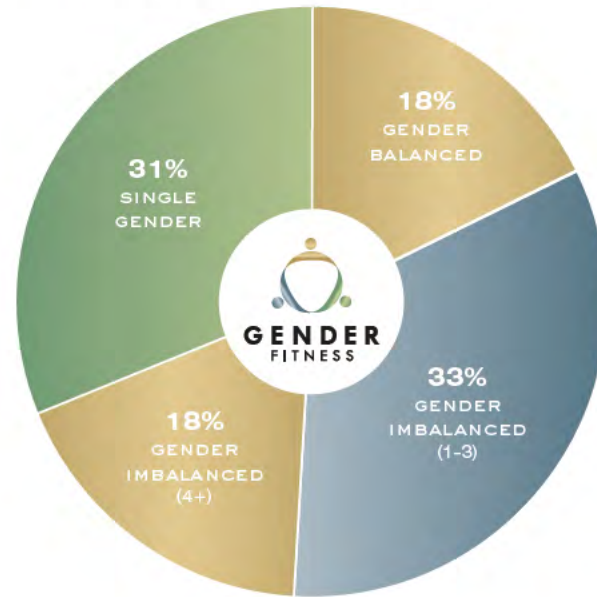
* As defined by the Workplace Gender Equality Agency





Crown Resorts Gender Action Plan F20 – F23

MEETING REPRESENTATION 2019 YTD



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DID YOU KNOW IN AUSTRALIA...

- Although we have legislation that prohibits discrimination based on gender, women continue to be over-represented in areas of disadvantage and under-represented in positions of power and influence.
- Women are also more likely to be in low-paid, casual work than men, and therefore have less financial security, and less ability to build savings for their retirement.



WHAT IS TO COME?

To achieve real equity Crown has committed to the following:

AREA OF FOCUS	AIM	REFERENCE
Recruitment and Promotion	Improve attraction to Crown and promotion rates to senior levels for women	Page 20
Retention and Development	Improve retention of women in key roles	Page 22
Flexibility	Embed flexibility for all roles across the business	Page 26
Cultural change and communication	Shift the culture and the way we communicate with our employees with a strong focus on gender and diversity and inclusion more broadly	Page 28
Intersectionality focus	Initiatives to have a shared benefit to a range of diversity and inclusion groups within Crown	Page 30
Tracking and reporting our progress	Ensuring we reach our commitments	Page 31



PUTTING DIVERSITY ON THE AGENDA

GENDER FITNESS

When it comes to gender equity, Crown wants to be disruptive. Recognising a need for cultural change and to get diversity on the agenda, Crown developed the Gender Fitness app which was launched in December 2017.

Gender Fitness is an innovative, in-house, digital solution that forms a part of our diversity and inclusion strategy. The core value of Gender Fitness is to capture real-time data from meeting interactions to increase awareness of diversity and inclusion and embrace change to deliver an improved gender balance across Crown.

After attending a meeting, employees can give feedback about the inclusiveness of the meeting, based on whether they felt that they had the chance to make a contribution to the meeting, and whether they felt that their contribution was respected. Feedback is private and anonymous.

When hosting a meeting, the meeting organiser will receive a gender fitness score for that meeting based on every attendee's feedback. There's a dashboard that gives individuals an ongoing score of their gender fitness along with detailed and time-based information so they can track their progress, just like they might with an app that tracks physical fitness.

This simple app is easy to use and gives Crown an accurate measurement of our progress towards achieving gender balance and positive inclusion outcomes as an employer. It gives all of us the opportunity to influence behaviour in order to achieve greater gender balance and inclusion.

Like many initiatives that help raise awareness of issues, Gender Fitness can assist in making a difference to many of our employees, regardless of gender.



Why Gender Fitness?

The Gender Fitness app came out of a strong sense that we needed an approach to measuring and improving gender balance in our workplace that was innovative and easy. Rather than impose quotas or targets or measure past performance, we wanted a way of drawing people's attention to gender balance on a day-to-day basis – rather than twelve months later when we reviewed our performance.

We believe that influencing the way we approach meetings and how we conduct ourselves in meetings is a significant way of influencing behaviours and, in the long term, improving gender balance in our workplace.

Ken Barton

Chief Financial Officer
& CEO Crown Digital
Male Champion of Change





PARENTAL LEAVE CREATES HAPPIER FAMILIES AND EMPLOYEES

In 2017, Crown introduced paid parental leave.

This was a material step towards promoting gender equity and making the transition into parental leave that little bit easier for our employees. Our paid parental leave scheme provides for 12 weeks top-up payment for primary carers and two weeks for secondary carers. Crown understands that to promote real equity, we need to enable men becoming primary carers and taking parental leave.

Meet Tim

Group Manager – Network & Security for Crown

'I spent seven months on primary carer's leave with my daughter, Harper. To be honest, it was nothing like I expected before, but in a good way. In fact, it is a lot harder than anyone would ever anticipate, so it gave me a lot more respect for everybody who takes care of children all day.

When you are at work, you are busy doing things, but you can still take it easy on some days, and then you go home and rest. But with this, you do not get a chance to rest: your eyes have to be on the child all the time. As a result, you are pretty exhausted by the end of the day.

The hardest part for me was probably adjusting to how full the days are and how you just need to be "switched on" all the time. I had never done anything like that before, but my wife was pretty good. She coached me with whatever I needed to do. Altogether, it was a challenging and rewarding experience.

The process of taking the leave was pretty straight forward at Crown. My assistant manager and my manager assisted me while I was away, but I also kept in touch with all my colleagues. I knew that the guys in the office could handle anything so I did not worry about it too much.

They are pretty self-sufficient and were all fine without me. Coming back was also easy. I am doing four days a week now for a while, and everybody is very supportive of my decision. I would recommend this experience to literally everyone, as it is very eye-opening.

It gives parents a lot more respect for the whole process. I think it also helps to raise more well-adjusted children as they can experience both sides of parenting. When people ask me how my break was, I tell them that it was actually not a break. So, if you choose to stay at home with your baby, do not think that because you are not at work, you are going to be on holiday. As I mentioned before, I really had no idea what I was getting into.'

MOBILE ERIK

Mobile ERIK is Crown's Employee Services Application which is widely used by the employee base with over 15,000 downloads since launching in 2014.

The app is designed to provide employees with immediate, easy access to, and self-management of, their work roster anytime, anywhere. There have been multiple enhancements to include more advanced features such as the automated shift-swap function.

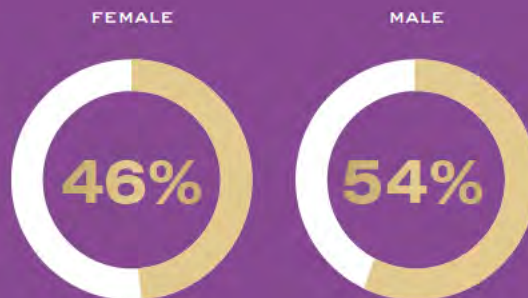
The automated shift-swap function enables employees to give away unwanted shifts, give away shifts to another employee, pick up shifts from the 'pool' of shifts which have been given away and pick up shifts which have been assigned specifically to them by another employee. The shift-swaps feature is most frequently used due to convenience and flexibility for an individual to manage their time at work. With 86% of requests being successful, over 10,000 shift swaps occur per month with the gender split of take up at 54% male and 46% female.

Through the ERIK application, Melbourne based employees are also able to view the availability within Crown's designated car parks to plan their journey to work in advance.

Shift Swaps

Close to 242,000 shift swaps are requested on a yearly basis.

86% of swaps are successful.



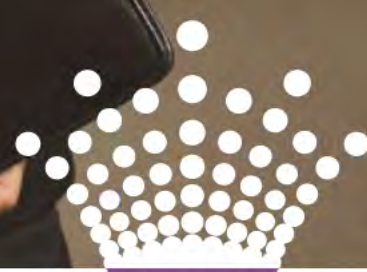
Women and global economics

Women work 66% of the world's working hours, but earn only 10% of the world's income.

In the developed world, the increase in female employment has been the main driving force of economic growth in the past couple of decades, contributing more to the growth in global GDP than new technology, or China and India.

The rise in female employment participation in Australia since 1974 has improved economic activity by 22%.

The pay gap between men and women costs the Australian economy \$93 billion every year – that's 8.5% of our GDP.



FORGING FEMALE LEADERS

For the past three years, as part of our commitment to gender equity, Crown Melbourne has run a dedicated program for high-performing, high-potential female talent in the business – the Women of Crown Management Program (WOCMP).

2018 saw our second intake of participants successfully complete the WOCMP, with many of the participants earning promotions and awards for their service.

Each program runs for 12 months and is made up of:

- Individual coaching sessions with an Executive Coach to discuss their career goals and highlight areas they wish to work on throughout the WOCMP, including concepts to discuss with their mentor.
- Mentoring with a member of the Crown Executive Team.
- Externally facilitated workshops and assessments to focus on individual strengths and how to get the most from their mentor sessions, as well as other seminars and workshops on related topics.
- Lunch sessions with members of the Executive Team to gain further insights into specific areas of the business.
- Networking events organised and run by the participants.
- An end-of-program session to confirm and celebrate individual progress and think about their future developments and opportunities.

In 2017, Crown Perth launched its first Executive Sub Committee. This program is for men and women in senior roles at Crown Perth that have expressed an interest in progressing and gives them exposure and opportunity to further see how the next level of leaders interact and make business decisions. The program gives senior leaders the opportunity to aid in identifying and resolving real-time issues and identifying new opportunities for Crown Perth to pursue in delivering on its mission and vision.

2018 saw the conclusion of the first round of the Perth Executive Sub Committee and the start of the second round.

Work is currently being undertaken to have both the WOCMP and Executive Sub Committee programs at Melbourne and Perth.



Meet Lauren

Lauren started at Crown in 2014 as Business Development Manager for Food and Beverage. Lauren was a participant of the 2017 WOCMP and that year Lauren was named Crown Melbourne Manager of the Year and was promoted to General Manager Events and Conferencing.

Lauren and her partner Matt (Crown Melbourne's Director of Wine) welcomed their first child in June 2019 and are sharing the care by each taking six months primary carers leave.



Meet Judy

Judy started at Crown Perth in 2009 as Crown Perth's Entertainment Manager looking after both Burswood Dome and Theatre. Following the demolition of the Dome, Judy took on several other departments including Audio Visual, Visual Design and Events and was promoted to General Manager – Events and Entertainment in 2014. In 2016, the addition of The Palms, Melbourne resulted in a further promotion to Group General Manager, Crown Theatres.

Judy was a member of the Perth Executive Sub Committee in 2019 and throughout this process gained a much greater appreciation of the functioning across the whole resort, not just of her areas of responsibility.

Crown Resorts **Gender Action Plan** F20 – F23



Meet Cori

Cori started at Crown Melbourne as a Dealer in 2004 and quickly worked her way up the Table Games ladder, becoming Casino Manager in 2012 before being promoted to General Manager Table Games, Crown Perth in 2016.

Cori was a participant in both the first WOCMP and Executive Sub Committee programs and has represented Crown at a number of events, including Women in Gaming & Hospitality Australasia, where she has spoken to large groups on her own experiences as a mother, leader and female in the gaming industry.

Did you know?

Projections by KPMG indicate that if the gap in workforce participation between men and women was halved:

- Australia's annual GDP would increase by \$60 billion in just 20 years; and
- our living standards would rise by \$140 billion in just 20 years.



GENDER EQUITY IS MORE THAN JUST CHANGES IN THE WORKPLACE

With one in three women experiencing sexual or physical violence in their lifetime, gender-based violence occurs at an alarming rate globally and perpetuates gender inequality.

There is also a financial impact on victims. Sometimes it is through financial abuse instigated by the spouse. In other cases it is the cost of escaping the situation, and in some cases it's both. The cost of moving to a safe location and all associated costs can be extreme and stressful.

In November 2015, Crown introduced five paid days of family and domestic violence leave per year for full time and part time employees that may be personally experiencing violence or supporting a family member that is experiencing violence. This policy was introduced to further support our employees by giving them paid time off to attend to matters arising from violent situations (moving and/or attending court) without the employee having the extra burden of having to request unpaid leave or utilise other types of leave.

In November 2018, Crown extended this offering and introduced uncapped paid family and domestic violence leave. This was in recognition of the strain women in particular experience during times of domestic violence. Crown's uncapped paid family and domestic violence leave is a small change that makes a big difference.

Crown recognises that paid time off is just one element of supporting those employees experiencing family and domestic violence.

In addition, Crown provides:

- A safe and secure working environment;
- Technical support – including the ability to change phone number, email address or passwords, and checking security of devices (hacking etc.);
- Assistance from the Security Department, including escorting employees that wish to raise a matter with local law enforcement;
- A dedicated Family and Domestic Violence counselling supporting line (through external Employee Assistance Program);
- Trained HR teams and contact officers;
- Financial capabilities sessions throughout the year to improve financial literacy; and
- Support from external providers around safety and security, legal assistance, housing assistance and financial assistance.

Advance Australia “Fair”?

Women in Australia earn just 83 cents for every dollar men earn.

Based on figures over the past 20 years, the lifetime wages of a woman currently 25 years old will be \$1 million less than those of a man currently 25 years old (\$1.4 million and \$2.4 million respectively).

A study of the top 200 companies in Australia found female Chief Financial Officers and Chief Operating Officers earned half the amount of their male counterparts.

The average Australian woman retires with approximately 40% less in her superannuation than the average man.

Women in Australia are 2.5 times more likely to live in poverty in their old age than men.

Australia still has relatively low female participation rates in comparison to many of our OECD peers. In fact, Australia's international ranking for female participation in the workforce has dropped from 40th position to 52nd.



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CROWN'S GENDER ACTION PLAN F20 - F23

In early 2017, Crown strengthened its commitment to Gender Equity by establishing two Gender Advisory Groups (one in Perth and the other in Melbourne).

Each Group is made up of 10-12 Senior Managers from the business to form gender equity strategies and initiatives across the properties.

Overall direction and guidance is provided by the Crown Gender Equity Steering Committee – comprised of seven Crown Executives.

On establishment, the Advisory Groups consulted with the business to prioritise property specific actions. Key priority areas included the launch of paid parental leave, the Gender Fitness app and uncapped domestic violence leave.

The work of the Advisory Groups has continued with the development of Crown's first GAP. This GAP has five areas of focus:

- Recruitment and Promotion
- Retention and Development
- Cultural Change and Communication
- Flexibility
- Intersectionality focus

The GAP has mid-term goals (2-3 years) and aims for a long-term position (5 years) to ensure progress towards gender equity is constant and realistic.

Crown Sydney provides an opportunity to embed these initiatives from opening.

Are the benefits of gender equity real? And measurable?

A study by McKinsey & Company found that companies in the top 25% for gender diversity on their executive teams were 21% more likely to experience above-average profitability.

The study also found that high-performing executive teams had more women in revenue-generating roles, and that companies with low representation of women and other diverse groups were 29% more likely to under-perform on profitability.

International research undertaken by Credit Suisse Research Institute that examined gender diverse teams suggests that teams that are gender-balanced are better at promoting an environment where innovation can flourish.

The diagram below reflects Crown Resorts as at 31 March 2019 (WGEA reporting)



40:40:20

Crown currently has an overall company split of 42.5% women and 57.5% men, which has been consistent for the last few years.

The proportion of women across each level of the business (frontline through to board) varies but is lower in more senior roles.

In order to address this imbalance, we are aiming for a 40:40:20 (40% women, 40% men and 20% flexible) gender representation across each level (in line with WGEA balance), rather than a 50:50 representation. In setting this target, consideration was given to the current gender representation at Crown and what would be a realistic target that factors in future appointments, promotion opportunities and retention rates.

This target allows under-represented and over-represented areas to progress towards a greater balance under more than one combination, not just a static target.

For example, a 40:40:20 target could be achieved by six men and four women, six women and four men or five and five.

To achieve this, we will aim to progressively increase female participation at each level, attract more female talent, build our internal pipeline and promote our high-performing, high-potential women. Although the overall split between women and men has remained consistent, pleasingly from 2018-2019 we saw an increase in women in each of the WGEA categories except Non-Managers.

In 2019, Crown custom built an interactive real time reporting dashboard dedicated to gender equity. This dashboard shows current and rolling data by gender on areas of promotion, flexible work arrangements and parental leave to name a few areas.

The rate at which women progress through the company is also being tracked to measure our progress towards 40:40:20.



RECRUITMENT & PROMOTION

Recruitment refers to all aspects of the process to select an internal or external candidate to fill an employment vacancy, or to promote an employee.

This includes identifying the need, creating a position description, advertising, selecting interviewees, interviewing and other evaluation processes, shortlisting, and selection. Promotion refers to the selection of an existing employee to fill an existing or new role that has greater responsibility and decision-making, as well as opportunities for career advancement. To impact promotion rates, we believe it is critical to have a strong pipeline of women coming through all levels of the organisation and this starts with recruitment practices.

AIM

To achieve 40:40:20 representation across the group, with each Executive accountable for achieving this target within their business unit.

ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Diversity in Attraction</p> <ul style="list-style-type: none"> Develop attraction plans that position Crown as an Employer of Choice with specific campaigns, including a female centric employee value proposition to address under-representation 	<p>Executive General Managers (EGMs) Human Resources (HR), Recruitment and Group Manager Gender Equity</p>	<p>Mid-term goal: Develop a greater understanding of what contributes to being an employer of choice for women as well as develop an understanding as to why particular roles may be under-represented</p> <p>Updated, targeted Employee Value Propositions in place for each property which link to targeted attraction plans</p> <p>Long-term position: attraction rates at 50:50</p>	<ul style="list-style-type: none"> Work already undertaken in recruitment processes to attract more women into under-represented roles, including language review of advertisements and targeted database searches of predominant job boards (such as Seek, LinkedIn etc.) A flexible working arrangements policy has been launched in Melbourne, with work underway for the policy to extend to Perth Crown's Employee Value Proposition is being reviewed with a focus on initiatives to attract under-represented areas
<p>Diversity in Recruitment & Promotion</p> <ul style="list-style-type: none"> To require that there is gender diversity in all candidate short lists and diversity in gender representation for Senior Management involved in the interview process for all Senior Management and Executive positions within the group. This relates to internal promotion exercises and external recruitment 	<p>CEO - Australian Resorts, EGMs, HR, Recruitment and all Hiring Managers</p>	<p>Mid-term goal: At least one female candidate and interviewer throughout recruitment process for every role from middle management, specialist and above</p> <p>Long-term position: Greater diversity of candidates and selection panels for every role</p>	<ul style="list-style-type: none"> Recruitment policies updated and process reinforced by Executive Chairman



ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Diversity in Recruitment & Promotion</p> <ul style="list-style-type: none"> To ensure that a consistent and transparent recruitment process is undertaken for all roles across the group. To require that the recruitment process is diverse, by actively targeting under represented genders for specific roles/areas of the business 	<p>Recruitment and Hiring Managers</p>	<p>Mid-term goal: Under-represented areas of the business to work towards 40:40:20 through the recruitment process</p> <p>Long-term position: Group to achieve 40:40:20 at all levels in recruitment for new/ replacement positions</p>	<ul style="list-style-type: none"> Targeted campaigns have been run across various areas of the business to attract under-represented genders. Campaigns are reviewed throughout to ensure best outcomes
<ul style="list-style-type: none"> Assessment Centres and promotion exercises are developed and reviewed enabling appropriate gender representation at all stages of the selection process 	<p>Recruitment and Hiring Managers</p>	<p>Mid-term goal: Establish baselines for current state and analyse current trends through creation of a reporting framework. Reporting and Assessment Centre Framework in place to support recruitment process across all applicable areas of the business</p> <p>Long-term goal: Identify, through reporting, further areas of focus with ultimate aim to achieve 40:40:20 in assessment centres and for hires</p>	<ul style="list-style-type: none"> Currently, Melbourne assessment centres are informally reported on as part of the recruitment process to track attraction and selection rates by gender



RETENTION & DEVELOPMENT

Retention and development refers to what we do to keep employees at Crown motivated, rewarded and engaged.

Key initiatives and mechanisms include but are not limited to the following; learning and development opportunities, reward and recognition programs, social programs and activities, community work, internal and external discounts and benefits, competitive remuneration, working conditions, leave entitlements and wellbeing programs.

AIM

To ensure Crown retains women at a level equitable or better than the retention of their male colleagues and that women at Crown receive appropriate opportunities and encouragement so that they benefit from all that Crown has to offer.



ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Leadership participation</p> <ul style="list-style-type: none"> Maintain the level of female participation in leadership and development programs (which incorporates targeted mentoring/coaching elements) across the group at no less than 45% of all participants 	<p>All Business Units (BU) Heads</p>	<p>Mid-term goal: Target of 45% female participation rate</p> <p>Long-term position: Women’s participation enables 40:40:20 in our overall employment and development statistics</p>	<ul style="list-style-type: none"> This target is currently monitored quarterly across the group and is trending in the right direction. This target is also reported annually in the Crown Annual Report Leadership programs have been separately developed across both properties and are currently under review with a view to implement consistent programs across the Group
<p>Relevant programs to support progression</p> <ul style="list-style-type: none"> Conduct regular reviews of leadership and development programs to ensure they remain targeted and relevant Include dedicated diversity and inclusion modules in management training to drive awareness 	<p>Group General Manager Learning & Development (Group GM L&D)</p>	<p>Mid-term goal: Group program ‘review framework’ to be established and industry benchmarking to be conducted</p> <p>Long-term position: Review framework embedded and aligned across the group</p>	<ul style="list-style-type: none"> Current leadership programs are reviewed and updated on a regular basis

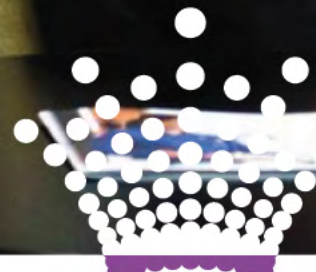
ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Relevant programs to support progression</p> <ul style="list-style-type: none"> Design and manage development programs based on the needs of talent management participants, including Women of Crown Management Program (WOCMP) and Executive Sub Committee and ensure these programs are implemented across properties 	<p>Group GM L&D and Group Manager Gender Equity</p>	<p>Mid-term goal: Programs are implemented at both properties</p> <p>Long-term position: Programs are reviewed for relevance and outcomes, and enhanced where required</p>	<ul style="list-style-type: none"> Currently, WOCMP takes place only in Melbourne and Executive Sub Committee only in Perth. There is an active review underway to have both running at each property
<p>Pay parity</p> <ul style="list-style-type: none"> Conduct a review on an annual basis of the remuneration for all roles within the group to ascertain the existence of any gender pay gaps and to implement appropriate action plans to close any such gaps 	<p>CEO – Australian Resorts CFO – Australian Resorts EGMs HR</p>	<p>Mid-term goal: Communicate pay review to employees, to promote transparency</p> <p>Long-term position: Greater transparency and understanding of pay at Crown and difference between 'like-for-like' and 'role' gaps</p>	<ul style="list-style-type: none"> External party engaged in 2018 to validate internal pay gap review. Review confirmed there is no material 'like-for-like' pay gap Annual reviews to be conducted internally with external reviews to take place every two years
<ul style="list-style-type: none"> Strengthen financial security for women at Crown by providing superannuation and financial capabilities sessions 	<p>Group Manager Gender Equity</p>	<p>Mid-term goal: Ensuring all employees have access to various tools to assist in understanding superannuation and personal finance</p> <p>Long-term position: Further policy changes to bridge the impact that caring responsibilities have on superannuation</p>	<ul style="list-style-type: none"> Sessions have been run across the group with a focus on "women and super" as well as personal finance focus for all genders These sessions are currently being incorporated in the yearly training calendar
<p>Investing in talent</p> <ul style="list-style-type: none"> Implement a group wide talent framework. Use the framework to run property talent management programs 	<p>EGMs – HR and BU Heads</p>	<p>Mid-term goal: Talent Management Program to be aligned and implemented across the group and to build a pipeline and talent pool of women across all levels of the business</p> <p>Long-term position: Encourage greater cross property development opportunities. Introduce a system to further enhance and manage the talent management framework that promotes equitable career opportunities to achieve 40:40:20 at all levels across the group</p>	<ul style="list-style-type: none"> A Talent Management project has commenced to review, align and strengthen the talent management programs across the group



ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Investing in talent</p> <ul style="list-style-type: none"> Implement a development plan framework to be tailored to individuals that are part of the Talent Management Program 	Talent Management Project Team	<p>Mid-term goal: Framework established to further develop identified talent</p> <p>Long-term position: Framework embedded and well utilised across the group</p>	<ul style="list-style-type: none"> Incorporated into the Talent Management project which is currently underway
<p>Talent retention</p> <ul style="list-style-type: none"> Implement retention plans for key talent/ key roles Develop a further understanding of why employees leave 	Executive Teams HR Ops Performance & Systems Group Manager Gender Equity	<p>Mid-term goal: Explore 'stay interviews' to further understand why employees choose to stay within the group</p> <p>Develop a suite of retention strategies that may be used to retain key talent</p> <p>Long-term position: Embedded retention plans for key roles/talent implemented across the group and equitable retention of women</p>	<ul style="list-style-type: none"> Exit surveys and interviews currently conducted across the group
<p>Promote 'sharing the care'</p> <ul style="list-style-type: none"> Review and refine parental leave process including Keeping in Touch (KIT) days Increase flexibility in taking parental leave for all employees Increase ability and acceptance of "sharing the care" to work towards removing gender stereotypes for caring responsibilities 	Group Manager Gender Equity	<p>Mid-term goal: KIT days easily accessible and increase in utilisation</p> <p>Long-term position: Parental leave process to be further understood, encouraged and utilised in a way that is flexible and meets employee needs as best as possible</p>	<ul style="list-style-type: none"> Introduction of paid parental leave December 2017 KIT days have long been utilised at Crown and currently the program is under review regarding access to, and flexibility and take up rates of, KIT days Project underway to create further awareness of the parental leave process to ensure ease of taking and returning from parental leave
<ul style="list-style-type: none"> Explore ways to reduce the burden (time and financial) of child care and the impact this has on returning to work 	Group Manager Gender Equity	<p>Mid-term goal: Explore partnerships with child care providers to increase child care support</p> <p>Long-term position: Increased ease of returning to work due to greater childcare support options (financial and non-financial)</p>	<ul style="list-style-type: none"> Child care school holiday program piloted in Melbourne, project underway to assess a further trial in Melbourne and a pilot in Perth Further childcare assistance options are being explored



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FLEXIBILITY

Flexibility refers to what we do to ensure our employees can work flexibly (work life efficiency), and can include flexible work arrangements.

AIM

To have flexibility for every role at Crown.

ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Flex for all roles</p> <ul style="list-style-type: none"> To have flexibility for all roles across the group – implemented and promoted Maintain and increase records to create benchmarks and tracking of uptake of flexibility across the group 	<p>HR Performance and Systems team and all managers</p>	<p>Mid-term goal: Flexibility Policy to be aligned and launched across all properties</p> <p>Establish record keeping and reporting for flexibility take up</p> <p>Long-term position: All roles advertised with Flex Options</p>	<ul style="list-style-type: none"> Flexibility Policy updated and relaunched in Melbourne (January 2019). Supporting Flex Matrix completed – outlining Flex Options for every Melbourne role. Perth Flex Matrix is in progress. An approach of “if not, why not” should be taken when looking at each role System changes made to allow for record keeping and reporting, with existing arrangements incorporated in custom-built dashboard “Flex Pack” created for HR and Managers to increase awareness and management of flexible requests
<p>Flex leave options</p> <ul style="list-style-type: none"> Align flexible leave options across the group – such as purchased leave Greater promotion and communication of Flex Options to drive greater usage 	<p>Executive Teams Communications/PR teams Group Manager Gender Equity</p>	<p>Mid-term goal: Flexible Leave Policy to be aligned and launched across all properties</p> <p>Long-term position: Regular communications to normalise and encourage further take up of flexibility options</p>	<ul style="list-style-type: none"> Employees have a choice to take long service and parental leave at full pay or at half pay for twice the duration Policy changed to provide option to purchase additional 4 weeks of leave per year across the group

ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Access to flex leave</p> <ul style="list-style-type: none"> Ensure parental and domestic violence leave is accessible 	<p>Executive Teams</p>	<p>Mid-term goal: Enhance current parental leave provisions to allow greater flexibility in accessing, taking and returning from leave</p> <p>Long-term position: Further leave support and policy changes explored to provide greater financial security for employees</p>	<ul style="list-style-type: none"> Paid parental leave (12 weeks' pay for primary and two weeks' pay for secondary carers) introduced in 2017 Uncapped paid domestic violence leave introduced in 2018
<p>Using technology to drive flexibility</p> <ul style="list-style-type: none"> To recognise inefficiencies and embrace technology that integrates flexibility into roles by changing the way activities and tasks are performed hence uplifting output Communicating availability of technologies to the broader business 	<p>All teams driving change with IT enabling solutions</p>	<p>Mid-term goal: Leverage early adopters and pursue opportunities to install solutions that re-define roles, uplifts output and embrace flexibility</p> <p>Long-term position: Consistent technology experience that integrates flexibility with all types of roles and improves employee experience</p>	<ul style="list-style-type: none"> Shift Swaps on mobile ERIK to enable employees to design their own rosters Progressive move to cloud technologies that promotes a flexible work environment for inbuilt and external programs utilised across the group Tools embedded across teams to share knowledge in real-time resulting in improvements and efficiencies through collaboration applications Crown's internally developed Chatbot (computer program) deployed to supplement the workforce with relevant and timely information through mobile application



CULTURAL CHANGE & COMMUNICATION

Cultural Change and Communication refers to creating a workplace characterised by diversity, inclusion and respect.

This includes setting and communicating policies, standards, and guidelines about expected behaviour, establishing and supporting committees and groups that work to bring about cultural change and supporting employees who have concerns around issues such as equality and discrimination.

AIM

To ensure that all employees work in a safe and respectful environment where their contributions are welcomed and valued.

ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Open interactive many-to-many communication</p> <ul style="list-style-type: none"> • Increase two way communications throughout and across the business • Introduce a social media communication platform with a gender equity focus • Have targeted and regular communications focussed on diversity and inclusion and the associated benefits 	<p>GM Table Games Operations Melbourne (for pilot)</p> <p>GM IT Strategy</p> <p>Group Manager Gender Equity</p>	<p>Mid-term goal: Social media communications platform to be piloted, with a focus on extending gender equity messaging and communications to the wider workforce</p> <p>Long-term position: To have a communications platform that is intuitive to individual preferences and allows for real time two-way communications. The platform will drive greater awareness and discussion of gender equity initiatives</p>	<ul style="list-style-type: none"> • Pilot project for the new social platform is underway • Crown Melbourne has introduced a monthly Gender Equity Newsletter with Perth following suit which provides updates on property initiatives, broader gender equity news and profiles employees that are passionate about gender equity
<p>Supporting employees' choice to work flexibly</p> <ul style="list-style-type: none"> • Promote a culture that supports and acknowledges flexible working hours due to 24/7 nature of business with consideration for group roles, operational shift work and business demands 	<p>Executive and Business Operations Team (BOT) and all managers</p>	<p>Mid-term goal: Conduct a benchmark survey that establishes baseline for level of support for working flexibly and understanding what flexibility means to employees</p> <p>Long-term position: Flexible work to be more common than not with a culture that supports this as represented in engagement surveys</p>	<ul style="list-style-type: none"> • Currently both properties already operate with varied hours, shifts, days and locations based on business requirements • A review has been conducted to measure what types of flexibility can be offered for each position • Technology has been implemented to create more flexible work practices

ACTION	RESPONSIBILITY	TARGETS	PROGRESS TO DATE
<p>Zero tolerance to bullying, harassment and sexual harassment in the workplace</p> <ul style="list-style-type: none"> Review practices to ensure “barrier free” access to all complaint processes 	<p>Managers HR Operations</p>	<p>Mid-term goal: Participate in / implement recommendations from the national inquiry into sexual harassment in Australian workplaces</p> <p>Long-term position: Explore ‘up stander’ campaigns to strengthen reporting of potential incidents</p>	<ul style="list-style-type: none"> Each property currently has specific discrimination policies, processes and support both internal (Contact Officers and HR) and external (Alert/STOPline) for employees to raise complaints and protected disclosures
<p>Accountability for Diversity and Inclusion</p> <ul style="list-style-type: none"> Diversity and Inclusion KPIs for all salaried roles across the business 	<p>Corporate Responsibility Committee Executive Teams</p>	<p>Mid-term goal: Introduction of Diversity and Inclusion KPIs for all salaried roles</p> <p>Long-term position: Diversity and Inclusion KPIs for all roles to be targeted and specific</p>	<ul style="list-style-type: none"> All salaried employees have individual performance reviews based on personal and business performance. Diversity and Inclusion KPIs to be implemented in F20
<p>Identify and eliminate unconscious bias</p> <ul style="list-style-type: none"> Increase awareness and understanding of unconscious bias Strengthen existing frameworks to limit biases occurring 	<p>L&D and Recruitment</p>	<p>Mid-term goal: Regular awareness campaigns to be run across properties as reminder of unconscious bias</p> <p>Long-term position: Review of frameworks throughout the business (recruitment, development etc.) to remove potential for bias to occur</p>	<ul style="list-style-type: none"> Unconscious bias training for senior leadership group underway Review underway of how we currently train and how to enhance training packages Group alignment of provision of unconscious bias training to managers that participate in the recruitment process
<p>Measure our progress with Gender Fitness</p> <ul style="list-style-type: none"> Gender Fitness targets for both diversity (attendance) and inclusion (feedback) Increase usage and application of data from Gender Fitness 	<p>CFO Crown Resorts & CEO Crown Digital Gender Equity Advisory groups</p>	<p>Mid-term goal: Gender Fitness embedded as routine throughout the business</p> <p>Long-term position: Gender Fitness data used to highlight areas of improvement and achievement and incorporated into KPIs</p>	<ul style="list-style-type: none"> Gender Fitness was launched in 2017 with an initial sign up rate of over 85% achieved Campaign was run to increase engagement with Gender Fitness across the group
<p>Send the right message</p> <ul style="list-style-type: none"> Ensure the messages we send promote gender equity Increase visibility and contribution of female leaders through ensuring panels, staff briefings, collateral and key messages are 40:40:20 	<p>Public Relations – Perth Employee Communications – Melbourne</p>	<p>Mid-term goal: All internal messaging to display gender balance and link to gender equity messaging</p> <p>Long-term position: All messaging (internal and external) to be diverse and aligned with business value</p>	<ul style="list-style-type: none"> Executive team video series sharing their key messages and support for gender equity has been created Melbourne has had an increase in senior women presenting at Staff Briefings Panel pledge has been made at CEO level

INTERSECTIONALITY FOCUS

Intersectionality focus refers to recognition that the interconnected nature of attributes such as ethnicity, class, age and gender can create overlapping and multiple forms of discrimination or disadvantage.

Crown has a strong commitment to diversity and inclusion and part of this is a focus on intersectionality. Crown aims to ensure that our gender scope encompasses other areas of our diversity and inclusion focus. We will do this through:

- Partnering with our Indigenous Program to address specific areas for Indigenous women at Crown;
- Partnering with CROWNability to address specific areas for women at Crown with disabilities; and
- Partnering with our Crown Pride Committee to address specific areas for individuals at Crown who identify as LGBTIQ+ and to create and implement a Gender Affirmation Policy.

Work has already begun in this area with the Gender Advisory groups collaborating with the Crown Pride network and Crown's Indigenous and CROWNability Programs to host events for both the internal Crown Community and external partners including Ochre Ribbon, Women in Gaming and Hospitality Australasia and Globe.

Under the *Workplace Gender Equality Act 2012*, Crown (as a non-public sector employer of more than 100 employees) is required to submit a report each year to the WGEA. The report consists of a workplace profile and answers to a questionnaire addressing the following six gender equality indicators (GEIs):

- GEI 1: gender composition of the workforce;
- GEI 2: gender composition of governing bodies of relevant employers;
- GEI 3: equal remuneration between women and men;
- GEI 4: availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities;
- GEI 5: consultation with employees on issues concerning gender equality in the workplace; and
- GEI 6: any other matters specified by the Minister (e.g. sex-based harassment and discrimination).





Crown Resorts Gender Action Plan F20 – F23

TRACKING AND REPORTING ON OUR PROGRESS

While implementing this GAP and working towards the achievement of its goals, we will rigorously monitor and report on our progress against those goals.

To ensure transparency, consistency and efficiency the reports on our progress will be similar to those we annually submit to the WGEA. For example, categories, methods of measuring, reporting year and other metrics will be the same.

Our Gender Action Reports will be:

- reviewed and compiled yearly, in line with the WGEA reporting year;
- submitted to the Corporate Responsibility Committee;
- made available to employees and the public on the Crown Resorts website (as are the WGEA reports); and
- in plain English.

When each report becomes available, we will use various employee communications to notify staff that they can access the report on Crown's website.

We will also regularly include personal stories and articles about our gender equity actions and outcomes in on-line and paper-based employee communications.



ACHIEVING A BROADER IMPACT

Achieving gender equity at Crown is one of the most significant and just outcomes we can strive for.

However, we know that our influence to eliminate gender inequity can extend beyond the workplaces at Crown, and, for this reason, we proudly work with others to lift gender equity throughout our community.



Selecting and working with our suppliers

The Crown Procurement team are working with our vendors to support gender equity in our supply chain.



Community work

Crown is committed to creating positive and proactive change not just for our employees but also the wider community. Most recently we have supported the Indigenous Runway Project and Ochre Ribbon.

Further partnership/sponsorship opportunities will be explored in relation to advancing women's safety, including but not limited to further support for those experiencing domestic violence, financial hardship and homelessness.



**CROWN
RESORTS
FOUNDATION**

Supporting change

The Crown Resorts Foundation continues to learn from the communities they work with, and have identified a disparity between the type and number of programs available to young boys and young girls.

Although the Crown Resorts Foundation did not begin with a clear gender lens, some of the most marginalised people the Board has seen are young girls and newly arrived migrant women – many are isolated and are not aware of available pathways to change.

This will continue to inform the Crown Resorts Foundation's decision making as it seeks partnerships which support these young girls and women – this is not instead of the support provided to young boys and men; it is in addition to that support.



**WOMEN IN GAMING
& HOSPITALITY**
AUSTRALASIA



Women in Gaming and Hospitality Australasia

Crown has also become a key partner of Women in Gaming and Hospitality (WGH), which is the gaming industry's not-for-profit organisation dedicated to empowering women and promoting gender equitable outcomes in the workplace.



The industry driven organisation aims to identify and remove barriers for the advancement of women in the gaming, hospitality and gaming related industries.

WGH encourages the development and success of women through education, mentorship and networking opportunities and provides tools and support for organisations wishing to develop or enhance their gender diversity and inclusion initiatives.

Fostering a positive culture in the workplace that encourages employees to bring their best self to work is key to building a motivated and engaged workforce – and for women, this has never been more important.

Crown is an active partner of WGH and has a representative on the WGH Board.



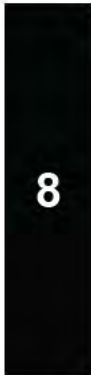
GENDER: JUST ONE OF MANY SIGNIFICANT BARRIERS TO EQUALITY

This GAP focuses on the selection, promotion, and retention of female employees within safe, inclusive and respectful workplaces at Crown.

However, gender is not the only attribute that can contribute to or exacerbate barriers to equitable employment. Other attributes include class, ethnicity, sexual orientation, age, religion, creed, and disability. None of these attributes exist separately from each other, but are interwoven in all of us.

It is widely recognised however, that people who experience discrimination, poverty, and other disadvantages often have multiple attributes that can be the trigger for bias and discrimination from people who are privileged or in positions of power.

At Crown, we work diligently hard to eliminate bias and unlawful discrimination of any kind and to educate employees and managers of the unfairness of such practices, and the benefits of fair and equitable practices.





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AGENDA ITEM 9:
2020 Annual Report



Audit and Corporate Governance Committee

Memorandum

To: Audit and Corporate Governance Committee

From: Mary Manos

Date: 7 August 2020

Subject: Directors' Statutory Report – Risk Disclosure – **PRIVILEGED AND CONFIDENTIAL**

PRIVILEGED AND CONFIDENTIAL

Dear Committee Members

Under section 299A of the *Corporations Act 2001* (Cth), a listed entity is required to include an Operating and Financial Review (**OFR**) in its annual Directors' Statutory Report which includes reporting on the entity's business strategies and the prospects for future financial years. ASIC has provided companies with guidance under ASIC Regulatory Guide 247 (**RG247**) in preparing an OFR and provides that a discussion about future prospects be balanced by including material risks that could adversely affect the achievement of financial prospects.

Consistent with Crown's risk disclosure in its 2019 Directors' Statutory Report, it is proposed that Crown report on its material risks identified on Crown's Risk Map in its 2020 Directors' Statutory Report. The material risks to be disclosed for 2020 are consistent with those disclosed in 2019 other than the addition of the 'External disruptors out of our control' risk which has received an increased risk rating as a result of COVID-19.

Attached is a table setting out the risk descriptions and key controls for the material risks from the Company's Risk Profile together with a draft proposed summary form of those risks and controls for consideration for inclusion in the 2020 Directors' Statutory Report. The form of the disclosure may be refined in the coming weeks as we finalise the 2020 Annual Report.

Kind regards

Mary Manos
General Counsel and Company Secretary

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Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Legislative/ Regulatory Changes</i></p> <p>Changes to legislation, regulation or Government policy covering the conduct of, and access to, gaming or broader operational and compliance processes in any jurisdiction in which Crown operates.</p>	<p>Negotiation of regulatory certainty agreements with governments and regulators.</p> <p>Ongoing communication with Government and regulators in relevant jurisdictions (including those that do not licence a Crown entity).</p> <p>Maintenance and positive promotion of Crown's corporate profile.</p> <p>Ongoing monitoring of legislative, regulatory and policy changes across all aspects of the Crown business to ensure responsiveness.</p> <p>Adherence to and awareness of relevant legislative and/or regulatory policy including development of compliant processes and guidelines and training of relevant employees and contractors (where applicable).</p> <p>Obtaining expert legal advice in local and foreign jurisdictions.</p> <p>External advisory panels in place in key areas: RG, OSH.</p> <p>Legal, governance and compliance frameworks at property and online operator level and for staff involved in</p>	<p><i>Legal and Regulatory Changes</i></p> <p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations.</p> <p>Systematic and/or serious breaches of legal or regulatory requirements may result in enforcement action in jurisdictions in which Crown has activities. This may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place legal, governance and compliance frameworks at each of its operations and continuously monitors its legislative and regulatory requirements in the jurisdictions in which it operates.</p> <p>In addition, Crown's internal control framework is designed to ensure effectiveness of, and compliance with, relevant legislative and regulatory requirements.</p> <p>Crown provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).</p> <p>Crown obtains legal advice in appropriate circumstances and jurisdictions as required.</p> <p>Internal audit periodically reviews the effectiveness of the controls and processes in place to manage Crown's compliance frameworks and the overall internal control framework.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
	<p>VIP sales.</p> <p>Extensive RG practices in place and proactive engagement with stakeholder groups to enhance framework and pre-empt issues, including the Responsible Gaming Advisory Panel.</p> <p>Ongoing monitoring of local and foreign legislative, regulatory and political environments where Crown operates or has staff operating.</p>		
<p><i>Volatility of Gaming Revenue</i></p> <p>Sustained unfavourable variations from theoretical win rates applicable to the gaming business (local and international). Whilst short term fluctuations are expected to occur, due to 'luck', reporting of theoretical over actual has normalised results over time.</p>	<p>Management monitoring and review of international commission business strategy including maximum bet limits and customer programs.</p> <p>Increased data analytics on historical betting patterns.</p> <p>Ad-hoc review by external experts of theoretical model and performance.</p> <p>Strategies in place to ensure sustained turnover, meant to decrease impact of single large wins or losses.</p> <p>Ongoing review of VIP operating model.</p>	<p><i>Volatility of Gaming Revenue</i></p> <p>Crown's gaming operations may experience variations from theoretical win rates due to the element of chance in gaming activities.</p> <p>Sustained unfavourable variations in the actual win rate compared to the theoretical win rate would be likely to have an adverse impact on Crown's financial performance.</p>	<p>Crown monitors and reviews its gaming businesses and reports on the basis of its actual and long-term theoretical win rates in its results.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Act of terrorism on Crown property</i></p> <p>The calculated use of violence (or the threat of violence) against Crown's properties, employees and/or customers in order to attain goals of a political, religious or ideological nature.</p>	<p>Emergency and crisis management and planning framework including:</p> <ul style="list-style-type: none"> • Emergency management planning • Corporate crisis planning • IT disaster recovery planning • Terrorist risk assessments undertaken at property level • Counter terrorism escalation planning • Tailored training across all operational areas. <p>Ongoing assessments and enhancements of deterrent measures on property, including by third parties.</p> <p>24/7 monitoring by security and surveillance of relevant FOH and BOH areas for suspicious behaviours.</p> <p>Facial recognition technology in use.</p> <p>Maintenance of close and productive relationships with key law enforcement agencies and other authorities in relevant jurisdictions for intelligence gathering.</p>	<p><i>Terrorism</i></p> <p>As Crown's properties are places where large crowds may congregate, they may be the target of a terrorist attack or the calculated use or threat of violence.</p> <p>Any such event may have an adverse impact on Crown's customers, employees and operational and financial performance.</p>	<p>Crown has in place security and surveillance technology and procedures at each of its properties which monitor for suspicious behaviours.</p> <p>In addition, Crown has a framework in place for responding to major incidents and works with key law enforcement agencies for coordinated and rapid responses.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Major reputational damage</i></p> <p>Negative publicity/image of Crown and/or its affiliate businesses which may adversely impact Crown's reputation and/or performance and potentially jeopardise gaming licences.</p>	<p>Positive promotion of Crown's businesses.</p> <p>Engagement of external advisers to assist with communications strategies and proactive management of negative media attention.</p> <p>Consideration of community expectations.</p> <p>Adherence to, and awareness of, relevant legislative and/or regulatory policy, adoption of group wide and property level Anti-bribery and Corruption and other integrity related Policies and training of relevant employees/contractors where applicable.</p> <p>Employee/contractor/supplier probity checks and performance monitoring and regulator licensing for relevant staff.</p> <p>Maintenance of close and productive relationships with key stakeholders, including with key law enforcement agencies and other authorities in relevant jurisdictions.</p> <p>Focus on corporate responsibility</p>	<p><i>Reputation</i></p> <p>Negative publicity of Crown may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place legal, governance and compliance frameworks at each of its operations and provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).</p> <p>Crown's Australian resorts have in place the following set of values which apply across the properties:</p> <ul style="list-style-type: none"> • we act respectfully; • we are passionate; • we work together; and • we do the right thing. <p>In addition, Crown proactively engages with key stakeholders, including relevant regulators and governments.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
	<p>function and reporting.</p> <p>External advisory panels in place in key areas: RG, OSH.</p> <p>Business continuity management and planning.</p> <p>Corporate crisis planning.</p> <p>Development and adherence to Media Protocols and policy.</p> <p>Monitoring all customer facing online channels and advertising for disruptions or events that may be damaging to reputation.</p> <p>Privacy program and strict confidentiality protocols in place and staff training on privacy awareness.</p> <p>Cyber security program in place and staff training on cyber security awareness.</p> <p>Escalation of material matters to the Board for oversight and guidance.</p> <p>Brand strategy, including engagement of external advisers.</p> <p>Establishment of Brand Committee - replaced with ongoing management by the CEO - Crown Resorts, with</p>		

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
	regular updates provided to the Chair and Deputy Chair and the full Board.		
<p><i>Litigation</i></p> <p>Crown is exposed to potential material litigation by:</p> <ul style="list-style-type: none"> • Employees • Customers • Regulators • Shareholders (including potential class actions) • Other third parties. 	<p>Effective engagement from advice functions (Legal, Compliance, AML, RSG, WHS, Risk) to ensure proactive consideration of key risks in decision-making.</p> <p>Management monitoring of, and response to, legal issues in relevant jurisdictions.</p> <p>Engagement of internal/external legal advisors as required.</p> <p>Adherence to, and awareness of, relevant legislative and/or regulatory policy including training of relevant employees/contractors where applicable.</p> <p>Employee/contractor/supplier probity checks and performance monitoring.</p> <p>Legal, governance and compliance frameworks in place.</p> <p>Insurance programs as appropriate.</p>	<p><i>Litigation</i></p> <p>Any potential material litigation brought against Crown by third parties may have an impact on Crown's financial performance.</p>	<p>Crown proactively monitors and responds to legal issues and engages legal advisors as required.</p> <p>In addition, Crown has in place legal, governance and compliance frameworks at each of its operations which are supported by insurance programs as appropriate.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>VIP bad debts</i></p> <p>Crown is exposed to the risk of default by customers across its affiliate businesses.</p>	<p>Credit approval processes, including enhanced due diligence and validation of patrons through Central Credit Reports.</p> <p>Management monitoring of financial performance and trends.</p> <p>Management monitoring and review of credit policy.</p> <p>Engagement of external debt collectors and/or initiation of legal action (in authorised jurisdictions only).</p> <p>Hedging to manage any potential foreign currency loss.</p>	<p><i>Third Party Default</i></p> <p>The potential material default by those with whom Crown has a business relationship may have an adverse impact on Crown's financial performance.</p>	<p>Crown has in place credit approval and recovery processes and procedures.</p> <p>Crown maintains a provision for doubtful debts which is monitored on an ongoing basis and is audited by its external auditors.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Material breaches of gaming and other relevant legislation/ regulation</i></p> <p>Crown and its affiliate businesses operate in a highly regulated industry.</p> <p>There is a risk of systemic and/or serious breaches of regulatory requirements (including gaming, anti-money laundering, liquor, promotion of gaming and liquor, taxation or other regulatory / mandatory reporting requirements).</p>	<p>Adherence to and awareness of relevant legislative and/or regulatory policy including development of compliant processes and guidelines and training of relevant employees and contractors (where applicable).</p> <p>Obtaining expert local and foreign legal advice in appropriate circumstances as required.</p> <p>Employee / contractor / supplier probity checks and performance monitoring.</p> <p>Extensive compliance training to relevant staff groups.</p> <p>VIP operating model protocols in place for foreign jurisdictions.</p> <p>Maintaining appropriate relationships with governments and regulators.</p> <p>Legal, governance and compliance frameworks in place in each business.</p> <p>Layers of operational auditing and compliance checks in place across critical areas (particularly gaming).</p> <p>AML/CTF program.</p> <p>Periodic internal audit reviews of the effectiveness of controls and processes in place to manage</p>	<p><i>Legal and Regulatory Compliance</i></p> <p>Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming operations. Crown's operations, financial performance and future prospects are dependent on the legal and regulatory frameworks in which it operates.</p> <p>Legislative and regulatory changes may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations. Crown monitors for legislative and regulatory changes on an ongoing basis.</p> <p>From time to time, Crown makes submissions relating to proposed legislative and regulatory changes which may impact the Crown group.</p> <p>Crown provides relevant employees and contractors with training on legislative and regulatory changes (where applicable).</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Data misuse</i></p> <p>Sensitive information may be leaked or sold to external parties including customer information.</p> <p>Loss of confidential customer or commercially sensitive data is a growing risk as the online businesses expand and the use of 3rd parties and data volume increases.</p>	<p>IT policy and security, with dedicated in-house IT data governance focus.</p> <p>Cyber security program in place with 24/7 monitoring performed by third party and staff training on cyber security awareness.</p> <p>Periodic penetration testing of IT systems, website and apps.</p> <p>External review regarding integrity of security systems such as source code scanning.</p> <p>Employee/contractor/supplier probity checks and performance monitoring.</p> <p>Employee confidentiality agreements and restrictive covenants.</p> <p>Intellectual Property Register.</p> <p>User access management processes in place to key applications, data and reports.</p> <p>Data loss prevention tools.</p> <p>Privacy program and strict confidentiality protocols in place and staff training on privacy awareness.</p> <p>Whistleblower Policy and hotline.</p> <p>CDW and TM1 reporting systems. staff training on privacy awareness.</p>	<p><i>Data Security</i></p> <p>Crown maintains confidential customer and commercially sensitive data.</p> <p>The leak or unauthorised use of confidential customer and commercially sensitive data may have an adverse impact on Crown's operational and financial performance.</p>	<p>Crown has in place IT policies, procedures and training programs which are further supported by a cyber security program.</p> <p>Crown also has in place legal and compliance frameworks at each of its operations and confidentiality arrangements in place with its employees and contractors.</p> <p>In addition, Crown has adopted a management framework for responding to data breach incidents, should they occur</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
<p><i>Breakdown in relationships with government, legislative or regulatory bodies</i></p> <p>Crown operates in many jurisdictions and has to engage with a large number of government, legislative and regulatory bodies. A breakdown in these relationships could lead to targeted reviews, investigations, or actions by these bodies.</p>	<p>Dedicated senior management and Directors engaging with relevant government stakeholders</p> <p>Continuous reporting to the Board.</p> <p>Strong compliance culture reinforced by the legal, governance and compliance frameworks.</p> <p>Employee due diligence procedures and regulator licensing for relevant staff.</p> <p>Training and awareness.</p> <p>Brand Strategy, including engagement of external advisers.</p>	<p><i>Relationships with Key Stakeholders</i></p> <p>A breakdown in Crown's relationships with key stakeholders, including regulators and governments, may have an adverse impact on Crown's operational and financial performance</p>	<p>Crown professionally and proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations.</p>
<p><i>External disruptors out of our control</i></p> <p>Unfavourable changes in Australian and international economic conditions, including change in government; global geopolitical event and hostilities, act of terrorism (outside Crown), natural disaster, pandemic, etc.</p> <p>Loss of international commission business to competitors in South East Asia and Las Vegas.</p>	<p>Annual strategic planning and business planning processes.</p> <p>Contingency planning, including business continuity plans.</p> <p>Appropriate and targeted marketing campaigns.</p> <p>Management monitoring of:</p> <ul style="list-style-type: none"> • international competitors; • the VIP program and relationships; • local and domestic competitors in 	<p><i>External Events</i></p> <p>Unfavourable changes in local and international economic conditions and other events outside of the control of Crown, including pandemics and natural disasters, may have an adverse impact on Crown's customers and employees, and operational and financial performance.</p>	<p>Crown has in place strategic, business and contingency planning processes and proactively engages with relevant stakeholders as required.</p> <p>Crown also reviews and manages its capital structure.</p>

Crown Risk Profile		Directors' Statutory Report	
Risk and Description	Key Controls	Proposed Risk and Description	Proposed Mitigation Strategies
Increase in local competition (both gaming and non-gaming).	<p>all jurisdictions in which Crown operates; and</p> <ul style="list-style-type: none"> financial performance and trends. <p>Appropriate capital structure.</p> <p>Capital investment in VIP facilities.</p> <p>Effective escalation framework ensures matters are provided with adequate level of management oversight and response effort.</p> <p>Targeted initiatives in product development, marketing, technology and people management to consistently demonstrate capability to differentiate gaming brands in a crowded market.</p> <p>Revised operating plans.</p> <p>Engagement with medical experts.</p>		



Audit & Corporate Governance Committee Memorandum

To: Audit & Corporate Governance Committee
From: Mary Manos
Date: 7 August 2020
Subject: **Draft Corporate Governance Statement**

Dear Committee Members

Draft Corporate Governance Statement

As you are aware, Crown is required under the Listing Rules to include a Corporate Governance Statement in its Annual Report disclosing the extent to which Crown has followed the third edition of the Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council during the reporting period.

Attached is a draft Corporate Governance Statement for review by the Committee. While well progressed, the draft is still in the process of being finalised.

Subject to any comments of the Committee, the purpose of this paper is to ask the Committee to recommend to the Board that the Corporate Governance Statement (in a form, substantially the same as the attached) be approved.

The attached draft will be updated to reflect the data presented to the Committee in the Diversity Report, subject to any comments of the Committee.

It is also a requirement of the ASX Listing Rules that companies provide the ASX with a completed Appendix 4G. The Appendix 4G is a "tick-the-box" form which summarises the Principles and Recommendations. Companies must tick which of the Principles and Recommendations they comply with. This will be provided to ASX at the same time that Crown lodges its annual report.

Fourth Edition – Corporate Governance Principles and Recommendations

As the Committee is aware, Crown will be required to report against the Fourth Edition of the Corporate Governance Principles and Recommendations in respect of the period 1 July 2020 to 30 June 2021.

The ASX Corporate Governance Council has encourage listed entities to early adopt the new aspects of the Principles and Recommendations.

Crown has adopted the new recommendations and will report against the Fourth Edition in its 2021 Corporate Governance Statement.

Suggested Resolution

It was **RESOLVED** that the Committee recommends the approval of the draft Corporate Governance Statement, in the form presented to the Committee or in any other form approved by the Company Secretary, by the Board.

Kind Regards

Mary Manos
General Counsel & Company Secretary

Corporate Governance Statement

The Board of Crown Resorts Limited (Crown or the Company) is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown has followed the ASX Corporate Governance Council's Third Edition of the Corporate Governance Principles and Recommendations (the Principles and Recommendations). This Statement is current as at 9 September 2020 and has been approved by the Board.

Principle 1: Lay Solid Foundations for Management and Oversight

Functions Reserved for the Board and Senior Management

Functions Reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions that are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.

More information

A full copy of the Crown Board Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Functions Delegated to Senior Executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following Committees:

Committees	Current Members
Audit and Corporate Governance Committee	Antonia Korsanos (Chair) Jane Halton Michael Johnston
Corporate Responsibility Committee	Harold Mitchell (Chair) Helen Coonan John Horvath
Finance Committee	Helen Coonan (Chair) Michael Johnston Antonia Korsanos
Investment Committee	Guy Jalland (Chair) Ken Barton Michael Johnston
People, Remuneration and Nomination Committee	Harold Mitchell (Chair) John Horvath Michael Johnston

Committees	Current Members
Occupational Health and Safety Committee	John Horvath (Chair) Michael Johnston John Poynton
Responsible Gaming Committee	John Horvath (Chair) Andrew Demetriou Antonia Korsanos
Risk Management Committee	Jane Halton (Chair) Andrew Demetriou Michael Johnston Antonia Korsanos

Each Committee has adopted a formal Charter that outlines its duties and responsibilities.

More information

A full copy of each of the Crown Committee Charters is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Director Probity Reviews and Elections

Every appointment of a Crown Director is subject to the receipt of necessary gaming regulatory approvals.

The gaming industry is highly regulated and each of the casinos and gaming operations in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located.

Officers, Directors and certain key employees of Crown and its licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These probity reviews generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interests in gaming operations and generally include requirements to obtain police checks and credit checks.

A Director will only be formally appointed once all necessary gaming regulatory approvals have been obtained. As a separate exercise, Crown undertakes its own internal investigations on the suitability of nominated Directors as a pre-condition to a recommendation to the Board to appoint a Director.

The Company's Constitution requires that an election of Directors must take place each year. In addition, Directors appointed to fill casual vacancies during the year must retire from office at the next annual general meeting following his or her appointment but are eligible for re-election by shareholders at that time. The Notice of Meeting for an annual general meeting sets out the background for the election and re-election of Directors, information on the skills and experience of the relevant Director and provides a recommendation of the Board in relation to the proposed election or re-election.

Accordingly, shareholders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director.

More information

Copies of Crown's past and present Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors & Media – Annual Reports.

Director and Senior Executive agreements

Crown Directors are provided with an induction pack upon appointment which, among other things, includes a letter agreement setting out the terms of that Director's appointment. The letter agreement, which each Director must countersign, describes when the appointment commences and when it ends, sets out the Director's powers and duties and the agreed remuneration arrangements and obliges the Director to comply with all Crown Policies, Procedures and the Code of Conduct. In addition, the letter agreement requires the Director to enter into a separate undertaking to inform Crown of any interests that Director may have in Crown securities (and contracts

relevant to Crown securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide the ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the ASX Listing Rules.

Each senior executive of Crown has an employment contract setting out the terms of that senior executive's appointment.

Company Secretary Accountability

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The decision to appoint or remove a Company Secretary must be made or approved by the Board.

The role of the Company Secretary is set out in the Crown Board Charter and includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

More information

A full copy of the Crown Board Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Diversity Policy

Crown has established a policy concerning diversity and disclosed its policy on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and the progress in achieving them.

In accordance with the policy, Crown has established the measurable objectives for achieving gender diversity as set out below:

Objective	Crown's Progress
1. To require that at least one female candidate is presented on candidate short lists and at least one female from Senior Management is involved in the interview process for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.	[To be inserted following the Committee's review of the Diversity Report.]
2. To promote leadership opportunities for female employees by maintaining the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants.	[To be inserted following the Committee's review of the Diversity Report.]
3. To conduct an internal review on an annual basis of the remuneration for key roles within the group, with an external validation review to be undertaken every second year, to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.	[To be inserted following the Committee's review of the Diversity Report.]

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Objective	Crown's Progress
4. To participate in local and national programs which promote gender equity and to implement relevant actions arising out of those programs.	[To be inserted following the Committee's review of the Diversity Report.]
5. To progress the objectives of the Gender Action Plan for FY20 to FY23 (the Plan) and to annually assess the progress of the Plan's objectives.	[To be inserted following the Committee's review of the Diversity Report.]

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2020 is as follows:

Measure	Result
Proportion of women employees in the group.	There were 5,255 women in the group. This represents 43.19% of the total workforce of 12,166 employees.
Proportion of women in senior executive positions in the group.	There were 22 women in senior executive positions in the group. This represents 28.9% of senior executive positions in the group. This is a 0.9% decrease on FY19.
Proportion of women on the Board.	There were three female Directors out of a total of 11 Directors, or 27.27%.

For the purpose of these statistics, the term "senior executive position" refers to Executive Team and Business Operations Team members of Crown Resorts Limited, Crown Melbourne and Crown Perth as well as the most senior leaders from each operational unit therein. The Executive Team is comprised of persons with titles in the nature of, or similar to, Executive General Manager, General Manager, Chief Information Officer, Chief Marketing Officer and General Counsel together with the Chief Executive Officers, Chief Operating Officers, Chief Financial Officers and Chief Legal Officers within the group.

Crown's Audit and Corporate Governance Committee has been delegated responsibility for developing and monitoring the application of Crown's Diversity Policy.

As noted above, Crown's Diversity Policy requires that Crown reviews its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown.

The Audit and Corporate Governance Committee conducted a formal review of its Gender Objectives and resolved to adopt the Gender Objectives included in Crown's Gender Action Plan for F20 to F23.

As detailed above, during the 2020 financial year, Crown published its first Gender Action Plan for F20 to F23 (GAP) which has the following five areas of focus:

- Recruitment and Promotion – To achieve 40:40:20 representation across the group, with each Executive accountable for achieving this target within their business unit.
- Retention and Development – To ensure Crown retains women at a level equitable or better than the retention of their male colleagues and that women at Crown receive appropriate opportunities and encouragement so that they benefit from all that Crown has to offer.
- Cultural Change and Communication – To ensure that all employees work in a safe and respectful environment where their contributions are welcomed and valued.
- Flexibility – To have flexibility for every role at Crown.
- Intersectionality – To partner with Crown's Indigenous Program, CROWNability and Crown Pride Committee to address specific areas for women participating in those programs.

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Each focus area in the GAP, other than Intersectionality, includes a number of measurable objectives which are identified as mid-term and long-term targets. These targets incorporate elements of, and expand on, the measurable objectives which were set for financial year 2020.

In addition, in accordance with the ASX Corporate Governance Council's Fourth Edition of the Corporate Governance Principles and Recommendations the Crown Board, in consultation with the Audit and Corporate Governance Committee and the People, Remuneration and Nomination Committee, set the following measurable objective for achieving gender diversity in the composition of its Board:

To have not less than 30% of directors on the Crown Board of each gender by 30 June 2022.

A report on the progress against the five focus areas in the GAP and the Board diversity objective will be provided in the 2021 Corporate Governance Statement.

More information

A full copy of Crown's Diversity Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

A copy of Crown's Gender Action Plan for F20 to F23 is available at: www.crownresorts.com.au under the heading Our Contribution – Diversity & Inclusion.

Crown is a "relevant employer" under the *Workplace Gender Equality Act 2012* (Cth) and, in accordance with the requirements of the Act, Crown lodged its annual Public Report with the Workplace Gender Equality Agency for the 2019-2020 period which reports on the most recent "Gender Equality Indicators".

More information

A full copy of Crown's Workplace Gender Equality Report is available at: www.crownresorts.com.au under the heading Corporate Governance – Gender Equality.

Process for Evaluating Performance of the Board, its Committees and its Directors

A performance evaluation of the Board and of its Committees is undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Director.

The questionnaire covers the role, composition, procedures and practices of the Board and of its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses provided to the Chair of the People, Remuneration and Nomination Committee for consideration and provision of a report to the Board.

Crown's People, Remuneration and Nomination Committee is also responsible for reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors.

An evaluation of the Board and its Committees took place following the end of the 2020 financial year in accordance with the processes described above.

Process for Evaluating Performance of Senior Executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the 2020 financial year and in accordance with the processes described in the Remuneration Report.

Principle 2: Structure the Board to Add Value

People, Remuneration and Nomination Committee

Crown has established a People, Remuneration and Nomination Committee. The Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the People, Remuneration and Nomination Committee are Harold Mitchell AC (Chair), Professor John Horvath AO and Michael Johnston, a majority of whom are independent, Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The role of the Committee is to assist the Board to develop, maintain and implement policies in relation to:

1. the selection and appointment practices for Directors; and
2. the remuneration of Directors and relevant executives.

Selection, Appointment and Development of Directors

The People, Remuneration and Nomination Committee is required to:

- Σ review Crown's procedure for the selection and appointment of new Directors (Selection Procedure) and make appropriate recommendations to the Board in relation to the Selection Procedure;
- Σ implement the Selection Procedure and make nomination recommendations to the Board;
- Σ develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- Σ review Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors and be primarily responsible for the implementation of the evaluation process; and
- Σ oversee the induction process in place for new Directors.

The Selection Procedure requires that, in the event that a new Director appointment is required, the People, Remuneration and Nomination Committee (on behalf of the Board) must adhere to procedures including the following:

- Σ the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- Σ upon identifying a potential appointee, specific consideration will be given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that the appointment would have on the overall balance and composition of the Board, including by reference to the Crown Board Skills Matrix adopted from time to time; and
- Σ finally, all existing Board members must consent to the proposed appointment.

The People, Remuneration and Nomination Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown and existing regulatory requirements and recommendations.

Remuneration of Directors and Relevant Executives

The role of the People, Remuneration and Nomination Committee also includes:

1. the review and recommendation of appropriate fees to be paid to Non-executive Directors;
2. consideration of remuneration arrangements and policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required); and
3. the review of succession plans for Executive Directors and relevant senior management.

Following the end of the financial year, the Committee reviewed and approved:

- Σ the remuneration for senior executives which will apply during the financial year ending 30 June 2021; and
- Σ the short-term incentive arrangements applicable to senior executives referable to the financial year ended 30 June 2020.

A summary of the current remuneration arrangements is set out in more detail in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

- Σ senior executives are motivated to pursue the long-term growth and success of Crown; and
- Σ there is a clear relationship between the performance of senior executives and their remuneration.

Board Skills Matrix

As noted above, the Selection Procedure for a Director nomination requires that the People, Remuneration and Nomination Committee (on behalf of the Board) considers the effect that any proposed Director candidate would

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have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board and on each of its Committees as at 9 September 2020.

Skill / Competency	Board	Audit and Corporate Governance	Corporate Responsibility	Finance	Investment	People, Remuneration and Nomination	Occupational Health and Safety	Responsible Gaming	Risk Management
Total Number of Directors	11	3	3	3	3	3	3	3	4
Executive Experience Experience in senior positions at executive levels.	11	3	3	3	3	3	3	3	4
Strategic Planning and Execution Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	11	3	3	3	3	3	3	3	4
Risk Management Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	11	3	3	3	3	3	3	3	4
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements.	10	3	2	3	3	2	2	2	4
Governance Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	11	3	3	3	3	3	3	3	4
Occupational Health and Safety Experience in relation to workplace health and safety.	9	3	2	3	2	2	3	3	4
Environment and Sustainability Experience in relation to environmental and social responsibility and community.	9	2	3	2	2	3	3	2	3
Legal and Regulatory Experience in legal and regulatory matters including regulatory and contractual frameworks governing gaming matters.	11	3	3	3	3	3	3	3	4
Information Technology Senior executive experience in information technology including gaming systems and data security.	6	2	1	1	1	1	1	1	2
Human Resources / Remuneration Experience in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership.	11	3	3	3	3	3	3	3	4

9.2

Skill / Competency	Board	Audit and Corporate Governance	Corporate Responsibility	Finance	Investment	People, Remuneration and Nomination	Occupational Health and Safety	Responsible Gaming	Risk Management
Capital Projects Senior executive experience in executing large scale projects with long-term investment horizons and substantial capital outlays.	9	3	1	2	3	2	2	2	4
Sales and Marketing Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment.	4	0	1	0	1	1	0	1	1
Industry Experience - Gaming and Entertainment Senior executive experience in the gaming and entertainment industry.	4	1	0	1	1	0	0	2	2
Industry Experience - Hospitality and Management Senior executive experience in the hospitality, food and beverage industries.	4	1	0	1	2	1	1	1	2
Industry Experience - Tourism Senior executive experience in the tourism industry.	4	1	0	1	2	1	1	1	2
Industry Experience - Public Policy Experience in public and regulatory policy, including in relation to gaming related policy.	8	2	2	2	2	2	3	2	3

The Board Skills Matrix, albeit important, is only part of the Selection Procedure that the Board is required to follow. As noted above, the People, Remuneration and Nomination Committee has responsibility for reviewing the appropriateness of the Board Skills Matrix on an annual basis.

Succession planning is an important part of the responsibilities of the People, Remuneration and Nomination Committee as it ensures that the Board maintains appropriate experience, expertise and diversity.

Relationships Affecting Independence

The table below sets out the Crown Directors as at 9 September 2020, indicates which of those Directors are considered to be independent Directors and notes the length of service of each Director from the date of their appointment to 9 September 2020:

Name of Director	Independence Status	Length of Tenure (By years and complete months)
The Hon. Helen A Coonan, BA, LLB Chairman	Independent	8 Years, 9 Months
Professor John S Horvath AO, MB, BS (Syd), FRACP Deputy Chairman	Independent	10 Years
Ken M Barton, BEc Managing Director	Non-independent	6 Months
John H Alexander, BA Executive Director	Non-independent	13 Years, 2 Months
Andrew Demetriou, BA, BEd Non-Executive Director	Independent	5 Years, 8 Months
Jane Halton AO PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)	Independent	2 Years, 4 Months
Guy Jalland, LLB	Non-independent	2 Years, 5 Months
Michael R Johnston, BEc, CA Non-Executive Director	Non-independent	13 Years, 2 Months
Antonia Korsanos, BEc, CA	Independent	2 Years, 4 Months
Harold C Mitchell AC Non-Executive Director	Independent	9 Years, 7 Months
John H Poynton AO, BCom, Hon DCom, FAICD, SF Fin (Life), FAIM	Non-independent	1 Year, 9 Months

Independent Board Directors

The Crown Board is currently comprised of eleven Directors, six of whom are independent Directors. A majority of Directors are therefore independent. The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

Board Chair Independence

The roles of Chair and Chief Executive Officer are exercised by separate persons. In February 2020, the Crown Board appointed The Honourable Helen Coonan as independent Chair and Professor John Horvath as independent Deputy Chair of Crown. At the same time, Ken Barton was appointed as the Chief Executive Officer of Crown.

Director Professional Development

The induction process for new Directors involves both formal and informal elements. As noted above, new Directors are provided with a formal induction pack which includes important information that a Director must know about the Company and their appointment terms and includes copies of relevant constitutions, Board

Charters and Policies. In addition, new Directors are provided with tours of Crown's main businesses and the opportunity to spend time with various members of senior management.

The professional development program for Directors has largely consisted of presentations from time to time to the Board regarding issues including developments in accounting standards, updates on legal issues and governance processes.

In an attempt to provide more structure to Director professional development, the People, Remuneration and Nomination Committee has been formally delegated with responsibility for implementing a plan for enhancing Director competencies and ensuring that an effective induction process is in place for new Directors. This process involves, amongst other things, a review of the Crown Board Skills Matrix and consideration of the extent to which those skills are currently represented on the Board and on each of its Committees. Where skills are not currently adequately represented, appropriate professional development in this area will be considered.

Principle 3: Act Ethically and Responsibly

Code of Conduct

With effect from 1 July 2020, the Crown Board adopted a new Code of Conduct which reflects the Company's values and outlines the standard of ethical behaviour that is expected of its Directors and of its employees at all times.

Crown Directors also have an obligation to be independent in judgement and action and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. Directors are required to maintain the confidentiality of confidential information received in the course of the exercise of their duties and are prohibited from engaging in conduct likely to bring discredit upon Crown.

More information

A copy of Crown's Code of Conduct is available at: www.crownresorts.com.au under the heading Corporate Governance – Codes.

Principle 4: Safeguard Integrity in Corporate Reporting

Audit and Corporate Governance Committee

Crown has established a formal Audit and Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

The current members of the Audit and Corporate Governance Committee are Antonia Korsanos (Chair), Jane Halton AO PSM and Michael Johnston. All members of the Committee are Non-executive Directors and a majority of those Committee members are independent Directors.

The Chair of the Audit and Corporate Governance Committee, Mrs Korsanos is an independent Director who has extensive financial experience with over 20 years' experience in financial and general management.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Audit and Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for the selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.

More information

A full copy of the Audit and Corporate Governance Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

CEO & CFO Declarations

Before approving the financial statements for each financial period, the Board receives from the Chief Executive Officer (formerly the Executive Chairman) and the Chief Financial Officer a declaration that, in their opinion:

- Σ the financial records of Crown have been properly maintained;
- Σ the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Crown; and
- Σ the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor's Attendance at AGMs

Crown shareholders are provided with an opportunity at the AGM to ask questions and make comments on Crown's Annual Report and on the business and operations of the Company. Crown's Auditor is required to attend the AGM and shareholders are therefore also provided a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report. Shareholders are informed of their opportunity to address the Auditor in the Notice of Meeting for the AGM.

Principle 5: Make Timely and Balanced Disclosure

Policy to Ensure Compliance with ASX Listing Rule Disclosure Requirements

Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The policy details processes for:

- Σ ensuring that any information that could be market sensitive or could involve reputational or material regulatory issues or risks are communicated to the Disclosure Officer;
- Σ the assessment of information by the Disclosure Committee and, where appropriate, the Board, and for the disclosure of material information to the market; and
- Σ the broader publication of material information to the media, analysts and investors.

More information

A full copy of Crown's Continuous Disclosure Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Principle 6: Respect the Rights of Shareholders

Providing Online Information to Investors

Crown has a dedicated corporate website which provides information about itself and its governance to investors. The website has a dedicated Corporate Governance tab which sets out Crown's Charters, Constitution, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and Remuneration Reports.

More information

For more information, visit: www.crownresorts.com.au under the heading Corporate Governance.

Promotion of Effective Communication with Shareholders

The Board aims to ensure that shareholders and prospective investors are kept informed of all major developments affecting Crown.

Crown's investor relations program is designed to facilitate effective communication between shareholders, prospective investors and Crown.

Crown actively engages with shareholders and prospective investors through a program of scheduled interactions with institutional investors, sell-side and buy-side analysts and the financial media. In addition,

meetings are held with shareholders and prospective investors on request and responses are provided to enquiries made from time to time.

Crown's investor relations program works in tandem with its obligations under its Continuous Disclosure Policy, a copy of which is available on Crown's website.

Crown's Chief Executive Officer and Chief Financial Officer regularly report to the Board on investor relations matters.

In addition, Crown has a Communications Policy which seeks to promote effective communication with its shareholders. The policy explains how information concerning Crown will be communicated to shareholders.

The communication channels include:

- Σ Crown's Annual Report;
- Σ disclosures made to the ASX; and
- Σ Notices of Meeting and other Explanatory Memoranda.

Advance notification of results announcements is made via Crown's website.

More information

A full copy of Crown's Continuous Disclosure Policy and Communications Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Shareholder Participation at Meetings

Shareholders are encouraged to both attend and participate in all meetings of shareholders. The date of Crown's AGM is advertised well in advance on its website and is separately communicated to investors via its investor relations channels.

Shareholders are informed in the formal Notice of Meeting for the AGM of their opportunity to participate in the meeting by asking questions of either Crown Directors or its Auditor. The AGM is also webcast live on Crown's website and an archive of the AGM webcast is subsequently available on the website.

At the AGM itself, as an introduction to the formal business of the meeting, the Chair encourages shareholders to ask questions on each item of business and offers a further opportunity to ask general questions at the conclusion of the formal business of the meeting.

More information

Copies of Crown's Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors and Media – Annual Reports.

The webcast is available at: www.crownresorts.com.au under the heading Investors and Media – Annual General Meetings.

Shareholder Communications

Crown shareholders have the option to receive communications from Crown and to send communications to Crown electronically. Crown's share registry (on behalf of Crown) actively encourages shareholders to receive their shareholder communications electronically and provides online access to shareholder information.

Separately, the Crown website includes a "Contact Us" feature which can be used by both shareholders and others to ask questions of the Company.

Principle 7: Recognise and Manage Risk

Policy for Oversight and Management of Material Business Risks

Crown has established a formal Risk Management Committee to provide strategic risk management leadership, oversight and analysis to the Crown Board.

The current members of the Risk Management Committee are Jane Halton AO PSM (Chair), Andrew Demetriou, Michael Johnston and Antonia Korsanos. The current Committee members are each independent, Non-executive Directors.

The Chair of the Risk Management Committee, Ms Halton AO PSM, is an independent Director who served a 33 year career in the public service .

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Risk Management Committee has adopted a formal Charter that outlines its duties and responsibilities.

More information

A full copy of the Risk Management Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Design and Implementation of Risk Management and Internal Control Systems

Crown has established a framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy and articulated its Risk Appetite. Risk management is an integral part of the industry in which Crown operates.

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board via the Risk Management Committee.

The Board convened Risk Management Committee administers Crown's Risk Management Policy and monitors management's performance against the risk management framework, including whether it is operating within the Risk Appetite set by the Board.

The Risk Management Policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported in a Risk Profile to the Crown Board. The framework has been developed using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines.

Crown's Risk Profile identifies specific head office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group on an ongoing basis.

Management is required to conduct an annual review of its Risk Profile to ensure that risk ratings and definitions remain appropriate for Crown, and that adequate controls are in place to manage them.

A review has been conducted during the reporting period and presented to the Risk Management Committee for approval. In the course of that review, the current Risk Profiles of Crown's major operating businesses were taken into account and the risk environment of its operations were also considered.

In addition, the Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

Disclosure of Internal Audit Functions

Crown's major operating businesses (namely Crown Melbourne and Crown Perth) had an internal audit function in place for the full year that meets the definition of "internal audit" under the Institute of Internal Auditor's International Professional Practices Framework.

The function is internally led and resourced, with supplemental resourcing provided by specialist third parties as required.

Internal audit delivers a comprehensive audit program to provide additional comfort around significant risks, processes, systems and regulatory requirements where assurance is determined to be a priority for that period.

Internal audit coverage is determined using a structured approach. The Boards of each major operating business and management receive regular reports from internal audit on the control environment, areas for improvement and progress in addressing those areas for improvement.

To ensure independence of the function, the head of the Internal Audit department reports to the CEO – Australian Resorts. Further, the head of the department periodically meets with members of the relevant operating subsidiary's Board throughout the year.

As a holding company, Crown does not have a separate internal audit function, however its accounts are subject to third party independent audit.

Disclosure of Sustainability Risks

The Crown group is exposed to a number of economic, environmental and social sustainability risks.

Crown's goal is to be a leader in the entertainment and tourism industry by creating long-term value for its stakeholders across economic and environmental dimensions. Crown aspires to be a model corporate citizen and recognises that a company is assessed not only on its financial performance, but also by its commitment to corporate responsibility, which includes consideration of, among others, the following factors:

- Σ the quality of its workplace;
- Σ its environmental footprint;
- Σ its level of community engagement;
- Σ the creation of a safe environment for its customers, employees and contractors; and
- Σ the provision of employment opportunities.

Crown has established a Corporate Responsibility Committee to assist the Board in setting Crown's corporate responsibility policies and programs and assessing Crown's corporate responsibility performance. The Corporate Responsibility Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Corporate Responsibility Committee are Harold Mitchell AC (Chair), Helen Coonan and Professor John Horvath AO. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The responsibilities of the Committee extend to:

- Σ establishing appropriate corporate responsibility policies and programs for Crown;
- Σ monitoring and reviewing the operation and effectiveness of Crown's corporate responsibility policies and programs;
- Σ promoting and supporting continuous improvement in Crown's corporate responsibility performance;
- Σ encouraging and monitoring the establishment and maintenance of relationships with key stakeholders including non-government organisations, sporting and cultural organisations and other community groups; and
- Σ encouraging and promoting awareness of corporate responsibility related issues at Crown among Crown's employees and other stakeholders.

The Committee oversees the development and publication of Crown's Corporate Responsibility Report. The Corporate Responsibility Report brings together the elements of Crown's corporate responsibility activities and programs and identifies and addresses all material economic, environmental and social sustainability risks and Crown's processes for managing them.

More information

A full copy of the Corporate Responsibility Report is available at: www.crownresorts.com.au under the heading Our Contribution – Corporate Responsibility Reports.

Principle 8: Remunerate Fairly and Responsibly

People, Remuneration and Nomination Committee

As noted in response to Recommendation 2.1, Crown has established a formal People, Remuneration and Nomination Committee. The People, Remuneration and Nomination Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the People, Remuneration and Nomination Committee are Non-executive Directors, a majority of whom are independent. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

Policy for Director Remuneration

A summary of current remuneration arrangements is set out in more detail in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of Key Management Personnel in the Remuneration Report.

Restrictions on Dealing in Equity Based Remuneration

The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan specifically provide that a participant must not assign, transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include any mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature. The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

DRAFT

9.2



AGENDA ITEM 10:
Political Donations Report



Audit & Corporate Governance Committee

Memorandum

To: Audit & Corporate Governance Committee

From: Mary Manos

Date: 7 August 2020

Subject: **Political Donations Report**

Dear Committee Members

Political Donations – Full Year to 30 June 2020

Attached in **Annexure A** is a list of Political Donations made by the Crown group during the period commencing 1 July 2019 to 30 June 2020. This list is in the process of being verified.

As required by the Commonwealth Electoral Act and consistent with past practice, the attached information will be disclosed to the Australian Electoral Commission. The due date for lodgment is 20 weeks after the end of the financial year (ie mid November 2020). The information contained in the lodgment will then become public in February of 2021.

We will provide a copy of the lodged 2020 Return to the Committee at its February 2021 meeting.

Crown Resorts Limited Donations Policy

All donations have been made in accordance with the Board approved Crown Political Donations Policy applicable for the period.

A copy of the current Political Donations Policy is attached as **Annexure B**.

Suggested resolution

That the list of Political Donations made by the Crown group during the period commencing 1 July 2019 to 30 June 2020 be noted.

Kind Regards

Mary Manos
General Counsel and Company Secretary

**ANNEXURE A
POLITICAL DONATIONS – 1 JULY 2019 TO 30 JUNE 2020**

**Political Party Donations Analysis -
at 30 June 2020**

Date	Donating Entity	Political Party	Event or Donation	Crown	GST	Total	
FEDERAL							
Liberal (Federal)							
15/08/2019	L.beral	CREGH	Liberal Party of Australia	Attendance at dinner with Prime Minister and Treasurer - 26/2/19	12,500.00	1,250.00	13,750.00
28/10/2019	L.beral	Melbourne	Enterprise Victoria	Membership - 1/7/19 to 1/7/20	27,272.73	2,727.27	30,000.00
6/09/2019	L.beral	CREGH	Liberal Party of Australia Victorian Division	Federal Deakin for Federal campaign	3,000.00	-	3,000.00
16/10/2019	L.beral	CREGH	Liberal Party of Australia Victorian Division	Sponsorship of Federal Deakin 200 Club	5,000.00	-	5,000.00
20/11/2019	L.beral	CREGH	Liberal Party of Australia	Sponsorship of Michael Sukkar Dinner	818.18	81.82	900.00
				48,590.91	4,059.09	52,650.00	
ALP (Federal)							
28/10/2019	ALP	Melbourne	ALP National Secretariat	Federal Labor Business Forum - Membership	20,000.00	2,000.00	22,000.00
18/11/2019	ALP	CREGH	ALP NSW Branch	Dinner with Chris Bowen. For the McMahon Federal Campaign Account	1,363.64	136.36	1,500.00
18/11/2019	ALP	CREGH	Australian Labor Party	Macnamara ALP Campaign Donation	5,000.00	-	5,000.00
23/06/2020	ALP	CREGH	Australian Labor Party	Donation to Anthony Chisholm Federal Campaign	5,000.00	-	5,000.00
23/06/2020	ALP	CREGH	ALP NSW Branch	Donation to Hunter Federal Campaign	5,000.00	-	5,000.00
23/06/2020	ALP	CREGH	Australian Labor Party	Donation to Milton Dick Federal Campaign	5,000.00	-	5,000.00
				41,363.64	2,136.36	43,500.00	
TOTAL DONATIONS TO FEDERAL POLITICAL PARTIES				89,955	6,195	96,150	
VICTORIA							
Liberal (Vic)							
				-	-	-	
National (Vic)							
				-	-	-	
ALP (Vic)							
				-	-	-	
TOTAL DONATIONS TO VICTORIAN POLITICAL PARTIES				-	-	-	
WESTERN AUSTRALIA							
Liberal (WA)							
27/07/2019	L.beral	Perth	Liberal Party of WA	Provided voucher for Liberal Party WA State Conference	598.00	-	598.00
05/09/2019	L.beral	Perth	Liberal Party WA	Leaders Forum of WA - membership 2019/2020	22,727.27	2,272.73	25,000.00
3/01/2020	L.beral	Perth	Liberal Party WA	Donation	22,000.00	-	22,000.00
				45,325.27	2,272.73	47,598.00	
ALP (WA)							
01/07/2019	ALP	Perth	WA Labor	Raffle Tickets at Annual Premier & Cabinet Dinner	45.45	4.55	50.00
21/10/2019	ALP	Perth	WA Labor	Dinner at Silks	2,085.45	-	2,085.45
12/12/2019	ALP	Perth	WA Labor	Labor Business Round Table Dinner	250.00	25.00	275.00
03/01/2020	ALP	Perth	WA Labor	Donation	25,000.00	-	25,000.00
28/02/2020	ALP	Perth	WA Labor	CCI Business event with Mark McGowan	500.00	-	500.00
				27,880.90	29.55	27,910.45	
National (WA)							
03/01/2020	National	Perth	Nationals WA	Donation	3,000.00	-	3,000.00
18/02/2020	National	Perth	Nationals WA	Dinner at Silks	1,628.18	-	1,628.18
				4,628.18	-	4,628.18	
TOTAL DONATIONS TO WA POLITICAL PARTIES				77,834	2,302	80,137	
TOTAL POLITICAL DONATIONS				167,789	8,498	176,287	
Crown Resorts Group Summary:							
	ALP			69,245	2,166	71,410	
	Liberal			93,916	6,332	100,248	
	National			4,628	-	4,628	
	Other			-	-	-	
				167,789	8,498	176,287	
Crown Resorts Group Summary (excl WA & Qld Donations) Victorian Statutory Cap:							
	ALP			41,364	2,136	43,500	
	Liberal			48,591	4,059	52,650	
	National			-	-	-	
	Other			-	-	-	
				89,955	6,195	96,150	
Group Summary:							
	CREGH			42,682	1,468	44,150	
	Melbourne			47,273	4,727	52,000	
	Perth			77,834	2,302	80,137	
				167,789	8,498	176,287	

ANNEXURE B
CROWN RESORTS LIMITED POLITICAL DONATIONS POLICY

See attached.



Crown Resorts Limited Political Donations Policy

Crown Resorts Limited ACN 125 709 953
A public company limited by shares

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1. Summary

This Policy:

- sets out Crown Resorts Limited’s policy and guiding principles in relation to the making of political donations;
- imposes annual monetary limits on political donations; and
- sets up a framework to ensure Crown Resorts Limited complies with relevant State based and Commonwealth reporting requirements.

The Policy applies to Crown Resorts Limited and each of Crown Resorts Limited’s Australian wholly owned subsidiaries (the **Crown Group**).

In this Policy, the term:

“political donations” has the meaning given in the **Annexure** to this Policy; and

“political party” has the meaning set out in the **Annexure** to this Policy and includes a political party as defined in any of the *Commonwealth Electoral Act 1918* (Cth) (**Commonwealth Act**) or the *Electoral Act 1907* (WA) (**WA Act**) and, for Victorian electoral purposes, includes a registered political party as defined in the *Electoral Act 2002* (Vic) (**Victorian Act**).

2. Political Donations

2.1. Crown policy

The Crown Group is committed to full compliance with all applicable legislative requirements and prohibitions in relation to political donations.

Consistent with this, political donations may only be made by the Crown Group where:

- the political donations do not contravene any legislative requirements or prohibitions from time to time, including those set out below;
- the contributions support the democratic process and assist the political parties in developing good public policy which is in the interests of the Crown Group’s shareholders, customers, staff and the Australian community;
- no particular political party is unduly favoured; and
- contributions are approved, made and recorded in compliance with the requirements of this Policy and any other legislative requirements.

Exempt Donations (as defined in section 2.2 of this Policy) may only be made with the prior written approval of the General Counsel and Company Secretary and any one of the Executive Chairman, Chief Executive Officer – Australian Resorts or Chief Financial Officer of Crown Resorts Limited or Crown Melbourne.

2.2. Legislative restrictions

Victoria

The Victorian Act imposes a \$4,000 cap on the amount any one donor and their related bodies corporate may donate to any one political party during an election period (being the period between one State election and the next, which is typically four years).

For the purposes of calculating the \$4,000 cap, a political party includes its endorsed candidates, groups and elected members and its nominated entities.

Under the Victorian Act, donations made to associated entities and third party campaigners (e.g. activists and public interest groups) will not be considered a political donation where the donations are not used, or intended to be used, by the recipient to incur, or reimburse the recipient for, a political donation or political expenditure (as defined in the Victorian Act) (**Exempt Donations**).

New South Wales

The *Election Funding, Expenditure and Disclosures Act 1981* (NSW) imposes a restriction on directors (and their spouses) of companies whose main business is gambling from making donations to New South Wales state political parties.

The Crown Group, any of its directors (and their spouses) must not make donations to New South Wales state political parties.

Commonwealth

The Commonwealth Act requires “persons” to provide a political donations return for a financial year within 20 weeks after the end of the financial year. The Return is to be filed on a group basis.

Political donations made for Commonwealth electoral purposes must not be paid into a State campaign account of the corresponding party. This must be communicated in writing to the recipient of any such political donation.

Other jurisdictions

The Crown Group may from time to time make political donations in other Australian states and or territories subject to:

- compliance with relevant state or territory legislation and regulations; and
- the prior written approval of the Crown Resorts Limited Executive Chairman, the Chief Financial Officer or the General Counsel and Company Secretary.

2.3. Donating party

For the purposes of relevant state/territory legislation, all entities within the Crown Group are aggregated (such that the relevant caps apply to the Group as a whole, rather than to individual entities within the Group).

For the purposes of this Policy, political donations must be made as set out below.

Commonwealth

Any political donations made for Commonwealth electoral purposes must be made by Crown Resorts Limited.

Victoria

Any political donations and Exempt Donations made for Victorian electoral purposes must be made by Crown Melbourne, and must not be made anonymously.

Where Crown Melbourne makes an Exempt Donation, it should only do so in circumstances where it is provided with appropriate assurances that the funds donated will not be used for political expenditure.

Western Australia

Any political donations made for Western Australian electoral purposes must be made by Crown Perth.

2.4. Monetary limits

Except with the prior written approval of the General Counsel and Company Secretary and any one of the Executive Chairman, Chief Executive Officer – Australian Resorts or Chief Financial Officer of Crown Resorts Limited or Crown Melbourne, the following monetary limits apply to political donations:

- **Crown Resorts Limited:** Crown Resorts Limited must not make political donations in excess of \$100,000 (in aggregate) per financial year;
- **Crown Melbourne Limited:** Crown Melbourne Limited must not make political donations in excess of \$4,000 for Victorian electoral purposes to a political party or its nominated entity, a candidate or group of candidates or an elected member during an election period;
- **Crown Perth:** Crown Perth entities must not make political donations in excess of \$50,000 (in aggregate) per financial year to any Western Australian political party and must not make political donations in excess of \$100,000 (in aggregate) per financial year.

The monetary limits set out above are inclusive of Goods and Services Tax.

2.5. Required approval**Crown Resorts Limited**

All political donations proposed to be made by or on behalf of Crown Resorts Limited, must be approved by at least one of the Crown Resorts Limited Executive Chairman, the Chief Financial Officer or the General Counsel and Company Secretary prior to being made.

Crown Melbourne

All political donations proposed to be made by or on behalf of Crown Melbourne, must be approved by at least one of the following persons prior to being made:

- the Crown Resorts Limited Executive Chairman, Chief Financial Officer or General Counsel and Company Secretary; or

- the Australian Resorts Chief Executive Officer or Chief Financial Officer.

Crown Perth

All political donations proposed to be made by or on behalf of Crown Perth, must be approved by at least one of the following persons prior to being made:

- the Crown Resorts Limited Executive Chairman, Chief Financial Officer or General Counsel;
or
- the Australian Resorts Chief Executive Officer or Chief Financial Officer.

3. Political Donation Registers

3.1. Political Donation Registers

The Crown Group will have Political Donation Registers in place at each of:

- Crown Resorts Limited;
- Crown Melbourne;
- Crown Perth,

which record all political donations made by or on behalf of that entity.

3.2. Responsibility for maintenance

The maintenance of the Political Donation Registers is the responsibility of the Chief Financial Officer of each relevant Crown Group entity.

3.3. Content of Political Donation Registers

The Political Donation Registers will include:

- The name of the party that the political donation was made to;
- The address of the relevant political party;
- The date on which the donation was made;
- The purpose of the political donation together with an appropriate description;
- The value of the donation; and
- The names of Crown Group employees or representatives attending any particular event.

3.4. Periodic reporting

Each of Crown Melbourne and Crown Perth will provide a monthly report to the Crown Resorts Limited Chief Financial Officer (or their delegate) summarising the content of their respective Political Donation Registers.

Crown Resorts Limited will be responsible for the annual disclosure of political donations under relevant legislation.

A political donation made by Crown Melbourne for Victorian electoral purposes of \$1,000 or more (either individually or in aggregate) must be notified in writing to the Chief Financial Officer of Crown Resorts Limited within five days of making that donation. Crown Resorts Limited must then ensure that a disclosure return is provided to the Victorian Electoral Commission within 21 days of the making of that political donation.

The Audit and Corporate Governance Committee will be provided with a report twice a year summarising the donations which have been made in the preceding sixth month period.

4. Policy responsibility

Each director and employee of the Crown Group is responsible for adhering to this Policy.

The Company Secretary has responsibility for maintaining the policy.

This Policy will be reviewed from time to time to ensure it remains consistent with the Crown Group's objectives, the Constitution and existing regulatory requirements and recommendations.

Crown Resorts Limited
June 2019

Annexure – Definitions

Political Donation

Any disposition of property made by a person to a political party without consideration in money or money's worth or with inadequate consideration, including:

- the provision of a service (other than volunteer labour); and
- the payment of an amount in respect of a guarantee; and
- the making of a payment or contribution at a fundraising function.

“Political donations” can extend to both cash payments and payments in kind. Political donations will include things like providing free or subsidised goods or services such as:

- accommodation;
- marketing support;
- functions;
- prizes at political auctions; or
- winning bids for items at political auctions.

Payments to political parties for attending dinners, functions and conferences should also be considered political donations. Further, notwithstanding that the cost of a ticket to attend a function may exceed the cost of the dinner and refreshments received, the entire cost of the ticket should be counted.

A political donation does not include a gift to an individual made in a private capacity.

Political Party

An organisation the object or activity, or one of the objects or activities, of which is the promotion of the election to a public office or a house of parliament of a candidate or candidates endorsed by it.



AGENDA ITEM 11:
Other Business



Audit & Corporate Governance Committee Memorandum

To: Audit & Corporate Governance Committee
From: Alan McGregor
Date: 7 August 2020
Subject: **External Auditor Appointment**

Dear Committee Members

Following approval of the Committee by written resolution in July 2020, a recommendation will be made to the Board at its 18 August 2020 meeting that KPMG be appointed as the Company's external auditor for the financial year beginning 1 July 2020 subject to receipt of the following:

- ∑ written consent from KPMG to act as the Company's external auditor;
- ∑ consent from the Australian Securities and Investments Commission to Ernst & Young's resignation to take effect from the conclusion of the Company's 2020 Annual General Meeting;
- ∑ all necessary regulatory approvals; and
- ∑ shareholder approval at the Company's 2020 Annual General Meeting.

A verbal update will be provided at the meeting in relation to the progress of above requirements.

Kind Regards

Alan McGregor
Chief Financial Officer – Australian Resorts



Audit & Corporate Governance Committee Memorandum

To: Audit & Corporate Governance Committee
From: Mary Manos
Date: 7 August 2020
Subject: Annual Financial Report – CEO and CFO Declarations

Dear Committee Members

Background

The Corporations Act requires Crown's Annual Financial Report to include a declaration of directors (**Directors' Declaration**) to the effect that:

- ∑ Crown will be able to pay its debts as and when they fall due;
- ∑ the financial statements and notes included in the Annual Financial Report have been prepared in accordance with accounting principles and give a true and fair view of the financial position of Crown; and
- ∑ the directors have been provided with declarations made by the CEO and the CFO, in a form required by the Corporations Act, providing various assurances to the Board in relation to the financial records and statements of Crown (**CEO/CFO Declaration**).

An Audit & Corporate Governance Committee meeting to review the Annual Financial Report is scheduled for 2 September 2020 and the full Board will be asked to approve the Report at a subsequent meeting on 9 September 2020.

It is proposed that, once approved by the Committee and the Board, the signing of the Directors' Declaration will be delegated to one director of the Board.

Purpose

Receipt of the CEO/CFO Declaration is a prerequisite to being able to make the Directors' Declaration. A draft form of the CEO/CFO Declaration is attached. The form of statement is consistent with forms presented to the Committee in previous years.

The purpose of this paper is to provide the Committee with an advance opportunity to review a draft form of CEO/CFO Declaration.

Content of the CEO/CFO Declaration

Section 295A of the Corporations Act specifies the matters which the CEO and CFO must attest to in the CEO/CFO Declaration. The CEO/CFO Declaration is consistent with those requirements.

In addition, the ASX Corporate Governance Principles and Recommendations (3rd Edition) recommend that the Board should obtain separate assurance from the CEO and CFO that their Declaration is founded on a sound system of risk management and internal control and that the system is operating effectively (**Assurance Statement**).

The draft Assurance Statement that we have included in the CEO/CFO Declaration provides that Crown has a sound system of risk management and internal controls and that the system is operating effectively in all material respects in relation to financial reporting risks. The Assurance Statement is in the same form as last year.

Crown Group Operating Subsidiaries – declarations and certifications

In support of the CEO/CFO Declaration from the Crown Resorts Limited CEO and CFO, corresponding declarations have been obtained from the Crown Melbourne and Crown Perth CEO and CFO and equivalent positions at Crown Aspinalls, Betfair and DGN.

In addition, Crown Melbourne, Crown Perth, Crown Aspinalls, Betfair and DGN have been asked to complete a comprehensive Financial Reporting Certification and Internal Control Questionnaire. The responses in the Certifications and Questionnaires have assisted the businesses in making their declarations.

The Declarations and Questionnaires received from the businesses can be made available to the Committee should they be required.

Recommendation and suggested resolution

The draft CEO/CFO Declaration meets relevant legal requirements and is recommended to the Committee for approval. It is recommended that the Committee resolve as follows:

RESOLVED that the draft CEO/CFO Declaration be approved for use in a form substantially the same as the attached draft.

Kind Regards

Mary Manos
General Counsel & Company Secretary

Crown Resorts Limited CEO and CFO Declaration

To: The Board of Directors, Crown Resorts Limited

From: Ken Barton, Chief Executive Officer and Chief Financial Officer

The following declaration is provided in relation to the financial report of Crown Resorts Limited (and its respective subsidiaries) for the financial year ended 30 June 2020.

CEO/CFO Declaration

I, Ken Barton, occupying the positions of Chief Executive Officer and Chief Financial Officer of Crown Resorts Limited declare that in my opinion:

1. the financial records of Crown Resorts Limited for the financial year ended 30 June 2020 have been properly maintained in accordance with section 286 of the *Corporations Act 2001* (Cth);
2. the financial statements, and the notes required by the accounting standards, for the financial year ended 30 June 2020 comply with the accounting standards; and
3. the financial statements and notes for the financial year ended 30 June 2020 give a true and fair view of:
 - (a) the financial position and performance of Crown Resorts Limited; and
 - (b) the financial position and performance of the consolidated entity.

Assurance Statement

Basis for declaration

My declaration is founded on the following:

- ∑ that Crown Resorts Limited has a sound system of risk management and internal controls in place (**Risk Management System**); and
- ∑ that that Risk Management System is operating effectively in all material respects in relation to **financial reporting risks**.

System of risk management and internal controls

Crown Resorts Limited has in place formal policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy (see attached **Annexure A**).

The Policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown Resorts Limited's controlled businesses and requires that the results of those

procedures are reported to the Crown Resorts Limited Board via the Board convened Risk Management Committee.

The Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown Resorts Limited.

In addition to the Risk Management Policy, Crown has adopted further policies and frameworks which foster a strong ethical climate. These include, the Crown Securities Trading Policy and the Code of Conduct.

Effective operation of systems in relation to financial reporting risks

Crown Resorts Limited's Appendix 4E and Annual Financial Report comprising:

- ∑ statement of financial position;
- ∑ statement of comprehensive income;
- ∑ cash flow statement;
- ∑ statement of changes in equity; and
- ∑ accompanying notes and declarations,

have each been audited by Crown Resorts Limited's independent external auditor, Ernst & Young.

Ernst & Young was provided unrestricted access to all financial records and related data (including minutes of all meetings of members, the Board of Directors and committees of the Board), and other information, explanations and assistance necessary for the conduct of its audit.

Ernst & Young has, as part of its audit, confirmed that the Appendix 4E and the Annual Financial Report complies with the accounting standards.

All representations that Ernst & Young requested during the conduct of their audits have been made and we therefore understand that Ernst & Young's audit opinion on Crown Resorts Limited's Annual Financial Report for the financial year ended 30 June 2020 will be unqualified.

Operating businesses – declarations

Notwithstanding that a formal audit of the Crown Resorts Limited consolidated group has been undertaken, we have asked the senior executives of each of Crown Melbourne, Crown Perth, Crown Aspinalls, Betfair and DGN to provide corresponding declarations in relation to the entities and businesses for which they are primarily responsible (see attached **Annexure B**).

The senior executives of each of Crown Melbourne, Crown Perth, Crown Aspinalls, Betfair and DGN have also completed a comprehensive Financial Reporting Certification and Internal Control Questionnaire in relation to the entities and businesses for which they are primarily responsible (see attached **Annexure C**).

Limitations to be borne in mind

There are inherent limitations in the effectiveness of any system of risk management and internal compliance and control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective system, no matter how well designed, can provide only reasonable assurance with respect to compliance with the Board's policies and the integrity of the preparation of the Annual Financial Report.

Our judgment about the operation of Crown's systems is based upon currently known facts and circumstances.

The effectiveness of Crown's systems of risk management and internal compliance and control may vary over time.

Declaration made on _____ 2020 by:

Ken Barton
Chief Executive Officer and Chief Financial Officer

.....



Audit & Corporate Governance Committee Memorandum

To: Audit & Corporate Governance Committee
From: Alan McGregor
Date: 7 August 2020
Subject: **Tax Governance Policy**

Dear Committee Members

The purpose of this paper is to present the Tax Governance Policy for annual review by the Committee.

Background

The attached Tax Governance Policy, which was adopted by the Board in August 2019, sets out the requirements for tax governance and tax risk management at Crown.

The Policy was drafted in line with the tax corporate governance requirements for corporate taxpayers set by the Australian Taxation Office (**ATO**) in the Tax Risk Management and Governance Review Guide.

Management has undertaken a review of the Policy and is not recommending any changes.

Proposed Resolution

It was **RESOLVED** that, having conducted an annual review of the Tax Governance Policy, no amendments to the Policy be recommended to the Board for implementation this stage.

Kind Regards

Alan McGregor
Chief Financial Officer



Crown Resorts Limited Tax Governance Policy

Crown Resorts Limited ACN 125 709 953
A public company limited by shares

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1. Introduction & Purpose

This Tax Governance Tax Policy (**Policy**) sets out the requirements for tax governance and is to operate in conjunction with any other documented or operational policies and procedures that operate within Crown Resorts Limited (**Crown** or the Company) with respect to tax governance and tax risk management. The establishment of this Policy is one of the steps taken by the Board to monitor tax risks of Crown and guide management in the evaluation and resolution of those risks.

This Policy has been drafted in line with the tax corporate governance requirements for corporate taxpayers set by the Australian Taxation Office (**ATO**) in the Tax Risk management and Governance Review Guide.

This Policy applies to Crown, as Head Entity of the Tax Consolidated Group, and its Subsidiaries. This includes the Board, the Board committees, all Crown employees, all Crown Business units and employees of support functions with roles that impact tax.

2. Policy

2.1. Overall Approach to Taxation and the Regulator

Crown pursues an approach to tax that is principled, transparent and sustainable in the long term. The Board endorses the following principles governing its approach:

- Commitment to ensure full compliance with all statutory obligations, and full disclosure to Revenue Authorities.
- Establishment of documented policies and procedures in relation to tax risk management and completion of thorough risk assessments including escalation and reporting to the Board in accordance with its adopted risk appetite.
- Sustaining engagement with Revenue Authorities, and actively considering the implications of tax planning for Crown's wider reputation.
- Management of tax affairs in a pro-active manner that seeks to maximise shareholder value, while operating in accordance with the law.

The Board also recognises that tax:

- Must fit comfortably with Crown's business strategy, and
- Can impact Crown's reputation as a good corporate citizen.

As part of Crown's ongoing and co-operative relationship with the ATO, management is responsible for meeting with the ATO twice a year as part of the ATO's Top 100 Program.

Where appropriate, Crown also seeks to engage in consultation with the Government on tax matters, particularly with regard to improvements to existing processes and commentary on proposed tax changes.

2.2. Tax Risk Appetite

Tax risk can be defined as follows:

Any event, action, or inaction in tax strategy, operations, financial reporting, or compliance that either adversely affects Crown's tax or business objectives or results in an unanticipated or unacceptable level of monetary, financial statement or reputational exposure.

2.3. Company-wide Roles and Responsibilities

The ultimate responsibility for tax governance and therein the establishment of a tax risk management framework is borne by the Board, noting that the Board has delegated oversight of tax matters to the Audit and Corporate Governance Committee.

Crown has a risk management framework which is overseen by the Risk Management Committee which enables the identification and management of material risks in accordance with Crown's risk appetite.

The Audit and Corporate Governance Committee considers and actions the tax issues and tax risk management issues that are brought to its attention.

The Chief Financial Officer (CFO) and the Head of Tax support the Committee in discharging this responsibility.

3. Tax Risk Tolerance and Actions

Tax risk, particularly the reputational component, extends beyond Crown's relationship with Revenue Authorities and impacts almost every area of Crown, including shareholders, investors, staff, management, the Board and all other stakeholders. Risk to Crown as Head Entity and its Subsidiaries can cause a significant negative impact to Crown and the Subsidiaries' reputation or finances. Tax risk and its impact on stakeholders must also be managed by the Board in meeting its fiduciary duties to shareholders.

Crown ensures that, as a minimum, the tax position adopted with regard to particular issues or transactions is more likely than not to be correct. This is achieved through:

- Early engagement of the tax team.
- Using external advisers to assist the tax team in areas that are complex or uncertain.
- Obtaining tax rulings from the ATO on complex or uncertain areas of the law.

4. Tax Risk Reporting and Monitoring

The Board bears the ultimate responsibility for tax governance and tax risk management standards. To assist the fulfilment of these obligations, the Audit and Corporate Governance Committee requires the Tax Status Report to be prepared and presented at least bi-annually.

The tax function follows the Crown Resorts Risk Management Framework, in that process material risks are identified and where appropriate consolidated in the corporate risk profile, which is reviewed by the Crown Resorts Risk Management Committee at least annually. In addition any material events that materialise are reported to the Risk Management Committee on an ongoing basis.

In addition, significant transactions and events will be brought to the attention of the Audit and Corporate Governance Committee more frequently than as prescribed in this Policy, that is, in real time when necessary.

The CFO with the assistance of the Head of Tax will report against general tax items to the Board or its constituted committees on a bi-annual basis. The reporting will highlight the compliance, operational, financial and strategic tax attributes for Crown.

5. Amendment and Review

The Board must review this policy on an annual basis to ensure it remains consistent with its objectives and existing regulatory requirements and recommendations.

Crown Resorts Limited
August 2019



Audit & Corporate Governance Committee Memorandum

To: Audit & Corporate Governance Committee
From: Mary Manos
Date: 7 August 2020
Subject: **Future Meetings**

Dear Committee Members

The remaining meeting for 2020 of this Committee has been scheduled as follows:

Meeting Date	Time
Wednesday, 2 September (Teleconference)	10.00am

Kind Regards

Mary Manos
General Counsel & Company Secretary