



**ASX/MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
19 August 2020**

**2020 FULL YEAR RESULTS – APPENDIX 4E**

**MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown)** attaches the Appendix 4E for the full year ended 30 June 2020.

**ENDS**

This announcement was authorised for release by the Crown Board.

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**COPIES OF RELEASES**

Copies of previous media and ASX announcements issued by Crown are available at Crown's website at [www.crownresorts.com.au](http://www.crownresorts.com.au)

## Appendix 4E

## Year ended 30 June 2020

(previous corresponding period: 30 June 2019)

## Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$m
Revenue from operations	down	<b>23.6%</b>	to	<b>2,237.2</b>
Net profit for the period attributable to members of the parent	down	<b>80.2%</b>	to	<b>79.5</b>

	Theoretical Results <sup>(1)</sup>		Actual Results <sup>(2)</sup>	
	\$m	% Movement	\$m	% Movement
EBITDA before Closure Costs <sup>(4)</sup> & Significant items <sup>(6)</sup>	503.8		615.4	
Costs incurred during mandated closure	(107.3)		(107.3)	
Crown Sydney pre-opening costs <sup>(3)</sup>	(3.5)		(3.5)	
EBITDA after Closure Costs <sup>(4)</sup> & Significant items <sup>(5)(6)</sup>	393.0	(51.0%)	504.6	(40.6%)
Depreciation & amortisation	(275.5)	0.7%	(275.5)	0.7%
Asset impairments <sup>(3)</sup>	(74.5)		(74.5)	
Reassessment of contingent consideration <sup>(3)</sup>	(1.7)		(1.7)	
EBIT <sup>(6)</sup>	<u>41.3</u>	(92.2%)	152.9	(73.5%)
Share of associates' profits			0.3	
Net interest expense			0.0	
Income tax expense			(71.3)	
<b>Net profit after tax</b>			<b>81.9</b>	(79.7%)
Non-controlling interest			(2.4)	
<b>Net profit attributable to members of the Parent</b>			<b>79.5</b>	(80.2%)

(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. Refer to note 1 in the attached for more information. The Group believes that theoretical results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Theoretical results are a non-IFRS measure.

(2) Actual results reflect revenues & expenses at actual win rates.

(3) These items have been classified as Significant items. Refer note 2(e) for further details.

(4) Closure Costs reflect costs incurred whilst the properties were closed due to Government direction, excluding costs in relation to hotel quarantine services and Crown's Wagering & Online businesses.

(5) Significant items in 'EBITDA after Closure Costs & Significant items' includes EBITDA related Significant items only.

(6) Non-IFRS measures.

Appendix 4E *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 re-commenced gaming activities and the operation of the majority of its food and beverage venues 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 travellers. 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, the circumstances surrounding Crown's closure are 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 program 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.

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend:	Nil	Nil
Previous corresponding period:	30.00 cents	7.50 cents
Record date for determining entitlements to the dividend:	Not applicable	
Final dividend payment date:	Not applicable	
<b>Net Tangible Asset Backing</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Net tangible asset backing per ordinary security on issue at period end:	\$4.95	\$5.34
For an explanation of any of the figures reported above, see Crown's announcement made to the ASX on the same date as this Appendix 4E. Non-IFRS measures have not been subject to audit or review.		

## Statement of Profit or Loss

For the year ended 30 June 2020

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

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

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

## Statement of Comprehensive Income

For the year ended 30 June 2020

	2020	2019
	\$m	\$m
<b>Net profit after tax</b>	<b>81.9</b>	<b>402.9</b>
<b>Other Comprehensive Income</b>		
<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
<b>Other comprehensive income / (loss) for the period, net of income tax</b>	<b>(1.3)</b>	<b>18.1</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>80.6</b>	<b>421.0</b>
<b>Attributable to:</b>		
Equity holders of the Parent	78.1	419.6
Non-controlling interests	2.5	1.4
	<b>80.6</b>	<b>421.0</b>

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

## Statement of Financial Position

As at 30 June 2020

	Note	2020 \$m	2019 \$m
<b>Current assets</b>			
Cash and cash equivalents	3	286.9	1,126.0
Trade and other receivables		111.2	98.7
Inventories		17.2	16.7
Prepayments		41.6	38.1
Other financial assets		-	5.5
<b>Total current assets</b>		<b>456.9</b>	<b>1,285.0</b>
<b>Non-current assets</b>			
Receivables		-	157.8
Other financial assets		29.3	37.5
Investments in associates		186.0	206.9
Property, plant and equipment		4,871.2	4,259.0
Intangible assets - licences		1,047.3	1,064.0
Other intangible assets		355.6	415.3
Deferred tax assets		170.7	159.5
Other assets		48.8	48.8
<b>Total non-current assets</b>		<b>6,708.9</b>	<b>6,348.8</b>
<b>Total assets</b>		<b>7,165.8</b>	<b>7,633.8</b>
<b>Current liabilities</b>			
Trade and other payables		426.5	433.1
Interest-bearing loans and borrowings		8.2	287.6
Income tax payable		32.5	153.9
Provisions		200.3	186.0
Other financial liabilities		2.4	-
<b>Total current liabilities</b>		<b>669.9</b>	<b>1,060.6</b>
<b>Non-current liabilities</b>			
Other payables		172.3	255.1
Interest-bearing loans and borrowings		1,121.8	791.0
Deferred tax liabilities		420.5	401.5
Provisions		27.0	24.2
Other financial liabilities		-	4.5
<b>Total non-current liabilities</b>		<b>1,741.6</b>	<b>1,476.3</b>
<b>Total liabilities</b>		<b>2,411.5</b>	<b>2,536.9</b>
<b>Net assets</b>		<b>4,754.3</b>	<b>5,096.9</b>
<b>Equity</b>			
Contributed equity		(203.3)	(203.3)
Reserves		3.1	1.4
Retained earnings		4,954.5	5,298.8
<b>Total equity</b>		<b>4,754.3</b>	<b>5,096.9</b>

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

## Cash Flow Statement

For the year ended 30 June 2020

	Note	2020 \$m	2019 \$m
<b>Cash flows from operating activities</b>			
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)
<b>Net cash flows from/(used in) operating activities</b>		<b>326.9</b>	<b>778.1</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash flows from/(used in) investing activities</b>		<b>(750.1)</b>	<b>(532.0)</b>
<b>Cash flows from financing activities</b>			
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)
<b>Net cash flows from/(used in) financing activities</b>		<b>(419.9)</b>	<b>(965.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(843.1)</b>	<b>(719.3)</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>286.9</b>	<b>1,126.0</b>

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

## 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
<b>Year ended 30 June 2020</b>							
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
<b>Balance at 30 June 2020</b>	<b>(203.3)</b>	<b>-</b>	<b>4,954.5</b>	<b>3.1</b>	<b>4,754.3</b>	<b>-</b>	<b>4,754.3</b>
<b>Year ended 30 June 2019</b>							
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
<b>Balance at 30 June 2019</b>	<b>(203.3)</b>	<b>-</b>	<b>5,298.8</b>	<b>1.4</b>	<b>5,096.9</b>	<b>-</b>	<b>5,096.9</b>

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



## 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 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 believes that theoretical results are the relevant measure of viewing the performance of the business. The theoretical results presented below are reconciled to the reported results. The Group has four operating segments being Crown Melbourne, Crown Perth, Crown Aspinalls and Wagering & Online.

## 30 June 2020

	Crown Melbourne \$m	Crown Perth \$m	Theoretical Result <sup>(1)(7)</sup> Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m	VIP Win Rate & Commission Adjustment <sup>(1)(2)</sup> \$m	ACTUAL Crown Group \$m
<b>Operating revenue</b>								
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)
	<b>1,477.8</b>	<b>613.3</b>	<b>33.1</b>	<b>135.5</b>	<b>0.3</b>	<b>2,258.6</b>	<b>(31.6)</b>	<b>2,227.0</b>
Interest revenue						10.2	-	10.2
<b>Total revenue</b>	<b>1,477.8</b>	<b>613.3</b>	<b>33.1</b>	<b>135.5</b>	<b>0.3</b>	<b>2,268.8</b>	<b>(31.6)</b>	<b>2,237.2</b>
EBITDA before Closure Costs <sup>(3)</sup> & Significant items <sup>(7)</sup>	354.3	161.8	(2.7)	34.7	(44.3)	503.8	111.6	615.4
Costs incurred during mandated closure <sup>(3)</sup>	(65.8)	(19.7)	(1.2)	-	(20.6)	(107.3)	-	(107.3)
Crown Sydney pre-opening costs <sup>(4)</sup>	-	-	-	-	(3.5)	(3.5)	-	(3.5)
<b>EBITDA after Closure Costs<sup>(3)</sup> &amp; Significant items<sup>(5)(7)</sup></b>	<b>288.5</b>	<b>142.1</b>	<b>(3.9)</b>	<b>34.7</b>	<b>(68.4)</b>	<b>393.0</b>	<b>111.6</b>	<b>504.6</b>
Depreciation and amortisation	(176.0)	(79.6)	(4.8)	(9.4)	(5.7)	(275.5)	-	(275.5)
Impairment - Crown Aspinalls <sup>(4)</sup>	-	-	(52.8)	-	-	(52.8)	-	(52.8)
Impairment - Nobu <sup>(4)</sup>	-	-	-	-	(21.7)	(21.7)	-	(21.7)
Reassessment of contingent consideration - DGN <sup>(4)</sup>	-	-	-	(1.7)	-	(1.7)	-	(1.7)
<b>Earnings before interest and tax "EBIT"<sup>(7)</sup></b>	<b>112.5</b>	<b>62.5</b>	<b>(61.5)</b>	<b>23.6</b>	<b>(95.8)</b>	<b>41.3</b>	<b>111.6</b>	<b>152.9</b>
Equity accounted share of associates' net profit/(loss) <sup>(6)</sup>								6.7
Equity accounted share of associates' net profit/(loss) during mandated closure <sup>(6)</sup>								(6.4)
Net interest income/(expense)								0.0
<b>Profit/(loss) before tax</b>								<b>153.2</b>
Income tax benefit/(expense)								(71.3)
<b>Profit/(loss) after tax</b>								<b>81.9</b>
Non-controlling interest								(2.4)
<b>Profit/(loss) attributable to equity holders of the Parent</b>								<b>79.5</b>

(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 on page 2), 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.

## Notes

For the year ended 30 June 2020

**1. Segment Information** *continued*

(4) These items have been classified as Significant items. Refer note 2(e) for further details.

(5) Significant items in 'EBITDA after Closure Costs &amp; 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.

**30 June 2019**

	Theoretical Result <sup>(1)(4)</sup>						VIP Win Rate & Commission Adjust-ment <sup>(1)(2)</sup> \$m	Actual
	Crown Melbourne \$m	Crown Perth \$m	Crown Aspinals \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m		Crown Group \$m
<b>Operating revenue</b>								
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)
<b>Operating revenue</b>	<b>2,155.4</b>	<b>799.2</b>	<b>56.0</b>	<b>130.1</b>	<b>1.5</b>	<b>3,139.0</b>	<b>(236.3)</b>	<b>2,902.7</b>
Interest revenue						26.5	-	26.5
<b>Total revenue</b>	<b>2,155.4</b>	<b>799.2</b>	<b>56.0</b>	<b>130.1</b>	<b>1.5</b>	<b>3,165.5</b>	<b>(236.3)</b>	<b>2,929.2</b>
<b>Earnings before interest, tax, depreciation and amortisation "EBITDA" <sup>(4)</sup></b>	<b>589.5</b>	<b>221.8</b>	<b>6.4</b>	<b>26.1</b>	<b>(41.7)</b>	<b>802.1</b>	<b>47.6</b>	<b>849.7</b>
Depreciation and amortisation	(175.2)	(85.3)	(2.7)	(6.8)	(3.6)	(273.6)	-	(273.6)
Impairment - DGN <sup>(3)</sup>	-	-	-	(48.9)	-	(48.9)	-	(48.9)
Reassessment of contingent consideration - DGN <sup>(3)</sup>	-	-	-	48.9	-	48.9	-	48.9
<b>Earnings before interest and tax "EBIT" <sup>(4)</sup></b>	<b>414.3</b>	<b>136.5</b>	<b>3.7</b>	<b>19.3</b>	<b>(45.3)</b>	<b>528.5</b>	<b>47.6</b>	<b>576.1</b>
Equity accounted share of associates' net profit/(loss)								13.3
Net interest income/(expense)								(10.1)
<b>Profit/(loss) before tax</b>								<b>579.3</b>
Income tax benefit/(expense)								(176.4)
<b>Profit/(loss) after tax</b>								<b>402.9</b>
Non-controlling interest								(1.1)
<b>Profit/(loss) attributable to equity holders of the Parent</b>								<b>401.8</b>

(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 Aspinals). 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 &amp; Commission Adjustment column above.

(3) These items have been classified as Significant items. Refer note 2(e) for further details.

(4) Non-IFRS measures.

## Notes

For the year ended 30 June 2020

**2. Revenue and Expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$m</b>	<b>\$m</b>
Profit before income tax expense includes the following revenues and expenses:		
<b>(a) Revenue</b>		
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
	<b>2,237.2</b>	<b>2,929.2</b>
<b>(b) Other income</b>		
Profit on disposal of non-current assets	0.1	0.2
	<b>0.1</b>	<b>0.2</b>
<b>(c) Expenses</b>		
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	52.8	-
Goodwill impairment - DGN	-	48.9
Impairment of associate - Nobu	21.7	-
Reassessment of contingent consideration - DGN	1.7	(48.9)
Other expenses	71.0	46.8
	<b>2,074.2</b>	<b>2,326.8</b>
<b>Depreciation of non-current assets</b> (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
<b>Amortisation of non-current assets</b> (included in expenses above)		
Casino licence fee and management agreement	20.4	20.4
Other assets	5.3	4.3
	25.7	24.7
<b>Total depreciation and amortisation expense</b>	<b>275.5</b>	<b>273.6</b>

## Notes

For the year ended 30 June 2020

**2. Revenue and Expenses** *continued*

	<b>2020</b>	<b>2019</b>
	<b>\$m</b>	<b>\$m</b>
<b>(d) Other income and expense disclosures</b>		
<b>Finance costs expensed:</b>		
Debt facilities	66.8	81.5
Lease liabilities	2.4	-
Capitalised interest	(59.0)	(44.9)
	<b>10.2</b>	<b>36.6</b>
<b>(e) Significant items - income / (expense)</b>		
Crown Sydney pre-opening costs	(3.5)	-
Goodwill impairment - Crown Aspinalls	(52.8)	-
Goodwill impairment - DGN	-	(48.9)
Impairment of associate - Nobu	(21.7)	-
Reassessment of contingent consideration - DGN	(1.7)	48.9
Tax amounts in significant items	1.0	-
	<b>(78.7)</b>	<b>-</b>

**3. Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents are comprised of the following:

	<b>2020</b>	<b>2019</b>
	<b>\$m</b>	<b>\$m</b>
Cash on hand and at bank	158.3	412.5
Deposits on call	128.6	713.5
	<b>286.9</b>	<b>1,126.0</b>

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.

## Notes

For the year ended 30 June 2020

#### 4. 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 \$113.9 million, 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 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 relating to employees that were stood down during the year. These amounts were paid in their entirety to Crown's employees and had no net impact on the Statement of Profit or Loss. In addition, Crown received a further \$2.6 million in Coronavirus Job Retention Scheme (UK) payments relating to employees that were stood down at Crown Aspinalls.

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

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

#### 5. Dividends Paid and Declared

	2020	2019
	\$m	\$m
<b>(a) Dividends declared and paid during the financial year</b>		
<b><i>Prior year final dividend (paid 4 October 2019)</i></b>		
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
<b><i>Current year interim dividend (paid 17 April 2020)</i></b>		
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
<b>Total dividends appropriated</b>	<b>406.2</b>	<b>409.0</b>
<b>(b) Dividends declared and not recognised as a liability</b>		
<b><i>Current year final dividend</i></b>		
No final dividend declared (2019: 30.0 cents per share franked at 25% at the Australian tax rate of 30%)	-	<b>203.1</b>

No shareholders' dividend plans are in operation.

# Notes

For the year ended 30 June 2020

## 6. 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').

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

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

### 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.

## Notes

For the year ended 30 June 2020

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

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

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

- (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.

### **b) Summary of new accounting policies**

Set out below are the new accounting policies of the Group upon adoption of AASB 16, which have been applied from the date of initial application:

#### *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.

# Notes

For the year ended 30 June 2020

## *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.

## *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.

## **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 AASB 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 a significant impact on the consolidated financial statements of the Group.

## **7. Impairment testing outcome**

The Group performs impairment testing for goodwill and indefinite life intangible assets on an annual basis (at 30 June each year) or more frequently if there are other indicators of impairment. In addition, the Group performs impairment testing of its investment in associates if there are indicators of impairment. At 30 June 2020, given the impact of the COVID-19 pandemic, impairment testing was undertaken on all investments in associates, in addition to the Group's intangible assets.

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 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.

When utilising the value in use method for impairment testing, the key assumptions used are cash flow forecasts based primarily on business plans presented to the Board, terminal value, forecast growth rates, and discount rates. When utilising the fair value less cost of disposal method for impairment testing, the Group used a combination of third party valuations, internal asset valuations, trading multiples of entities of a similar nature, earnings forecasts, terminal value, discount rate, and estimated costs of disposal.



# Notes

For the year ended 30 June 2020

## **Crown Aspinalls**

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 amount of the CGU exceeding its recoverable amount, 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.

## **Investments in Associates**

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.

## **8. Contingent Liabilities**

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers 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.

## **9. 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. Pursuant to a revised Instrument of Appointment, the Honourable Patricia Bergin SC (Commissioner) has been appointed to, among other things, consider (i) whether Crown remains suitable to hold a restricted gaming licence in New South Wales and (ii) the efficacy of the primary objects of the Casino Control Act 1992 (NSW). The Commissioner has been instructed to report her findings to ILGA by 1 February 2021.

On 15 August 2020, gaming activities re-commenced at Crown Aspinalls.

Subsequent to 30 June 2020, Crown executed a \$450 million project finance facility to support the continuation of the construction of Crown Sydney.

## 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.



**Ken Barton**  
Director

19<sup>th</sup> day of August, 2020.