

ANNUAL REPORT 2020





Acknowledgment to Country



Crown acknowledges the Traditional Owners of the land on which its Australian Resorts are located, where we gather as employees, as friends and as the Crown family. Crown pays respect and acknowledges all of the Aboriginal and Torres Strait Islander people and communities who have contributed to and continue to contribute to our identity. Crown Acknowledges their kinship lines and their ongoing cultural connection to the land and water and pay respects to their Elders past and present as the owners of Gadigal on Eora Country (Sydney), Wurundjeri and Bunurong on Kulin Country (Melbourne) and Wadjuk on Noongar Country (Perth).



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Chairman's Message



Dear Shareholders,

It is a great honour to write to you as Crown's first female Chairman. With the appointment of Professor John Horvath AO as Deputy Chairman and the appointment of Non-executive Directors as Chairs of Crown Melbourne, Crown Perth and Crown Sydney, Crown heralds in a new era of independent leadership.

The appointment of Ken Barton as Managing Director and Chief Executive Officer also brings our structure more in line with contemporary governance practices of a Non-executive Chair and a separate CEO. Mr Barton brings stability and experience to the role which will serve the company well at a time of great economic and social disruption.

John Alexander has informed the company that he does not intend to stand for re-election at the upcoming Annual General Meeting. I would like to thank John for his guidance and for his services to Crown for more than a decade.

2020 Performance and Dividend

2020 was a challenging year, with the onset of the COVID-19 pandemic having a significant impact on Crown's operations, our staff and the community more broadly.

In March 2020, Crown was directed to close its gaming activities and a significant part of its non-gaming operations at Crown Melbourne and Crown Perth. This is the first time in Crown's history it has been forced to close its properties for an extended period.

Crown's results for the 2020 financial year reflect the impact of these closures, with net profit after tax attributable to the parent of \$79.5 million, down 80.2% on the previous year.

An interim dividend of 30 cents per share was paid to shareholders in April 2020. Having regard to the impact on Crown's businesses from the mandatory closures and the uncertainty surrounding the resumption of trading at

Crown Melbourne, the Board 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.

Governance and Culture

As one of Australia's leading tourism, hospitality and gaming companies, the Board of Crown regards its obligation to provide good corporate stewardship with utmost importance.

As our business has evolved, we have always sought to improve our risk management processes to respond to emerging challenges.

The Board accepts that we must continue to improve in order to ensure Crown has the highest standards of compliance and governance. That is a goal to which we as a Board are absolutely committed.

While we have made material improvements to our compliance and governance processes over the last few years, there is more work that needs to be done.

The inquiry currently being conducted by the New South Wales Independent Liquor and Gaming Authority (ILGA Inquiry) is an opportunity to improve the regulatory environment as a whole, and for Crown to reflect on how we as an organisation can better meet community expectations.

Crown remains fully committed to cooperating with the ongoing ILGA Inquiry and continued close engagement with other regulators and stakeholders.

Further, having regard to feedback from proxy advisers and shareholders, the Board has approved the appointment of KPMG as the new statutory auditor of Crown from the financial year beginning 1 July 2020 following the completion of a competitive tender process. The appointment remains subject to the receipt of shareholder and regulatory approvals, with shareholder approval to be sought at Crown's upcoming Annual General Meeting.



Support for Employees and the Community

The mandated closure of Crown's properties has had a very real impact on Crown's valued employees, approximately 95% of whom were stood down following closure. As a significant employer in both Victoria and Western Australia, Crown recognises that this has had a substantial impact on a large number of people—and families. As such, we are supporting our employees with a number of assistance programs, including a Hardship Fund and the Crown Jobs Network which involves a dedicated Human Resources team matching the skills of Crown's employees to external employment opportunities.

2020 was also marked by the summer bushfires and I am very proud of the support provided by Crown and its employees to support the relief effort, in particular the \$5 million donation from the Crown Resorts and Packer Family Foundations.

This was just part of the support provided by Crown during the year to a number of charities and employee-led community programs, as well as the work being undertaken through the Crown Resorts Foundation, which is important now more than ever. The Crown Resorts Foundation also remains committed to supporting organisations aligned to its core mission to provide opportunities for young Australians, primarily through education. To date, the Crown Resorts and Packer Family Foundations have allocated over \$105 million to 330 grant recipients.

The Year Ahead

In the year ahead Crown will need to contend with a number of challenges, including the current closure of Crown Melbourne and the ongoing uncertainty caused by the COVID-19 pandemic.

Despite these challenges, I am happy to report that Crown Sydney remains on track to open progressively from December this year. This is a significant milestone for Crown, and we look forward to welcoming thousands of guests to the property, as well as the over 2,000 employees required to deliver the exceptional service standards for which Crown is known. The Crown Sydney project has required an enormous body of work over a long period of time and represents our long-term investment in Sydney. Crown Sydney will be a world-class luxury resort and an important piece of Australia's tourism infrastructure, which will help support New South Wales' economic recovery.

On behalf of the Board, I would like to thank those involved in the development of Crown Sydney, as well as all of Crown's employees for their patience and efforts over the course of an extremely challenging year.

I would also like to thank our shareholders for their ongoing support.

Helen Coonan
Chairman
Crown Resorts Limited

Chief Executive Officer's Message



This year has been extremely challenging for Crown and our employees.

From late January 2020, Crown began to experience softer trading conditions as a result of travel restrictions and general community uncertainty due to COVID-19, particularly impacting visitation to Crown Melbourne.

In March 2020, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately suspend its gaming activities and other non-essential services at Crown Melbourne and Crown Perth in response to the COVID-19 pandemic.

As a result of these mandated closures, Crown made the tough but necessary decision to stand down a large number of our employees, with approximately 95% or over 11,500 employees progressively stood down.

Employee Support

Given the impact on Crown's businesses, Crown qualified for the Commonwealth Government's JobKeeper program, which has helped support thousands of our employees.

To provide further financial support to our employees who were stood down during this difficult period, Crown made an ex gratia payment of two weeks' pay to full-time and part-time employees (other than senior management) and a lump sum payment of \$1,000 to eligible casual workers.

Crown also established a Hardship Fund to provide additional, targeted financial assistance to employees experiencing serious financial hardship as a result of COVID-19.

In addition to financial support measures, Crown has established a range of other employee support programs such as the Crown Jobs Network, which connects employees with employment opportunities outside of Crown, as well as ongoing access to Crown's assistance and wellness program.

I would very much like to thank our employees for their continued patience and support during this challenging time.

2020 Financial Performance

Crown's results for the 2020 financial year reflect the impact of the COVID-19 pandemic on Crown's operations.

Theoretical EBITDA before Closure Costs and Significant Items of \$503.8 million was down 37.2%, whilst Reported EBITDA of \$504.6 million was down 40.6%.

Theoretical NPAT attributable to the parent before Closure Costs and Significant Items of \$161.0 million was down 56.3%. Reported NPAT of \$79.5 million was down 80.2%.

No final dividend was declared, bringing the total full year dividend to 30 cents per share.

2021

Unfortunately, Crown Melbourne remains closed. Our main focus continues to be on the health and wellbeing of our employees and guests, as well as the community more broadly. We will continue to work with the Government and health authorities to determine how we can safely re-open when it is appropriate to do so.

Gaming activities and the operation of the majority of food and beverage venues re-commenced at Crown Perth on 27 June 2020, with a significant number of employees having now returned to full duties. Whilst only for a relatively short period of time, the initial trading performance has been encouraging given the operating restrictions that remain in place, including physical distancing requirements and limited product availability.

Despite the challenges of COVID-19, construction of the Crown Sydney hotel resort has continued throughout the period. Opening plans are progressing well, with recruitment activity about to ramp up significantly as we add to our existing workforce. Over 2,000 people are expected to be employed at Crown Sydney once it is fully operational, providing a significant boost for the New South Wales hospitality industry. The hotel resort is scheduled to open progressively from December 2020 and the first residents scheduled to move into the building in March 2021.

Balance Sheet Management

Given the current challenging environment, Crown has been focused on liquidity management to ensure it is well placed to withstand this extended period of disruption. During the year, Crown entered into a total of \$560 million of new bilateral facilities with relationship banks, and following financial year end, entered into a \$450 million project finance facility to support the continued construction of Crown Sydney.

Whilst no waiver was required in relation to our banking covenants at 30 June 2020, Crown has secured agreement from its lenders for a waiver of banking covenants in relation to the 31 December 2020 testing date given the uncertainty surrounding the ongoing closure of Crown Melbourne.

I would once again like to acknowledge the support we have received from our relationship lenders during this uncertain period.

Regulatory and Compliance Matters

During the financial year, Crown was the subject of a number of media allegations. Crown is also the subject of various regulatory investigations. These matters have understandably had an impact on Crown's reputation.

Crown continues to cooperate fully with the regulatory investigations under way, recognising the importance of these processes.

We are focusing on the enhancement of compliance and governance processes, and continue to investigate ways in which we can strengthen our business in these important areas.

Supporting our Community

Crown recognises its responsibility to the communities in which it operates and, during the year, Crown has sought ways to support the community more broadly.

In addition to the \$5 million donated by the Crown Resorts and Packer Family Foundations to the Australian bushfire relief, Crown was also involved in a number of other initiatives which raised more than \$550,000 for various charities and causes. These initiatives included personal donations from over 1,500 Crown employees that were matched dollar for dollar by Crown, the hosting of benefit concerts and providing 115 room nights to bushfire evacuees.

Crown has also worked in close consultation with State and Commonwealth Governments to make its facilities available to support the broader community during the COVID-19 pandemic.

This includes working with the Victorian Government and service providers to provide safe accommodation, at no cost, to those experiencing domestic and family violence. To date, Crown has provided over 550 room nights under this program.

In addition, Crown assisted State Governments to accommodate those who were required to self-isolate for two weeks when returning from overseas. During the year, approximately 950 rooms in Melbourne and approximately 600 rooms in Perth were made available under this program.

Crown also donated a significant amount of fresh produce during the year to worthy causes in both Melbourne and Perth.

Looking ahead

Despite the near-term uncertainty, we remain optimistic about the future of our business.

Crown Melbourne and Crown Perth are iconic tourist destinations underpinned by long-term licences. Crown has made and continues to make significant investments into these properties to ensure they remain world-class entertainment precincts and amongst Australia's most visited tourist attractions.

We are nearing completion of Crown Sydney, which represents a \$2.2 billion investment into a world-class luxury hotel resort and a truly iconic building that will be instantly recognisable around the world. We are excited about the addition of this resort to our portfolio and the long-term benefits it will bring to Crown and the New South Wales economy more broadly.

Longer term, Crown continues to assess various options for the One Queensbridge development site. The site is strategically located adjacent to Crown Melbourne, providing an opportunity for Crown to develop a fourth hotel which would deliver significant economic and tourism benefits to Victoria, including additional employment and training opportunities.

I would once again like to thank all of our employees for their efforts and continued patience in what has been a challenging year.

Ken Barton
Chief Executive Officer
Crown Resorts Limited

About Crown

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

AUSTRALIAN RESORTS

In Australia, Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth. In addition, Crown is nearing completion of the Crown Sydney Hotel Resort which is expected to open progressively from December 2020.

INTERNATIONAL INTERESTS

Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district. Crown also holds a 50% equity interest in the UK-based Aspers Group and a 20% interest in Nobu.

CROWN DIGITAL

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (85%) and Chill Gaming (50%).



Crown's Resort Portfolio



Crown Melbourne

Crown Melbourne is Australia's leading integrated resort and one of the most visited tourist destinations in Australia with its dynamic and diverse facilities.

Crown Melbourne is licensed to operate 2,628 gaming machines and 540 gaming tables.

The resort currently features three hotels:

- Crown Towers Melbourne (481 guest rooms);
- Crown Metropol Melbourne (658 guest rooms); and
- Crown Promenade Melbourne (465 guest rooms).

Crown also wholly owns the One Queensbridge development site which could accommodate a fourth Crown hotel.

The Crown Conference Centre has 7,350 square metres of conference and meeting facilities across three floors.

Banqueting facilities include the Palladium's 1,500-seat ballroom and The Palms' 900-seat cabaret venue.

A broad selection of restaurants and bars are located in the resort, including many of Melbourne's finest.

Crown Melbourne's retail precinct features prestigious designer brands and luxury retail outlets.

Crown's Resort Portfolio *continued*



Crown Perth

Crown Perth is one of Western Australia's largest tourist destinations, with an exceptional range of entertainment and tourism experiences.

Crown Perth has approval to operate 2,500 gaming machines and 350 gaming tables.

The resort features three hotels:

- Crown Towers Perth (500 guest rooms);
- Crown Metropol Perth (397 guest rooms); and
- Crown Promenade Perth (291 guest rooms).

Large-scale entertainment facilities include the 1,500-seat Crown Ballroom and 2,300-seat Crown Theatre Perth, along with world-class convention facilities.

A premium selection of restaurants and bars are located across the resort in addition to casual dining options.



Crown Sydney

Crown Sydney, located at One Barangaroo Avenue on the foreshore of Sydney Harbour, will be the city's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House.

Crown Sydney will feature 349 hotel rooms and suites, luxury residences, signature restaurants, bars, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities.

Crown Sydney is in the final stages of construction, with the hotel resort on schedule to open progressively from December 2020 and the first "One Barangaroo" residents scheduled to move into the building in March 2021.

Once fully operational, Crown Sydney is expected to employ over 2,000 people, providing a significant jobs boost for the New South Wales hospitality industry.

The gross project cost is expected to be approximately \$2.2 billion, with the net project cost expected to be approximately \$1.4 billion.

International Interests



Crown Aspinalls

Crown Aspinalls is one of the licensed high-end casinos in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinalls offers members and guests an exciting and opulent world of international VIP gaming, in an environment that only London can provide.



Aspers Group

Crown holds a 50% interest in the Aspers Group, which operates four regional casinos in the United Kingdom, in Newcastle, Stratford (London), Milton Keynes and Northampton (the latter in a joint venture with Kerzner UK Limited).

Crown equity accounts its investment in Aspers Group.



Nobu

Crown holds a 20% interest in Nobu, one of the world's most recognised lifestyle hotel and restaurant brands. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper.

Nobu has 14 owned restaurants, 28 international licenced restaurants and 11 hotels. It also has a pipeline of new owned and licensed restaurants and new hotel openings.

Crown equity accounts its investment in Nobu.

Crown Digital

Crown Digital includes Crown's wagering and online social gaming operations comprising Betfair Australasia and DGN Games and its investment in Chill Gaming.



Betfair Australasia

Betfair Australasia is 100% owned by Crown and provides access for Australian and New Zealand customers to the world's leading betting exchange.



DGN Games

DGN Games is 85% owned by Crown and is a developer of online social games. DGN's online social game titles include "Old Vegas Slots", a classic 3-reel game, and "Lucky Time Slots", a 5-reel game.



Chill Gaming

Chill Gaming is a 50/50 joint venture between Crown and New Gaming Pty Ltd, which is owned by the founders of Wymac Gaming Solutions. Chill Gaming is focused on innovation and developing new entertaining products.

Crown equity accounts its investment in Chill Gaming.

Financial Summary

- During the year, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately 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
- As a result of the mandated closure of Crown's properties, Crown was forced to substantially reduce its workforce through a series of stand-downs
- Gaming activities at Crown Melbourne and Crown Aspinalls remained suspended through to 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, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities. Crown has separately identified these costs in reporting its results for the full year ended 30 June 2020

Group performance for the year ended 30 June 2020

	F20 \$m	F19 \$m	% change
Theoretical¹ EBITDA before Closure Costs² and Significant Items³			
Crown Melbourne	354.3	589.5	(39.9%)
Crown Perth	161.8	221.8	(27.1%)
Crown Aspinalls	(2.7)	6.4	(142.4%)
Crown Digital	34.7	26.1	32.9%
Corporate costs	(44.3)	(41.7)	(6.2%)
Theoretical EBITDA before Closure Costs and Significant Items	503.8	802.1	(37.2%)
Closure Costs	(107.3)	-	
Crown Sydney pre-opening costs	(3.5)	-	
Win rate variance	111.6	47.6	
Reported EBITDA	504.6	849.7	(40.6%)
Theoretical NPAT attributable to the parent before Closure Costs and Significant Items	161.0	368.6	(56.3%)
Closure Costs (net of tax)	(81.6)	-	
Significant Items (net of tax)	(78.7)	-	
Win rate variance (net of tax)	78.8	33.2	
NPAT attributable to the parent	79.5	401.8	(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. Crown 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. Costs incurred whilst Crown's properties were closed due to Government direction, excluding costs in relation to hotel quarantine services and Crown Digital (Closure Costs).
3. Significant Items of \$78.7 million (net of tax) were recorded during F20 relating to the impairment of Crown Aspinalls and Nobu, Crown Sydney pre-opening costs and costs related to a reassessment of DGN contingent consideration. Significant Items with a net \$nil value were recorded during F19, with an impairment charge of \$48.9 million recorded against DGN's goodwill offset by a corresponding reduction to the contingent consideration associated with the acquisition of Winners Club Limited.



Crown Melbourne

- Crown Melbourne was significantly impacted by the COVID-19 pandemic during the year
- From late January 2020, Crown Melbourne experienced softer trading conditions and reduced visitation as a result of travel restrictions and general community uncertainty, before ultimately being directed to suspend gaming activities and other non-essential services on 23 March 2020. Gaming activities remained suspended through to 30 June 2020
- Theoretical revenue of \$1,477.8 million was down 31.4% on the prior year
- Theoretical EBITDA before Closure Costs was \$354.3 million, down 39.9% on the prior year
- Costs incurred during the mandated closure of Crown Melbourne were \$65.8 million¹
- Reported EBITDA was \$381.8 million, down 37.9% on the prior year, which takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$93.3 million



Crown Aspinalls

- Crown Aspinalls was negatively impacted by the challenging market conditions across the international VIP market globally, as well as the closure of the property on 20 March 2020
- Theoretical EBITDA before Closure Costs was a loss of \$2.7 million
- Costs incurred during the mandated closure period were \$1.2 million²
- Reported EBITDA was \$2.3 million, which takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$6.2 million
- Gaming activities re-commenced at Crown Aspinalls on 15 August 2020

Crown Perth

- Crown Perth was directed to suspend its gaming activities and other non-essential services on 23 March 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
- Theoretical revenue of \$613.3 million was down 23.3% on the prior year
- Theoretical EBITDA before Closure Costs was \$161.8 million, down 27.1% on the prior year
- Costs incurred during the mandated closure of Crown Perth were \$19.7 million²
- Reported EBITDA for the period was \$154.2 million, down 37.0% on the prior year, which takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$12.1 million



Crown Digital

- Crown's wagering and online social gaming operations continued to operate throughout the year
- EBITDA from Crown's wagering and online social gaming operations was \$34.7 million, up 32.9%
- The improved EBITDA result was driven by strong performances from both Betfair and DGN

1. Net of \$26.6 million in payroll subsidies under the Commonwealth Government's JobKeeper program.

2. Net of \$16.8 million in payroll subsidies under the Commonwealth Government's JobKeeper program.

3. Net of \$2.6 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK.

Australian Resorts Business Update



Barry Felstead
CEO, Australian Resorts

2020 was an extremely challenging year for Crown and its employees.

From early in the calendar year, Crown began to experience softer trading conditions associated with the COVID-19 pandemic, with travel restrictions and general community uncertainty impacting visitation, particularly at Crown Melbourne.

As the COVID-19 situation worsened in Australia, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately suspend its gaming activities and other non-essential services. This is the first time in Crown's history it has been directed to close its properties in Melbourne and Perth for an extended period.

The Government-mandated closures were effective from 23 March 2020 for both Crown Melbourne and Crown Perth.

As a result of these closures, Crown was forced to progressively stand down the vast majority of its workforce.

Gaming activities at Crown Melbourne remained closed through to 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, allowing Crown to welcome back thousands of guests and employees.

Crown's results for the 2020 financial year reflect the impact of these closures, with theoretical revenue from Crown's Australian Resorts of \$2,091.1 million down 29.2% and theoretical EBITDA before Closure Costs and Significant Items of \$516.1 million down 36.4%.

Our People

Crown Melbourne and Crown Perth are significant employers and are the largest single-site private sector employers in both Victoria and Western Australia respectively.

The closure of Crown's properties during the year has had a substantial impact on our people, with Crown forced to stand down, on either a full or partial basis, approximately 95% or over 11,500 of our employees for varying periods of time.

As part of its COVID-19 response, Crown introduced measures and established programs to support its employees during this difficult period.

Crown provided an ex gratia payment of two weeks' pay to full-time and part-time employees (other than senior management) and a lump sum payment of \$1,000 to eligible casual workers who were stood down. Employees were also able to draw down on existing annual and long-service leave entitlements in a range of flexible manners.

As a result of the impact of the closures on Crown's businesses, Crown Melbourne and Crown Perth qualified for the Commonwealth Government's JobKeeper program, which has helped to financially support thousands of Crown's employees.

To provide additional targeted support to employees experiencing serious financial hardship as a result of COVID-19, Crown established a Hardship Fund, with financial assistance provided to approximately 460 employees to date.

In addition to these financial support programs, Crown established a range of other employee support programs.

As the COVID-19 situation escalated, both Crown Melbourne and Crown Perth established dedicated Employee Support Contact Centres to provide assistance with changes in employment conditions as a result of the mandated closures.

Through the Crown Jobs Network program, a dedicated Human Resources team has been actively working to connect employees with employment opportunities outside of Crown, as well as providing advice and coaching on resume writing and interview skills. Over 2,000 employees have applied for alternative employment opportunities through this program, with hundreds of employees being placed into temporary and casual jobs across a wide range of Australia's largest companies, along with various State and Federal Government agencies.

Recognising how difficult this period has been, Crown recently provided a \$50 WISH eGift Card to approximately 7,000 Crown Melbourne employees as a small token of appreciation.

In addition, Crown has continued to provide employees with access to its assistance and wellness program, which offers all employees and their family members support services for all aspects of their lives.



Health, Safety & Employee Wellbeing

The health and safety of Crown's employees, contractors, and guests continued to be a priority throughout the year. Crown remains committed to implementing appropriate policy responses to workplace health & safety and community issues as they arise.

Two key health and safety issues affected Crown's operations during the past year.

Firstly, the devastating bushfires through the December/January period had a significant impact on the environmental air quality. Construction activities at Crown Sydney were temporarily disrupted, whilst additional controls were required at Crown Melbourne to minimise the risk to employees.

Secondly, the COVID-19 pandemic had significant implications for health and safety practices at Crown. Comprehensive physical distancing and hygiene programs have been developed to minimise the risk of transmission, whilst enabling operations to be carried out where permitted.

COVID-19 Response Managers have been appointed at Crown Melbourne and Crown Perth, supported by dedicated teams of COVID-19 safety officers, to oversee the implementation and enforcement of Crown's physical distancing and hygiene programs.

These programs involve high-frequency cleaning, with an emphasis on high-contact surfaces and areas, as well as the establishment of physical distancing measures in line with government recommendations.

These programs are being continuously refined and updated as circumstances change and in response to recommendations from Federal and State Governments and local health authorities.

Industrial Relations

Crown is committed to managing industrial relations through open and effective relationships with its employees, employee associations and regulatory bodies.

Crown currently has five collective bargaining enterprise agreements in place, with four of those agreements having been renewed in the past year. These agreements apply to most of Crown's frontline staff and some employees at management level.

Commitment to Responsible Gaming

Crown is committed to harm minimisation and the responsible service of gaming. Crown's approach to responsible gaming is overseen by the Crown Resorts Responsible Gaming Committee, which is chaired by Professor John Horvath AO.

Crown's Responsible Gaming Centres are staffed by a dedicated team and provide free and confidential services, programs and referrals and are available 24 hours a day, seven days a week whilst gaming activities are offered, providing information in English and other languages.

Crown's responsible gaming and harm minimisation strategy is designed to deliver a gaming experience in a responsible environment and is based on a framework comprised of the following three pillars: Awareness, Assistance and Support.

Awareness - Supporting harm minimisation by building awareness of responsible gaming programs and services for staff and customers

Within Crown, the Responsible Gaming team delivers extensive employee training in the responsible service of gaming. Multiple communication channels are used to ensure important information reaches a wide audience.

The Responsible Gambling Awareness Week in Crown Perth and the Gambling Harm Awareness Week in Crown Melbourne are important events in raising awareness in relation to responsible gaming and harm minimisation. These weeks represent an important commitment on harm minimisation principles.

In Victoria, Crown is a member of the Responsible Gambling Ministerial Advisory Council and relevant working groups, and the Victorian Responsible Gambling Foundation (VRGF) Industry Forum. In Western Australia, Crown is a member of the Problem Gambling Support Services Committee. Participation in these State committees assists in the currency of information in relation to harm minimisation.

Assistance - Contributing to harm minimisation by providing assistance to customers in managing their gaming behaviours

The dedicated teams of Responsible Gaming Advisors at each resort are specially trained to deliver assistance both proactively and reactively. Interactions are provided in a sensitive, confidential and informed way, assisting with

Australian Resorts Business Update *continued*



information about, and referral to, the diverse range of services and programs available at Crown and in the community.

Crown Melbourne and Crown Perth enhanced their respective voluntary exclusion programs during the year, making available a greater variety of exclusion lengths. Crown Melbourne also introduced a Third Party Exclusion Program which allows a family member, friend or other person with a close personal interest in the welfare of another individual to apply to have that person excluded. The program was developed with input from the VRGF and the Victorian Commission for Gambling and Liquor Regulation. A similar program has been in place at Crown Perth for a number of years.

The use of Facial Recognition Technology at Crown Melbourne and Crown Perth is an additional measure in assisting with self-exclusion commitments.

Support - Delivering a supportive environment where the potential for harm is minimised and a culture of responsible gaming support is embedded in the organisation

Crown's dedicated teams of Responsible Gaming Advisors deliver responsible gaming programs and services to support customers in managing their gaming behaviours. This includes engagement with external gambling help service providers and other welfare organisations.

Crown is committed to ongoing enhancements to its responsible gaming strategy to ensure Crown minimises harm and assists those customers who may need help. This includes ongoing engagement with government, regulators and other stakeholders, together with Crown's membership of the National Association for Gambling Studies.

CROWN MELBOURNE

Overview

Crown Melbourne is one of Australia's leading integrated resorts and a key driver of international and interstate visitation to Victoria.

Since the closure of Crown Melbourne on 23 March 2020, Crown has been working on comprehensive plans that will enable Crown to re-open the property once the Victorian Government confirms that it is safe to do so.

Local Gaming

During the year, Crown Melbourne continued its investment in new gaming machines, expanding its installation of new games and proven successful games. The business also invested in new premium gaming areas, with the launch of the Mahogany Lounge in December 2019 and Mahogany Suite on New Year's Day 2020. Further investment was made to other premium areas within Crown Melbourne including in the Teak Room and an expansion of a gaming machine salon in the Mahogany Room. These investments provide an enhanced experience for premium customers.

Crown Melbourne's focus on improving customer experience for all customer segments was further evident with the introduction of new ticket redemption machines, enhanced visitor information kiosks, real time customer feedback kiosks and electronic table games. Crown Melbourne is using technology to better understand its customers' expectations across all elements of their visit to the property.

During the closure period, Crown Melbourne undertook minor refurbishments across the gaming floor to maintain the high standard of the property.

VIP Program Play

Theoretical VIP program play revenue at Crown Melbourne was \$224.9 million, down 49.1% with turnover of \$16.7 billion. 2020 was a challenging year for Crown Melbourne's VIP Program Play business, with the first half impacted by softer market conditions and negative publicity, whilst the second half saw the onset of the COVID-19 pandemic, with the closure of Australia's border and ultimately the suspension of gaming activities at Crown Melbourne.



Hotels

Crown Melbourne features more than 1,600 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade. Together, the three hotels hosted over 736,000 guests during the year. Through to the end of February 2020, the three hotels achieved an impressive combined occupancy of approximately 92%. However, as a result of the impact of COVID-19, overall hotel occupancy across Crown Melbourne's three hotels fell to approximately 82% for the full year, which includes hotel rooms that were provided to the Victorian Government to accommodate returned overseas travellers who were required to self-isolate for two weeks.

Crown Towers retained the prestigious Forbes Travel Guide Global Five-Star rating in 2020 and is still the only hotel in Melbourne to achieve this status. In addition, Crown Spa was recognised with the Forbes Travel Guide Global Four-Star Award.

Crown Metropol underwent a brand refresh during the year to reposition the hotel not only within the Crown hotel portfolio, but more importantly within the Melbourne market. In doing so, it was important to retain the existing loyal customer base while appealing to a new travel audience to give the hotel a broader appeal.

Crown's hotel digital strategy and engagement with its client base continues to increase loyalty across all three hotels, helping to drive leisure visitation.

Following the onset of the COVID-19 pandemic, Crown sought ways to utilise its hotel assets to support the community.

During the year, Crown provided approximately 950 rooms across its Crown Metropol and Crown Promenade hotels to assist the Victorian Government to accommodate returned overseas travellers who were required to self-isolate for two weeks.

In addition, in conjunction with the Victorian Government and service providers, Crown Melbourne has been providing safe accommodation, at no cost, to those experiencing family violence. The program includes the provision of hotel rooms, food and other amenities such as meeting facilities for the provision of counselling services in a safe environment. To date, Crown has provided over 550 room nights under this program.

Food and Beverage

Crown's premium restaurants continue to lead the way in Melbourne in providing guests with memorable dining experiences.

Ging Thai opened in October 2019. The restaurant is led by Chef de Cuisine On Saengyojanr, and her focus on home-style traditional food has developed a loyal following.

Once again this year, Crown partnered with the Australian Open to take Crown dining brands directly to event consumers. The pop-up Nobu restaurant was bigger than ever and a testament to the strength of the brand.

In the casual and bar portfolio, Crown's value dining proposition was successful with regulars and Crown Rewards members.

One of the major projects undertaken in Food and Beverage in 2020 was the introduction of a new table management system. This system will bring a heightened guest experience and customer engagement from the online booking to the in-venue dining experience.

Events, Conferencing and Entertainment

The Palms continued to offer a variety of both Australian and International entertainment throughout the year.

Human Nature performed for a sold-out season with their Christmas show, followed by the most successful season of "Legends in Concert" that Crown has had in The Palms. Jason Alexander also sold out a successful season after an absence of several years.

The Aviary continued to be a huge success, holding 158 events, including the IMG Tennis Party. Other highlights from a successful year in events included the CPA Congress, APRICOT 2020 (Asia Pacific Regional Internet Conference on Operational Technologies) and Presidents Cup events including the Gala Dinner and Summit Australia 2019. The Million Dollar Lunch was also held again this year, continuing to raise money for charity.

Crown has worked with its key audio-visual partners to bring both in-venue and hybrid event technology to its customers. This allows Crown to provide flexible solutions for on- and off-property event attendances.

Crown's retail portfolio continues to see a growth in experiential entertainment offerings, with a premium karaoke venue, Ocean 12, opening in August 2019.

Australian Resorts Business Update *continued*



CROWN PERTH

Overview

Crown Perth is the only fully-integrated entertainment resort in Western Australia and continues to set the highest standard of experience with its vast range of high-quality assets. It remains Western Australia's leading tourist destination by volume, and the largest single-site private sector employer in the State.

This year saw Crown Towers Perth attaining the Forbes Travel Guide Global Five-Star rating, joining Crown Towers Melbourne in holding this rating.

A highlight of the financial year was hosting the Manchester United Football Club for nearly two weeks in July 2019 when they visited Western Australia to play against Perth Glory at Optus Stadium. August 2019 also saw the Bledisloe Cup in Perth, bringing increased traffic to the complex as international and interstate travellers chose to stay at Crown and also dine at Crown's broad array of food and beverage outlets.

Whilst COVID-19 resulted in the closure of the facility on 23 March 2020, the standard of the property was maintained by a dedicated team in preparation for re-opening.

On 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, including capacity limits at each venue based on a prescribed maximum density of at least two square metres of space for each person and restrictions on the availability of gaming product.

Crown worked closely with the Western Australian Government and health authorities to ensure it was able to re-open safely, including through the development of physical distancing and enhanced hygiene protocols to protect the health and safety of its employees and customers. Over 400 sanitisation units were installed across the resort, as well as one at every gaming table. In addition, all staff were required to undertake mandatory COVID-19 awareness training before re-commencing duties.

Local Gaming

After a robust start, 2020 proved to be a challenging year.

The first half of the financial year delivered main floor revenue growth of 2.2%. The gaming machines business grew by nearly 5% off the back of strong visitation to the property and investment in marketing initiatives. The table games business experienced softer trading conditions, declining 1.5% in the first half. Investment in new games across both gaming machines and electronic table games also supported the overall performance of the business.

By mid-February 2020, Crown Perth started to experience the impact of COVID-19 with Crown Perth ultimately mandated to close on 23 March 2020 for a period of approximately three months.

Crown Perth recommenced gaming activities on 27 June 2020. Despite the limitations on product availability, early trading performance since re-opening has been encouraging.

VIP Program Play

Theoretical VIP program play revenue at Crown Perth was \$49.5 million, down 31.2% with turnover of \$3.7 billion. Similar to Crown Melbourne, 2020 was a challenging year for Crown Perth's VIP Program Play business.

Given the ongoing international travel restrictions and border closures associated with COVID-19, VIP program play turnover has been minimal since re-opening.

Hotels

Crown Perth features approximately 1,200 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade.

Crown's hotels continued to maintain and grow their market-leading position within their respective competitor sets as well as the wider Perth market despite the opening of new hotels in Perth during the period. Occupancy across the three hotels through to the end of February was approximately 86%. However, as a direct result of COVID-19, overall occupancy fell to 66% for the full year which included rooms provided to assist the Western Australian Government to accommodate returned overseas travellers who were required to self-isolate for two weeks.



Crown Towers was successful in achieving the coveted Forbes Travel Guide Global Five-Star rating for 2020, being the only hotel in Western Australia and one of only three hotels in Australia to hold this rating. Crown Towers was also recognised as the Best Overall Hotel of the Year at the 2019 AHA Perth Airport Accommodation Awards for Excellence.

Crown Spa Perth was awarded the Four-Star Award at the Forbes Travel Guide Star Awards 2020 and won the Best Spa and Fitness award at the 2019 AHA Perth Airport Accommodation Awards for Excellence.

Food and Beverage

Crown Perth features over 35 restaurants, bars and other food and beverage offerings, including leading culinary brands such as Nobu, Bistro Guillaume, Silks and Rockpool.

The premium reputation of Crown Perth's restaurants and bars was further enhanced and recognised with many accolades throughout the year. At the 2019 AHA National Awards for Excellence, Crown Sports Bar won the Sporting Entertainment Venue Award, whilst Chef Leif Huru of Nobu won the Head Chef Award. A number of other Crown employees were finalists in other award categories. At the 2019 Perth Airport AHA Accommodation Awards for Excellence, The Waiting Room, Crown Towers' premium bar, won the Hotel Bar Award.

During the year Crown Perth also proudly partnered with the WA Good Food Guide and held The West Australian Good Food Guide Awards 2019 which was hosted by Rob Broadfield and Erez Gordon. This partnership included bespoke events with Australia's first-ever breakfast at Nobu, and hosting the three-star Michelin Chef Pierre Koffmann in Bistro Guillaume and a number of high-profile wine makers.

Crown's bar offering was further enhanced during the year through customer activations in collaboration with Crown's beverage partners. This included the Heineken 'Win a trip to the Rugby World Cup in Japan', the Carlton Dry 'Chance to win a Holden Colorado', the Jim Beam/Carlton Draught 'AFL Footy Fever' campaign, as well as the very successful Gordon's 'Pink Gin High Tea' promotion.

Crown's Poolside bars and Hi-Line rooftop bar reached new popularity levels during the year as customers chose to drink and eat outdoors whilst enjoying Perth's great weather and the amazing views of the pool and city skyline.

The casual dining restaurants and bars drew strong foot traffic with patronage trending upwards prior to closure, however the average spend per customer declined during the year as customers took advantage of the various value propositions and promotions on offer.

Events, Conferencing and Entertainment

Crown attracted over 929 events with over 127,900 delegates to Crown Perth's convention facilities this year with a solid mix of conferences and events with high attendance numbers.

The largest events included hosting the Manchester United Football Club, the 2019 McDonald's Convention and the Australian Society of Exploration Geophysicists WA Division 2019 Conference. Key charitable events hosted at Crown Perth included the Cystic Fibrosis Australia Conference, the 2019 Madalah Ball, Parkerville Children & Youth Care 2019 Charity Lunch and the Ronald McDonald House Charities Ball.

Crown Theatre held 230 performances during the year, including 88 performances of the world-acclaimed The Book of Mormon which attracted in excess of 144,000 patrons. The theatre also expanded its offering by launching its new Grab-and-Go bar setup which proved very popular with patrons.

The Theatre also operated the Pop-up Globe in one of its onsite car parks, which was a working replica of Shakespeare's theatre housing 930 customers, and held 97 performances with a total attendance level of nearly 54,000 patrons.

Other sell-out performers holding one-off shows during the year included Kevin Bloody Wilson, Kitty Flanagan, Consentino, Tim Minchin and Jason Alexander.

Australian Resorts Business Update *continued*



CROWN SYDNEY Construction Update

The Crown Sydney project is in the final stages of construction with the 275-metre tower reaching the significant "Topping Out" milestone in May 2020, marking the completion of vertical construction. Construction of the hotel guestrooms and suites located on floors 6-23 are substantially complete. The podium structure and façade is complete with interior fit out well advanced across all areas.

Over 1,400 men and women are working to complete the project. The majority of the construction work is being undertaken by Australian businesses, creating thousands of construction jobs and benefiting the New South Wales economy.

The hotel resort is expected to open progressively from December 2020.

The residential component of the project, "One Barangaroo", which is located in the upper portion of the tower, is progressing on schedule with the first residents scheduled to move into the building in March 2021.

Crown has invested approximately \$1.7 billion into the Crown Sydney project to date. The gross project cost is expected to be approximately \$2.2 billion and the net project cost is expected to be approximately \$1.4 billion.

Pre-opening Planning

With the construction phase of the project nearing completion, operational planning is in full swing in preparation for the opening of Crown Sydney.

Recruitment activities are underway for the 2,000 people expected to be employed at Crown Sydney once it is fully operational.

With 14 restaurants and bars set to open, Crown Sydney will bring an array of cuisines and internationally renowned chefs.

Chef Nobu Matsuhisa will open his third Australian restaurant, with Nobu at Crown Sydney joining Crown Melbourne and Crown Perth as the exclusive Australian destinations for Nobu's sublime dining experience. In collaboration with Nobu, renowned Omakase Sushi Master Ryuichi Yoshii will open an Omakase restaurant.

Nationally-acclaimed and award-winning Sydney chef and restaurateur, Alessandro Pavoni, will be bringing classic Italian fine dining to Crown Sydney in his latest venture, a'Mare, whilst Sydney dining's award-winning couple, Chef Ross Lusted and Sunny Lusted, are set to open their latest restaurant, Woodcut. Crown favourites Silks, Epicurean and TWR (The Waiting Room) will also be joining the much-anticipated food and beverage line-up.

The mix of signature restaurants and bars in Crown Sydney have been designed to cater for everyone, from a casual café offering to gourmet dining at sunset on a harbourside terrace. The diverse range of experiences will add to the already impressive offerings within the Barangaroo precinct while positioning Crown Sydney as a culinary destination in its own right.

Corporate Responsibility



OUR PEOPLE

Crown's Purpose and Values

Crown's purpose statement – *'Together we create memorable experiences'* – captures the belief that, as a team, Crown has the ability to create experiences that are worth remembering and that Crown is able to develop an emotional connection with customers and colleagues.

In delivering those experiences, Crown adheres to its four key values:

- We act respectfully;
- We are passionate;
- We work together; and
- We do the right thing.



Together we create memorable experiences



Over the course of the 2020 financial year, teams from Crown Melbourne and Crown Perth continued to focus on ensuring our employees and customers remain at the heart of everything Crown does. Crown's purpose statement and values were integrated into its structures and systems, including in professional behaviours, reward and recognition programs, learning and development, and internal communications.

Crown College

Crown is committed to creating genuine opportunities through employment and training. Crown College is a Registered Training Organisation and is a Registered CRICOS Provider, which specialises in the delivery of hospitality, tourism, patisserie, commercial cookery and management qualifications. Crown College enables employees to receive on-site access to world-class training, vocational and development programs. The training, which employees undertake at Crown College, is relevant to their roles and is nationally recognised through its alignment with the Australian Qualification Framework.

Crown College is a leader in the tourism industry, being named the Gold winner for Tourism Education and Training at the respective state tourism awards over six consecutive years. Crown College Melbourne won this award in 2013, 2014 and 2015, and received Hall of Fame status in 2015 and Crown College Perth won this award in 2016, 2017 and 2018, and received Hall of Fame status in 2019. Crown Perth also won the Training Initiative Award at the 2019 AHA Awards for Excellence. Crown's aim is to create career pathways for its employees and, in the 2020 financial year, over 650 employees and students enrolled in Certificates III, IV, Diploma and Advanced Diploma level qualifications. Since its inception, over 8,800 apprentices and trainees have graduated from Crown College.

In partnership with the Victorian Department of Education, Crown established a program to provide 500 training places in Certificates II and III through Crown College for retrenched Victorian workers affected by industry restructuring. The program has since been expanded to Indigenous Australians, people who have been affected by family violence and those who are disadvantaged in the workforce. The initiative continues to progress and has received over 1,000 enquiries since its inception. To date, there are over 345 participants in the program and 125 program graduates have gained employment within the hospitality and security industries.

Corporate Responsibility *continued*



Crown College International

Crown's commitment to education and training is evident through the establishment of Crown College International in Melbourne. Crown College International offers accessible, industry-ready and high-quality vocational programs for those aspiring to forge a career in hospitality and tourism, both nationally and internationally. Crown College International continues to increase student enrolments and build a social media presence to raise awareness of its programs. This financial year, Crown College International held the first student open day and hosted 12 student master classes. Student enrolments have increased by 50% on the same time last year. Since its inception, 88 international students have graduated from Crown College International.

Crown Sydney: Building Careers

Building careers has always been a focus for Crown and this has continued through the 2020 financial year, enhanced by the opportunities available with the development of Crown Sydney. It is expected that over 2,000 people will be employed at Crown Sydney once the resort is fully operational, providing people with 'a new world of opportunity'. Diversity and inclusion remains a focus, including through Crown's Indigenous Employment Program and the CROWNability program.

Careers at Crown Sydney will be complemented with a newly-developed Crown College Sydney, an on-site Registered Training Organisation, offering nationally-accredited training programs including extensive traineeship opportunities and tangible career pathways.

CROWN COMMUNITY

Overview of Crown Community

Crown Community represents a key focus in developing an inclusive and diverse workforce and contributing to the communities in which Crown operates. Crown is proud to support a number of charities, particularly through employee-led community programs such as the Community Champions, as well as the work undertaken through the Crown Resorts Foundation.

Crown's approach to diversity and inclusion ensures that its workplace remains a dynamic, positive environment where all employees feel valued in their role and comfortable and confident in bringing their whole self to work every day.

Crown's strategy focuses on Crown's people and encompasses several programs including the Indigenous Employment Program, CROWNability, Gender Equity, Crown Pride, the Family Support Network and the Cultural and Linguistic Diversity Employee Network. Crown also has an active environmental sustainability program.

These are just some of the official programs to support Crown's diversity and inclusion strategy but they do not exist in isolation. Crown's approach to diversity and inclusion acknowledges intersectionality; the individual groups employees identify with cannot be compartmentalised and Crown recognises that people can simultaneously belong to multiple groups.

Crown's internal programs were showcased during Crown Community Week, which was celebrated at both the Melbourne and Perth properties. The week comprised of a number of employee events, which celebrated the diversity of Crown's employees and reinforced the way in which they are united in a shared passion and purpose.

Indigenous Employment Program

Crown has an unwavering commitment to the Traditional Owners of the land which it occupies, through respect for culture, lore and closing the gap on Indigenous disadvantage.

Crown's award-winning Indigenous Employment Program is now in its 11th year and is delivering a positive impact in the lives of Aboriginal and Torres Strait Islander people in Australia.



At 30 June 2020, over 950 employment opportunities were created through the Indigenous Employment Program. Crown Perth continues to build its relationship with Bandyup Women's Prison and Boronia Pre-release Centre for Women, working with residents to provide pre-release training, confidence building and employment opportunities.

Crown remains a member of the select 'Elevate' group with Reconciliation Australia which is the highest level of endorsement granted by Reconciliation Australia.

CROWNability

The CROWNability program is Crown's strategy for creating a disability-confident organisation through the provision of meaningful employment opportunities for people with disability. Launched in 2014, CROWNability continues to work closely with industry partners and stakeholders and has successfully provided employment opportunities for 545 people with disability.

With a vision of creating an experience of access and inclusion, the CROWNability program goals are to:

- increase the participation of people with disability in Crown through employment opportunities;
- build meaningful careers; and
- build a disability-confident organisation.

To celebrate the International Day of People with Disability across Crown Melbourne and Crown Perth, CROWNability Ambassador Kurt Fearnley led panel discussions with CROWNability employees, Crown managers and parents of CROWNability employees. Building on the theme 'The Future Is Accessible', the discussion was centred on what CROWNability means to those involved and the positive impact the program is having on the lives of people with disability, their families, Crown staff and the wider community.

CROWNability celebrated Crown Community Week with a series of activities for staff designed to raise awareness of the program, with AUSLAN specialists conducting practical sessions to provide employees with basic skills and knowledge to communicate with deaf people and the wider community.

Gender Equity

Crown published its first Gender Action Plan (GAP) at the end of 2019, which strengthens a long-standing commitment to gender equity. The GAP focuses on five key themes of Recruitment and Promotion, Retention and Development, Cultural Change and Communication, Flexibility, and Intersectionality.

Crown has continued its membership of both the national Male Champions of Change (MCC) program and Western Australia's CEOs for Gender Equity. Crown was a key supporter of the MCC forum on International Women's Day at the ICC Women's T20 Cricket World Cup Final in Melbourne.

Crown continued its support of Women in Gaming and Hospitality Australasia (WGH), an industry driven not-for-profit organisation for advancing women in gaming and hospitality, by hosting networking and professional development sessions and participating in the Women Ahead mentoring program. A member of Crown's Executive Team continues to hold a position on the WGH Board.

Crown's work in Gender Equity also presented an opportunity to expand its program to support employees in their personal lives.

During the financial year, Crown extended its domestic violence support to employees by providing uncapped paid leave for casual employees. Crown has also continued its support for the Ochre Ribbon Campaign, which is an Indigenous-led initiative to raise awareness of the impacts of domestic and family violence in Aboriginal and Torres Strait Island communities.

The Family Support Network (FSN) and the Cultural and Linguistic Diversity Employee Network (CALDEN) held information and networking events during the 2020 financial year to increase awareness of the support services offered throughout Crown. Both networks have been recently moved onto Crown's Workplace platform to further engage with employees during the closure period. CALDEN has celebrated a range of cultural days such as International Mother Language Day and a subnetwork has been created in which employees can assist one another in remotely conversing in new languages they are learning. The FSN has built a resource group with information on further support for employees who may be experiencing hardship in their personal lives.

Corporate Responsibility *continued*



Crown Pride

Crown Pride was established to strengthen Crown's presence in the LGBTIQ+ community and increase awareness among its employees. This commitment to an inclusive community has continued to progress beyond frameworks, Steering Committees and Action Plans to the evolution of the Crown Pride network, both within the workplace and also through relationships with organisations with similar goals.

The Crown Pride network offers information and support, networking events and the opportunity to connect with others across Crown and the wider community. A Crown executive is also a member of the National Pride in Diversity "Executive Allies Forum" which includes select representatives from leading Australian companies in terms of LGBTIQ+ inclusion.

Over the past 12 months, Crown has been actively involved in both internal and external LGBTIQ+ events. In Perth, Crown hosted the PrideFest luncheon in November, which saw over 300 people from across the corporate community in Perth gather to hear the life stories of Senator Louise Pratt, NRL Legend Ian Roberts and Google Creative Director Tea Uglow. Further, the Crown Perth team participated in the WA Pride March for the first time.

In Melbourne, Crown sponsors GLOBE, a community group that aims to support and empower the Victorian LGBTIQ+ community. Together, Crown Pride and GLOBE held a number of networking events at Crown which created opportunities to build professional, safe and supportive environments for networking. During the year, the Crown Melbourne Pride network also attended the Midsumma Fair day for the second year.

These represent significant steps in developing a workplace where Crown employees can confidently and comfortably bring their whole selves to work and in developing a corporate community that respects and enhances their commitment to broaden the Pride Network.

Environmental Sustainability

The aim of Crown's environmental sustainability program, CROWNEARTH, is to deliver strategies, plans, actions and outcomes in environmental sustainability.

Crown takes a group-wide approach to environmental sustainability, aligning strategies and programs that further reduce the environmental impact and contribute to developing more sustainable practices, focusing on three key areas: energy, waste and water management.

Despite a particularly challenging year, Crown is proud of its continuous improvement programs and pragmatic approach to delivering sustainable outcomes.

During the 2020 financial year, Crown achieved a reduction in emissions intensity of 4% per area which equates to over 7,668 tonnes of carbon (t CO₂-e), a 5% reduction in total emissions compared to the previous financial year.

Over the past five years, against the 2015 financial year as a baseline, Crown has reduced total carbon emissions by nearly 27,000 tonnes (t CO₂-e), and lowered emissions intensity per area (m²) by 24%.

Crown's Recycle90 Program continues to be integral to Crown's overall waste management strategy. In the 2020 financial year, Crown diverted approximately 62% of waste away from landfill, with well-documented issues within the waste industry in Victoria impacting Crown Melbourne's diversion rates. Crown Perth continued to perform exceptionally well and, prior to COVID-19, was diverting approximately 80% of waste away from landfill. Over the past five years, against the 2015 financial year as a baseline, Crown has diverted approximately 68,000 tonnes of waste away from landfill.

The 2020 financial year saw a continued focus on staff engagement with regular events, training and communications to ensure staff and contractors are kept informed of Crown's environmental performance and progress, and to continue to embed sustainability as part of Crown's culture.

Crown's well-established, employee-led CROWNEARTH Committees continue to remain very active, focusing on numerous energy, water and waste management initiatives, as well as community-focused projects to improve the overall sustainability performance of the business.



Throughout the year, Crown and its employees supported a number of environmental initiatives, including:

- collecting plastic bottle tops and raising funds for Envision Hands, a not-for-profit community initiative that uses 3D printing to turn plastic waste into mechanical hands and arms for children around the world;
- donating over two tonnes of soap bars to Soap Aid, a not-for-profit organisation which recycles and sends soap to communities facing major hygiene challenges;
- donating over three tonnes of soft linens and furniture to various charities and community organisations including The Salvation Army, Lort Smith and the Lost Dogs' Home; and
- hosting a "Big Aussie Swap", a clothing recycling event during National Recycling Week

Supporting the Community

Crown firmly believes in, and is absolutely committed to, supporting the communities in which it operates. Crown takes its responsibility to its community seriously with an ongoing, proactive effort to make a genuine difference in the lives of many people.

Crown supports many community causes and organisations through employee volunteering opportunities, a variety of resort-specific community partnerships and, of course, the Crown Resorts Foundation. The diverse range of ways Crown offers practical community support includes the support of charities, through promoting, hosting and subsidising key fundraising events, as well as providing goods and services for use as raffle prizes for community fundraisers.

The community groups and charitable organisations which Crown supports include local kindergartens, CFA units and Surf Lifesaving Clubs and larger charitable organisations such as Challenge Cancer, Stop The Cowards Punch, Guide Dogs and Cystic Fibrosis Foundation. Crown is also a major community partner of the Victoria Police Blue Ribbon Foundation.

Some of the major fundraising events held at Crown have been for charities such as MY ROOM – Children's Cancer Charity, the Mirabel Foundation, Assistance Dogs Australia and Sony Foundation.

Crown is also very proud of its employees who donate their precious time with enthusiasm and generosity to support a variety of worthwhile causes.

For the last few years, Crown has been a supporter of the Melbourne Firefighter Stair Climb (MFSC), held at Crown Metropol Melbourne. Members come to race up to the top of Crown Metropol, dressed in full firefighting uniform and equipment, with their families and friends cheering them on. The MFSC has raised over \$2 million for charity since being established and the charities that have received some of the funds include Lifeline, Black Dog Institute, Emergency Services Foundation, the Alfred Hospital Burns Unit and the Peter MacCallum Cancer Centre, to name a few.

The ongoing success of the Children's Cancer Foundation's Million Dollar Lunch is always a highlight in the community support calendar and, in the 2020 financial year, Crown was thrilled to play a significant part in raising more than \$2 million.

The community partnership fundraising events that are organised by employees throughout Crown are another success story. Past fundraising events have helped many different organisations, including SIDS and Kids, the Cancer Council, Oxfam and Jeans for Genes, to name just a few. More formal fundraising activities are organised by the Crown Resorts Foundation – Community Champions, in partnership with the Crown Resorts Foundation.

For 25 years, Christmas Day has been a day where Crown volunteers truly show their support for the community. On Christmas Day 2019, Crown volunteers packaged up 500 hampers for families in need across Melbourne and delivered them to guests of the Les Twentyman Foundation, who were celebrating Christmas at the Westend Market Hotel in Sunshine. After a hot breakfast, entertainment and presents for all the children, guests went home with Crown Christmas lunch hampers to ensure a special day for families in need.

During the year, Crown donated over 20 tonnes of food and produce. Crown Melbourne donated over nine tonnes of produce to the Victorian Parliament catering team to create packaged meals for the Salvation Army, the Father Bob Maguire Foundation, the St Vincent de Paul Society and St Mary's House of Welcome. Crown Perth donated twelve tonnes of produce to Foodbank WA, along with a donation of Easter eggs to Ronald McDonald House.

Corporate Responsibility *continued*



Crown Resorts Foundation

The National Philanthropic Fund is a 10-year, \$200 million joint commitment of the Crown Resorts and Packer Family Foundations (the Foundations) to provide financial support to not-for-profit organisations focusing on Indigenous education, arts, culture, community welfare and medical research programs.

The conclusion of the 2020 financial year marks the end of the sixth year of the Foundations' National Philanthropic Fund. Over this period the Foundations have allocated over \$105 million to 330 grant recipients, ranging from 10-year multi-million-dollar commitments to one-off employee-nominated grants.

During the year, 65 new arts education program recipients were announced from Western Sydney, Melbourne and Perth, with \$19.2 million to be allocated over the next three years to these programs. A further \$6.8 million has also been allocated through 11 new multi-year Indigenous education grants.

Significantly, in January 2020, in recognition of the scale and damage inflicted by the Black Summer bushfires, the Foundations committed a further \$4 million, taking their total commitment to \$5 million, in support of the firefighting effort and recovery. The funds were allocated to the NSW Rural Fire Service, Victorian Country Fire Authority, Western Australia Bush Fire Brigade, Australian Red Cross, Salvation Army, WIRES and Zoos Victoria.

The bushfires were followed by the COVID-19 pandemic, presenting further challenges for many communities across Australia and the organisations that support them. In the face of these challenges, the Foundations' program partners have done a tremendous job in continuing to support their communities. Many program partners were already engaging with marginalised and isolated groups, so as communities have adhered to further imposed mandatory isolation, these organisations have had to be nimble, creative and respectful with their response in providing support which is now needed more than ever.

Community Champions

The Crown Resorts Foundation Community Champions was established to deliver a creative employee-focused program aimed at recognising the work employees undertake in the community and providing opportunities for them to engage with Foundation partners and other charities with which they are involved. The program has been operating in Crown Melbourne for several years and was introduced in Crown Perth in 2019.

Managed entirely by employees who volunteer their time, the Community Champions considers employee engagement with their communities to be exceptionally important, as it provides an opportunity to better understand some of the challenges affecting the community.

The Foundations provide funds to a number of community welfare organisations which support the inner-city communities of Melbourne and Perth. These partnerships are strongly supported by the Community Champions.

The Community Champions programs include CROWNversations – a monthly series of presentations where employees have the rare opportunity to meet some extraordinary Australians who are making a difference in the community, CROWNverteering – a service open to all Crown employees interested in volunteering enabling employees to be linked to charities in their area of interest, and a Community Grants Program – focusing on providing monetary support to charities and not-for-profit organisations nominated by employees.

This group has led a number of exceptionally popular Crown employee activations including book drives in support of the Australian Literacy and Numeracy Foundation where, to date, over 5,000 books have been donated for distribution to Indigenous and newly-arrived migrant communities across Australia. Over \$350,000 has been donated to organisations across Melbourne and Perth under the Community Grants Program.

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.

Following the release of the Corporate Governance Council's Fourth Edition of the Corporate Governance Principles and Recommendations, Crown has updated certain of its governance practices in advance of reporting against the Fourth Edition of the Corporate Governance Principles and Recommendations. Crown will report against the Fourth Edition of the Corporate Governance Principles and Recommendations in its 2021 Corporate Governance Statement.

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

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 standing 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
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 standing Committee has adopted a formal Charter that outlines its duties and responsibilities.

From time to time, the Board establishes special purpose committees as appropriate.



More information

The Crown Committee Charters are 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, with the exception of the Managing Director, 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 information on the skills and experience of the relevant Director and the independence status of that director, and provides a recommendation of the Board in relation to the proposed election or re-election.



More information

Crown's past and present Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors & Media – Annual General Meetings.

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

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
<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 Crown's Diversity Policy.</p> <p>In order to meet this Objective, all positions in Crown 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>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 2019.</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 below 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>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>During the 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 Equality 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 review, 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.</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 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>Throughout the financial year, the following initiatives were achieved at Crown, in alignment with the MCC Action Group meetings:</p> <p>Promoting female sports</p> <p>Crown was a key sponsor for the ICC Women's T20 World Cup Final MCC forum.</p> <p>Flexible work arrangements</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>Violence against women</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. To date, Crown has provided over 550 room nights under this program.</p>
<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 financial year, Crown published its first 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, Crown progressed the following GAP objectives:</p> <p>Recruitment and Promotion</p> <p>Development of reporting dashboards to monitor Crown's progress against its 40:40:20 target.</p> <p>Retention and Development</p> <p>Development of a talent management framework to manage and track this objective.</p> <p>Flexibility</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>Cultural Change and Communication</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>Intersectionality</p> <p>Crown continued its focus on intersectionality, raising awareness of Crown's diversity programs through Crown Community and through the Crown Pride, Cultural and Linguistically Diverse, and Family Support employee networks.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2020 was 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 24 women in senior executive positions in the group. This represents 28.6% of senior executive positions in the group.
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 Crown’s Gender Objectives and, for financial year 2021, resolved to adopt the Gender Objectives included in Crown’s Gender Action Plan for F20 to F23.

As detailed above, during the 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 program 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 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 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

Crown's Diversity Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Crown's Gender Action Plan 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

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 key performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration for 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 (formerly the Nomination and Remuneration 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:

- 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;
- implement the Selection Procedure and make nomination recommendations to the Board;
- develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- 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
- oversee the induction process is 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:

- the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- 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
- finally, all existing Board members must approve 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. the review and recommendation of appropriate remuneration arrangements for Executive Directors and relevant Senior Management including the level of remuneration and relevant contracted term; 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:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2021; and
- 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:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- 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 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.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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
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.

The People, Remuneration and Nomination Committee is responsible for developing Crown's Board succession plan to ensure 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 <i>Chairman</i>	Independent	8 Years, 9 Months
Professor John S Horvath AO , MB, BS (Syd), FRACP, FAAHMS, FRCPA (Hons) <i>Deputy Chairman</i>	Independent	10 Years
Ken M Barton , BEc, CA, FFin <i>Managing Director</i>	Non-independent	6 Months
John H Alexander , BA <i>Executive Director</i>	Non-independent	13 Years, 2 Months
Andrew Demetriou , BA, Dip. Ed <i>Non-executive Director</i>	Independent	5 Years, 8 Months
Jane Halton AO PSM , BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW) <i>Non-executive Director</i>	Independent	2 Years, 4 Months
Guy Jalland , LLB <i>Non-executive Director</i>	Non-independent	2 Years, 5 Months
Michael R Johnston , BEc, CA <i>Non-executive Director</i>	Non-independent	13 Years, 2 Months
Antonia Korsanos , BEc, CA, GAICD <i>Non-executive Director</i>	Independent	2 Years, 4 Months
Harold C Mitchell AC <i>Non-executive Director</i>	Independent	9 Years, 7 Months
John H Poynton AO , BCom, Hon DCom, FAICD, SF Fin (Life), FAIM <i>Non-executive Director</i>	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 the Chairman and Chief Executive Officer are exercised by separate persons. In January 2020, the Crown Board appointed The Honourable Helen Coonan as Chairman and Professor John Horvath as Deputy Chairman 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.

Directors are requested to complete certain of Crown's online training modules, including Anti-money Laundering, Anti-bribery and Corruption, Cyber Security Awareness and Responsible Gaming.

In an attempt to provide more structure to Director professional development, the People, Remuneration and Nomination Committee oversees the induction process which 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.



More information

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 25 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

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 and the Chief Financial Officer a declaration that, in their opinion:

- the financial records of Crown have been properly maintained;
- 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
- the opinion has been formed on the basis of a sound system of risk management and internal controls 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:

- 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;
- the assessment of information by the Disclosure Committee and, where appropriate, the Board, and for the disclosure of material information to the market; and
- the broader publication of material information to the media, analysts and investors.



More information

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

More information is available at: 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:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Advance notification of results announcements dates is made via Crown's website.



More information

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 participate in all meetings of shareholders. The date of Crown's AGM is advertised well in advance on its website, is announced to the ASX and is separately communicated to investors.

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 and an archive of the AGM webcast is subsequently available on Crown's website.

At the AGM, the Chairman encourages shareholders to ask questions on the items of business.



More information

Crown's Notices of Meeting and the webcast are 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. All members of the Committee are Non-executive Directors and a majority of those Committee members are Independent Directors.

The Chair of the Risk Management Committee, Ms Halton, 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

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 reflects 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 was 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.

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:

- the quality of its workplace;
- its environmental footprint;
- its level of community engagement;

- the creation of a safe environment for its customers, employees and contractors; and
- 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:

- establishing appropriate corporate responsibility policies and programs for Crown;
- monitoring and reviewing the operation and effectiveness of Crown's corporate responsibility policies and programs;
- promoting and supporting continuous improvement in Crown's corporate responsibility performance;
- encouraging and monitoring the establishment and maintenance of relationships with key stakeholders; and
- 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

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.

Directors' Statutory Report

Operating and Financial Review

The commentary included in this report omits some information which might be considered relevant to Crown's business strategies, prospects for future financial years and material risks on the basis that the Directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Principal Activities

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector.

In Australia, Crown owns and operates two of Australia's leading integrated resorts – Crown Melbourne and Crown Perth.

Crown is in the final stages of construction of the Crown Sydney Hotel Resort which is expected to open progressively from December 2020.

Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (85%) and Chill Gaming (50%), and holds equity interests in Aspers Group (50%) and Nobu (20%).

Crown also holds a 100% interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex.

Review of Operations

From late January 2020, Crown began to experience softer trading as a result of travel restrictions and general community uncertainty associated with the COVID-19 pandemic, particularly impacting visitation to Crown Melbourne.

In March 2020, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately 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.

As a result of the mandated closure of Crown's properties, Crown was forced to substantially reduce its workforce through a series of stand downs. On 16 April 2020, Crown announced that it had progressively stood down, on either a full or partial basis, approximately 95% or over 11,500 of its employees.

Gaming activities at Crown Melbourne and Crown Aspinalls remained closed through to 30 June 2020.

With effect from 27 June 2020, Crown Perth recommenced gaming activities and the operation of the majority of its food and beverage venues under temporary restrictions agreed with the Western Australian Government, including:

- capacity limits at each venue based on a prescribed maximum density of at least two square metres of space for each person;
- physical distancing between patrons at electronic gaming machines and electronic table games, including the deactivation of every second electronic gaming machine and electronic table game terminal;
- restricting the number of players at table games; and
- enhanced hygiene protocols.

Whilst only for a relatively short period of time, the initial trading performance at Crown Perth has been encouraging given the operating restrictions which remain in place, including physical distancing requirements, travel restrictions and limited product availability.

During the year, Crown Melbourne and Crown Perth qualified for the Commonwealth Government's JobKeeper program. Through this program, Crown recorded \$43.4 million in payroll subsidies relating to the period through to 30 June 2020 for employees that continued to work in either a full or partial capacity. In addition, Crown recorded \$67.9 million in JobKeeper payments relating to the period through to 30 June 2020 on behalf of employees that were stood down which were paid in their entirety to Crown's employees.

During the mandated closure period, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities. Crown has separately identified these costs in reporting its results for the full year ended 30 June 2020.

Crown reported a consolidated net profit after tax (NPAT) attributable to the parent of \$79.5 million for the 12 months ended 30 June 2020. Theoretical⁽¹⁾ EBITDA before Closure Costs⁽²⁾ and Significant Items⁽³⁾ was \$503.8 million, down 37.2%. Crown's financial results reflected the impact of COVID-19 and the closure of its properties.

Performance for the year ended 30 June 2020		\$m
Reported EBITDA		504.6
Reported NPAT attributable to Crown		79.5
Theoretical ⁽¹⁾ EBITDA before Closure Costs ⁽²⁾ & Significant Items ⁽³⁾		503.8
Theoretical ⁽¹⁾ NPAT attributable to Crown before Closure Costs ⁽²⁾ & Significant Items ⁽³⁾		161.0

- Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play. Theoretical results are a non-IFRS measure.
- Closure Costs of \$81.6 million (net of tax), include costs incurred during the mandated closure of Crown's properties and investments, excluding costs in relation to hotel quarantine services and Crown's Wagering & Online businesses. Closure Costs are a non-IFRS measure.
- Significant Items of \$78.7 million (net of tax) include the impairment of Crown Aspinalls, the impairment of Crown's investment in Nobu, Crown Sydney pre-opening costs and costs related to the reassessment of DGN contingent consideration. Significant Items are a non-IFRS measure.

The activities and results of Crown's operations are discussed in further detail below.

Crown Melbourne

Theoretical revenue of \$1,477.8 million was down 31.4% on the prior comparable period (pcp).

Main floor gaming revenue was \$890.6 million, down 27.9% on the pcp, which comprises table games (non-program play) revenue of \$548.7 million (down 29.0% on the pcp) and gaming machine revenue of \$341.9 million (down 26.1% on the pcp).

Theoretical VIP program play revenue was \$224.9 million, down 49.1% on the pcp, with turnover of \$16.7 billion. Actual VIP program play revenue was \$352.3 million, down 22.4% on the pcp, with an above theoretical win rate on VIP program play turnover during the period.

Non-gaming revenue was \$362.3 million, down 24.3% on the pcp.

Overall hotel occupancy across Crown Melbourne's three hotels was approximately 82%, with Crown Towers hotel occupancy 70.7%, Crown Metropolitan hotel occupancy 86.8% and Crown Promenade hotel occupancy 87.5%. These rates include hotel rooms that were provided to the Victorian Government for the purpose of quarantining returned travellers.

Theoretical EBITDA before Closure Costs was \$354.3 million, down 39.9% on the pcp. Costs incurred

during the mandated closure of Crown Melbourne were \$65.8 million for the year. These Closure Costs are net of \$26.6 million in payroll subsidies under the Commonwealth Government's JobKeeper program. Theoretical EBITDA after Closure Costs of \$288.5 million was down 51.1% on the pcp.

Reported EBITDA for the period was \$381.8 million, down 37.9% on the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$93.3 million. This compares to a positive EBITDA impact of \$25.5 million in the pcp.

The overall theoretical operating margin before Closure Costs decreased from 27.3% to 24.0%. The decline in margin was largely due to the decline in revenues and an increase in labour costs over the period prior to closure.

Crown Perth

Theoretical revenue of \$613.3 million was down 23.3% on the pcp.

Main floor gaming revenue was \$344.6 million, down 24.1% on the pcp, which comprises table games (non-program play) revenue of \$137.6 million (down 26.4% on the pcp) and gaming machine revenue of \$207.0 million (down 22.6% on the pcp).

Theoretical VIP program play revenue was \$49.5 million, down 31.2% on the pcp, with turnover of \$3.7 billion. Actual VIP program play revenue was \$45.9 million, down 45.6% on the pcp, with a below theoretical win rate on VIP program play turnover during the period.

Non-gaming revenue was \$219.2 million, down 19.7% on the pcp.

Overall hotel occupancy across Crown Perth's three hotels was approximately 66%, with Crown Towers hotel occupancy 61.1%, Crown Metropolitan hotel occupancy 68.8% and Crown Promenade hotel occupancy 70.2%. These rates include hotel rooms that were provided to the Western Australian Government for the purpose of quarantining returned travellers.

Theoretical EBITDA before Closure Costs was \$161.8 million, down 27.1% on the pcp. Costs incurred during the mandated closure of Crown Perth were \$19.7 million for the year. These Closure Costs are net of \$16.8 million in payroll subsidies under the Commonwealth Government's JobKeeper program. Theoretical EBITDA after Closure Costs of \$142.1 million was down 36.0% on the pcp.

Reported EBITDA for the period was \$154.2 million, down 37.0% on the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$12.1 million. This compares to a positive EBITDA impact of \$22.8 million in the pcp.

The overall theoretical operating margin before Closure Costs decreased from 27.8% to 26.4%. The decline in margin was driven by soft revenues and increasing labour costs over the period prior to closure.

Crown Aspinalls

Crown Aspinalls was negatively impacted by the challenging market conditions across the international VIP market globally as well as the closure of the property on 20 March 2020.

Theoretical EBITDA before Closure Costs was a loss of \$2.7 million. Costs incurred during the mandated closure of Crown Aspinalls were \$1.2 million. These Closure Costs are net of \$2.6 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK. Theoretical EBITDA after Closure Costs was a loss of \$3.9 million.

Reported EBITDA for the period was \$2.3 million, down 58.7% on the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$6.2 million. This compares to a negative EBITDA impact of \$0.7 million in the pcp.

Crown Digital

Crown's wagering and online social gaming operations comprise Betfair Australasia (a 100% owned, online betting exchange) and DGN Games (an 85% owned, online social gaming business).

Crown's wagering and online social gaming operations continued to operate throughout the year.

EBITDA from Crown's wagering and online social gaming operations was \$34.7 million, up 32.9% on the pcp. The improved EBITDA result was driven by strong performances from both Betfair and DGN.

Impairments

At 30 June 2020, indicators of impairment were identified for the Crown Aspinalls cash generating unit. 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 Cash Generating Unit (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).

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 reduced the carrying amount of the investment in Nobu by \$21.7 million.

Corporate Costs

Corporate Costs before Significant Items during the year were \$64.9 million, \$23.2 million above the pcp. The increase in Corporate Costs was driven by an increase in insurance costs and costs associated with regulatory inquiries, whilst prior year Corporate Costs included certain one-off benefits. In addition, during the period Crown provided support for Australians impacted by the summer bushfires.

The above Corporate Costs before Significant Items of \$64.9 million includes \$20.6 million of costs incurred during the mandated closure of Crown's properties.

Corporate Costs are expected to be higher next year as a result of the full year impact of the increase in insurance costs.

Cash Flow, Debt and Capital Management

Net operating cash flow for the period of \$326.9 million compared to net operating cash flow of \$778.1 million in the pcp. Other material cash flow items incurred during the period included capital expenditure of \$746.2 million, which includes the acquisition of the Schiavello Group's 50% ownership interest in the One Queensbridge development site as well as all pre-development assets for approximately \$80 million, Crown's continued investment in the development of Crown Sydney and dividend payments of \$406.2 million.

In November 2019, Crown redeemed its Australian Medium Term Notes, which reduced Crown's gross debt by approximately \$259 million. In April 2020, Crown entered into new bilateral facilities with relationship banks for a total of \$560 million, with a mix of two and four year maturities.

At 30 June 2020, Crown's net debt position was \$891.5 million (excluding working capital cash of \$48.4 million). This consisted of total debt of \$1,130.0 million and cash (excluding working capital cash) of \$238.5 million.

Given the uncertainty surrounding the ongoing closure of Crown Melbourne, Crown secured agreement from its lenders for a waiver of banking covenants in relation to the 31 December 2020 testing date. No waiver was required for the 30 June 2020 testing date.

At 30 June 2020, total liquidity, excluding working capital cash, was \$639.8 million, represented by \$238.5 million in available cash and \$401.3 million in committed undrawn facilities.

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

Net interest expense for the period was minimal, which compared to a net interest expense of \$10.1 million in the pcp. The reduction in net interest expense reflects the increased capitalised interest associated with the construction of the Crown Sydney project.

Theoretical income tax expense before Closure Costs and Significant Items was \$71.6 million, \$90.4 million below the pcp.

Business Strategies

Crown's strategic plan is to focus on the following key objectives:

- recovering from the impact of COVID-19, including through:
 - the resumption of operations with strict adherence to approved physical distancing and hygiene protocols;
 - returning to a profitable operation and improving the underlying performance of Crown Melbourne, Crown Perth and Crown Aspinalls, including through investments to stimulate visitation and spend as well as through the management of costs; and
 - effective engagement with employees;
- delivering the Crown Sydney project on time and on budget and commencing operations;
- continuing to explore ways to enhance Crown's compliance and governance processes, including with respect to matters the subject of the ILGA Inquiry;
- continuing to grow and create value from Crown Digital;
- supporting the operations of Crown's other equity accounted investments to enhance their performance;
- continuing to deliver returns to shareholders;
- continuing to proactively engage with relevant stakeholders, including regulators, law enforcement agencies and the community; and
- maintaining an appropriate and efficient capital structure.

Business Risks

Crown has established a risk management framework, using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines, for the oversight and management of material business risks. It 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 through the Risk Management Committee.

The Risk Management Committee administers the 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.

Various risks, some of which are beyond Crown's reasonable control, could have a material impact on the achievement of Crown's business strategies and future prospects. These risks, together with the mitigating strategies, are summarised below. The risks presented below are not intended as an exhaustive list of all the risks and uncertainties associated with Crown's businesses.

As noted in the Review of Operations section of this Report, the COVID-19 pandemic has had a significant impact on Crown, with relevant State and Federal Governments directing Crown to modify its operating conditions and mandating closures from 20 March 2020 for Crown Aspinalls and 23 March 2020 for Crown Melbourne and Crown Perth. Having regard to the impacts of COVID-19 on Crown, the Board directly, and through the Risk Management and Occupational Health and Safety Committees, has monitored and overseen Crown's response to the pandemic. The future impacts of COVID-19 on Crown and its operations, including the severity and duration, remain uncertain.

Additional risks and uncertainties not presently known to management and the Board, or that management and the Board currently believe to be immaterial or manageable, may also adversely impact Crown.

Material Business Risks	Mitigation Strategies
<p>Legal and Regulatory Compliance</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 or ultimately loss of licence 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 will shortly commence the progressive implementation of its Joint AML/CTF Program and its associated AML/CTF Framework to align the processes across Crown's Australian Resorts.</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> <p>Crown engages external consultants from time to time to review and advise on components of its legal, governance and compliance frameworks.</p>
<p>Legal and Regulatory Changes</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.</p> <p>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>
<p>Reputation</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> <p>Crown has in place business and contingency planning processes, including corporate and communication crisis planning.</p>

Material Business Risks	Mitigation Strategies
<p>External Events</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 conservatively.</p>
<p>Relationships with Key Stakeholders</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 proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations.</p>
<p>Terrorism</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>Crown considers and updates its terrorism deterrent measures as appropriate.</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>
<p>Litigation</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>
<p>Data Security</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>
<p>Volatility of Gaming Revenue</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>
<p>Third Party Default</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 has an allowance for expected credit loss which is monitored on an ongoing basis and is recognised within the Groups audited financial statements. The allowance is considered a Key Audit Matter in the Independent Auditor's Report.</p>

Significant Changes in State of Affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2019 include:

COVID-19

The COVID-19 pandemic has had a significant impact on Crown. In particular, relevant State and Federal Governments directed Crown to modify its operating conditions and ultimately 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.

Crown made a number of announcements in relation to the impacts of COVID-19, including:

- the stand down, on either a full or partial basis, of approximately 95% or 11,500 of its employees at Crown Melbourne and Crown Perth;
- Crown's Chief Executive Officer and Managing Director and certain other members of Crown's senior management took a 20% reduction in fixed remuneration from 16 April to 30 June 2020;
- Crown's Non-executive Director fees were reduced by 20% from 16 April to 30 June 2020; and
- the F20 interim dividend payment date was deferred from 3 April 2020 to 17 April 2020.

On 27 June 2020, Crown Perth re-commenced operations of its casino and gaming floor food and beverage outlets under temporary restrictions agreed with the Western Australian Government.

Based on current trading levels, Crown Perth is not expected to qualify for the JobKeeper program beyond 27 September 2020. However, at the date of this Report, it is expected that Crown Melbourne will continue to qualify for the JobKeeper program beyond 27 September 2020 given the continued closure of that property.

The future impacts of COVID-19 on Crown and its operations remain uncertain.

Other Significant Transactions and Matters

- On 8 August 2019, Crown was informed by the New South Wales Independent Liquor and Gaming Authority (ILGA) that it would be conducting an inquiry under s143 of the *Casino Control Act 1992* (NSW) (Inquiry). The Terms of Reference in relation to the Inquiry were subsequently released on 29 August 2019. The Victorian Commission for Liquor and Gambling Regulation also announced it would re-examine issues relating to Crown Melbourne that were reported in the media in mid-2019.
- On 19 August 2019, Crown announced that it had settled its dispute with Infrastructure New South Wales (formerly the Barangaroo Delivery Authority) in

connection with the Crown Sydney Hotel Resort, the terms of which are confidential. The outcome of the settlement provides for the retention of the sight lines across Central Barangaroo from the Harbour Bridge to the Sydney Opera House.

- On 29 August 2019, Crown announced that it had been informed that CPH Crown Holdings Pty Limited and Melco Resorts & Entertainment Limited had agreed to amend the Share Sale Agreement in relation to the sale of 19.99% of the issued capital of Crown to Melco Resorts & Entertainment Limited which had previously been entered into on 31 May 2019. On 7 February 2020, Crown subsequently announced that it had been informed that CPH Crown Holdings Pty Limited and Melco Resorts & Entertainment Limited had entered into a deed to terminate the obligations under the Share Sale Agreement regarding completion of the sale of the second tranche of Crown Shares.
- On 17 October 2019, Crown announced that it had reached a confidential settlement agreement with the Australian Taxation Office in relation to the tax dispute which was before the Federal Court and the Administrative Appeals Tribunal on the tax treatment of some of the financing for Crown's investment in Cannery Casino Resorts in North America for the financial years ended 30 June 2009 to 30 June 2016 and related issues arising in respect of the financial years ended 30 June 2015 to 30 June 2018.
- On 8 November 2019, Crown announced that it had completed the purchase of the Schiavello Group's 50% interest in the One Queensbridge development site as well as all pre-development assets.
- On 16 April 2020, Crown announced that it had entered into new bilateral facilities with relationship banks for a total of \$560 million.
- On 29 April 2020, Crown announced that it had been informed that an entity owned by funds managed or advised by The Blackstone Group Inc. and its affiliates had purchased 67,675,000 shares in Crown, representing 9.99% of the issued capital of Crown, from Melco Resorts & Entertainment Limited at a price of \$8.15 per share.
- On 24 June 2020, Crown announced that it had been informed by the NSW Independent Liquor and Gaming Authority that it would be resuming its inquiry under section 143 of the *Casino Control Act 1992* (NSW), which had been deferred on 3 April 2020. Revised Terms of Reference in relation to the Inquiry were also published on 24 June 2020. Crown will continue to fully co-operate in relation to the Inquiry.

Board and Senior Executive Changes

- On 24 October 2019, Crown announced that Geoffrey Dixon retired as a Director of Crown.

- On 24 January 2020, Crown announced the following Board and Senior Executive Changes:
 - The Honourable Helen Coonan had been appointed as Chairman of Crown;
 - Professor John Horvath AO had been appointed as Deputy Chairman of Crown;
 - Ken Barton, Crown's Chief Financial Officer, had been appointed as Managing Director and Chief Executive Officer of Crown, with the position of Managing Director becoming effective on 3 March 2020 following the receipt of necessary regulatory approvals;
 - John Alexander had stepped down as Executive Chairman of Crown and, to assist with the transition of the Chair and Chief Executive Officer roles, would remain as an Executive Director of Crown for a term of 12 months; and
 - the Crown Melbourne Limited, Crown Sydney Gaming Pty Ltd and Burswood Limited Boards had separately appointed a Non-executive Director as Chair to each of those Boards. Andrew Demetriou was appointed as Chair of Crown Melbourne Limited, Jane Halton AO PSM was appointed as Chair of Crown Sydney Gaming Pty Ltd and John Poynton AO was appointed as Chair of Burswood Limited.
- On 13 March 2020, Crown announced that Alan McGregor had been appointed as the Chief Financial Officer of Crown, subject to the receipt of any necessary regulatory approvals. Mr McGregor's appointment became effective on 20 August 2020.

Significant Events After Balance Date

- On 27 July 2020, the 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.
- Subsequent to 30 June 2020, Crown executed a \$450 million project finance facility to support the continuation of the construction of Crown Sydney with three relationship banks. Post execution, Crown drew down \$226.5 million from this facility. At the date of this Report, the majority of this amount is held as cash and cash equivalents. This project finance facility is secured by certain property, plant and equipment and will mature in December 2021. This facility is expected to be fully retired by the proceeds of the apartment sales.
- Having regard to the impact on Crown's businesses from the mandatory closures and the uncertainty surrounding the resumption of trading at Crown Melbourne, the Board determined not to declare a final dividend on ordinary shares. Consistent with the Board approved Dividend Policy, future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time.
- On 15 August 2020, gaming activities re-commenced at Crown Aspinalls.
- On 19 August 2020, Crown announced that the Board had approved the appointment of KPMG as Crown's statutory auditor from the financial year beginning 1 July 2020, following completion of a competitive tender process. The appointment remains subject to the receipt of shareholder and regulatory approvals, with shareholder approval to be sought at Crown's 2020 Annual General Meeting.

Environmental Regulation

The National Greenhouse and Energy Reporting Act 2007 (NGER Act) established a mandatory reporting system for corporate greenhouse gas emissions and energy production and consumption. Crown is required to report emissions under the NGER Act. Relevant reports have been submitted during the year.

Key features of the NGER Act include:

- reporting of greenhouse gas emissions, energy consumption and production by large corporations;
- corporate level public disclosure of greenhouse gas emissions and energy information; and
- providing consistent and comparable data for decision making.

Under the Western Australian Water By-laws legislation, Crown Perth is required to complete annual water management assessments and submit water efficiency management plans. Relevant reports have been submitted during the year.

Environmental issues are important to Crown and it has taken a number of initiatives in this regard.

Crown acknowledges the potential impact climate change and extreme weather events could have on its operations and its longer-term sustainability. This strategic consideration has been an area of focus for Crown.

A review of Crown's climate related risks is underway having regard to the recommendations set out by the Task Force on Climate-related Financial Disclosures (TCFD).

Likely Developments

Crown Sydney Project

The Crown Sydney Hotel Resort is in the final stages of construction with the 275 metre tower reaching the significant "Topping Out" milestone in May 2020, marking the completion of vertical construction. Construction of the hotel guestrooms and suites located on floors 6-23 are substantially complete. The podium structure and façade are complete with interior fit out well advanced across all areas.

The residential component of the project, "One Barangaroo", which is located in the upper portion of the tower, is progressing on schedule with the first residents scheduled to move into the building in March 2021.

With over 1,400 workers on site finalising the project, the hotel resort remains on schedule to open progressively from

December 2020. Recruitment activities are underway for the 2,000 people expected to be employed at Crown Sydney once it is fully operational, who will help bring Crown Sydney to life.

Crown has invested approximately \$1.7 billion into the Crown Sydney project to date. The total project cost remains unchanged, with the gross project cost expected to be approximately \$2.2 billion and the net project cost expected to be approximately \$1.4 billion.

One Queensbridge Development Site

Crown holds a 100% ownership interest in the One Queensbridge development site, following the completion of the purchase of the Schiavello Group's 50% ownership interest in November 2019.

The One Queensbridge development site is strategically located adjacent to the Crown Melbourne entertainment complex and Crown will continue to assess the various options for the site. The One Queensbridge site could accommodate a fourth Crown hotel which would deliver significant economic and tourism benefits to Victoria, including additional employment and training opportunities.

Other than the developments described in this Report, the Directors are of the opinion that no other matter or circumstance will significantly affect the operations and expected results for the Crown group.

Dividends and Distributions

Interim Dividend: Crown paid an unfranked interim dividend of 30 cents per ordinary share on 17 April 2020. The unfranked dividend was paid from conduit foreign income.

Final Dividend: The Directors of Crown have not declared a final dividend having regard to the impact on Crown's businesses from the COVID-19 mandated closures and the uncertainty surrounding the resumption of trading at Crown Melbourne.

	Dividend per share	\$
Interim Dividend paid	30.0 cents per share	203,147,481.30
Final Dividend	-	-
Total	30.0 cents per share	203,147,481.30

On 4 October 2019, Crown paid shareholders a final dividend in respect of the 2019 financial year of \$203.1 million.

Directors and Officers

Director Details

Set out below are the names of each person who has been a Director of Crown during or since year end and the period for which they have been a Director. There are currently eleven Directors.

Name	Date Appointed	Date Ceased
The Honourable Helen Anne Coonan	2 December 2011	
Professor John Stephen Horvath AO	9 September 2010	
Kenneth McRae Barton	3 March 2020	
John Henry Alexander	6 July 2007	
Andrew Demetriou	29 January 2015	
Geoffrey James Dixon	6 July 2007	24 October 2019
Jane Halton AO PSM	23 May 2018	
Guy Jalland	16 April 2018	
Michael Roy Johnston	6 July 2007	
Antonia Korsanos	23 May 2018	
Harold Charles Mitchell AC	10 February 2011	
John Hartley Poynton AO	20 November 2018	

At Crown's 2019 Annual General Meeting, John Poynton AO, Helen Coonan, Andrew Demetriou and Harold Mitchell AC stood for election/re-election as Directors. Each Director was elected/re-elected at that meeting.

On 3 March 2020, the appointment of Ken Barton as Managing Director of Crown became effective following the receipt of all necessary regulatory approvals.

The details of each Director's qualifications and experience as at the date of this Report are set out below.

Details of all directorships of other Australian listed companies held in the three years before the end of the financial year have been included.



The Honourable Helen A Coonan,
BA, LLB
Chairman

The Honourable Helen Coonan is the Chairman of Crown having been appointed in January 2020.

Ms Coonan has had an extensive professional career in leadership positions that spans service to the Australian Parliament as Senator for New South Wales from 1996 to 2011, practise of the law and experience as a company director and adviser in a number of corporate roles.

Ms Coonan holds Bachelor of Arts and Bachelor of Laws degrees from the University of Sydney. Prior to entering Parliament, she worked as a lawyer including as principal of her own legal firm, as a partner in law firm Gadens, as a commercial Barrister in Australia and as an Attorney in New York.

In Parliament, Ms Coonan served as the Deputy Leader of the Government in the Senate. She was appointed to Cabinet as the Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio

oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority. She is the recipient of a Centenary Medal for service to the Australian Parliament.

Ms Coonan is Chair of the Australian Financial Complaints Authority (AFCA), Minerals Council of Australia (MCA), Placemaking NSW Advisory Committee, Supervised Investments Australia Limited, GRACosway (a subsidiary of the Clemenger Group) and a Non-executive Director of Australia Children's Foundation (ACTF). She is also a member of the J.P Morgan Advisory Council.

Ms Coonan is Chair of the Crown Resorts Foundation.

Board Committee memberships:

- Chair of the Finance Committee
- Member of the Corporate Responsibility Committee

Directorships of other Australian listed companies held during last three years:

- HGL Limited from July 2019 to June 2020



Professor John S Horvath AO,
MB, BS (Syd), FRACP, FAAHMS,
FRCPA (Hons)
Deputy Chairman

Professor John Horvath was the Australian Government Chief Medical Officer from 2003 to 2009 and principal Medical Consultant to the Commonwealth Department until January 2016. He continued to advise the Department of Health and the School of Medicine, University of Sydney until 2014 and holds the position of Honorary Professor of Medicine.

Professor Horvath is a Fellow of the Royal Australasian College of Physicians and is a distinguished practitioner, researcher and teacher. Professor Horvath previously sat on the Board of the Garvan Research Foundation and was a Governor of the Centenary Institute of Medical Research until January 2016. He was a member of the Advisory Council to the Australian Organ and Tissue Donation Agency, the Finance and Administration Committee of the School of Medicine at the University of Sydney and the Ministerial Advisory Council to the Minister of Health.

Professor Horvath was previously Clinical Professor of Medicine at the University of Sydney. He is also known as a leader in a range of medical training and workforce organisations and is a former President of

the Australian Medical Council and the New South Wales Medical Board.

Professor Horvath is currently the Global Strategic Medical Advisor to the Chief Executive Officer of Ramsay Health Care, Group Chief Medical Officer of Ramsay Health Care and a Director of the Ramsay Hospital Medical Research Institute and the Gallipoli Medical Research Foundation.

Professor Horvath is a member of the International Advisory Board of the Australian Genetic Consortium.

Professor Horvath sits on the Crown Resorts Foundation Board.

Board and Board Committee memberships:

- Director of Crown Melbourne Limited
- Chair of the Occupational Health and Safety Committee
- Chair of the Responsible Gaming Committee
- Member of the Corporate Responsibility Committee
- Member of the People, Remuneration and Nomination Committee



Kenneth M Barton, BEc, CA, F FIN
*Chief Executive Officer and
Managing Director*

Ken Barton was appointed as Crown's Chief Executive Officer on 24 January 2020 and Managing Director on 3 March 2020.

Mr Barton commenced his career with Crown as the Chief Financial Officer in March 2010. In February 2017, he was appointed as the Chief Executive Officer of Crown Digital, a role he fulfilled concurrently with his Chief Financial Officer responsibilities. Mr Barton sits on the Crown Resorts Foundation Board.

Prior to joining Crown, Mr Barton held positions at Arthur Andersen and Pioneer International, before fulfilling the role of Chief Financial Officer of Boral Limited for seven years.

Mr Barton holds a Bachelor of Economics degree from the University of Sydney, is an Associate of the Institute of Chartered Accountants in Australia and a Fellow of the Financial Services Institute of Australia. He also joined the Male Champions of Change program in 2017.

Board and Board Committee memberships:

- Director of Crown Melbourne Limited
- Director of Crown Sydney Gaming Pty Ltd
- Director of Burswood Limited (Crown Perth)
- Member of the Investment Committee



John H Alexander, BA
Executive Director

John Alexander is an Executive Director of Crown and is also a Non-executive Director of Seven West Media Limited.

Mr Alexander was the Executive Chairman of Crown from February 2017 to January 2020 and was the Deputy Chairman of Crown from 2007 to February 2017.

Mr Alexander was the Executive Chairman of Consolidated Media Holdings Limited (CMH) from 2007 to November 2012, when CMH was acquired by News Corporation. Prior to 2007, Mr Alexander was the Chief Executive Officer and Managing Director of Publishing and Broadcasting Limited (PBL) from 2004, the Chief Executive of ACP Magazines Limited from 1999 and PBL's group media division comprising ACP Magazines Limited and the Nine Network from 2002.

Before joining the PBL Group, Mr Alexander was the Editor-in-Chief, Publisher and Editor of The Sydney Morning Herald and Editor-in-Chief of The Australian Financial Review.

Directorships of other Australian listed companies held during the last three years:

- Seven West Media Limited from May 2013 to current



Andrew Demetriou, BA, Dip. Ed
Non-executive Director

Andrew Demetriou was Chief Executive Officer of the Australian Football League (AFL) from 2003 until June 2014.

Prior to becoming Chief Executive Officer, Mr Demetriou served as AFL General Manager – Football Operations for three years, overseeing all aspects of the AFL competition. This followed a stint as head of the AFL Players Association when he was instrumental in establishing programs to look after players both during and after their playing careers.

Following an AFL playing career of 106 games, Mr Demetriou was the Managing Director of the Ruthinium Group, a business importing acrylic teeth, growing the business significantly by expanding manufacturing and exports to 70 countries worldwide and he currently remains a Board member.

Mr Demetriou is a Director of the Melbourne Sports Marketing firm, Bastion Group, Co-Chair of the National Basketball League (NBL) Advisory Board, Chairman and Non-Executive Director of Capitol Health Limited and Chairman of Board of Management, Cox Architecture.

Mr Demetriou also served as Non-executive Chairman of the Baxter Group, a waste management group listed on ASX in 2003 with a market capitalisation of \$40 million – the company was later sold to Transpacific for \$260 million – and is a former Chairman of the Australian Multicultural Advisory Council. He recently completed a two year term on the Australian Referendum Council for Indigenous recognition in the Constitution.

Board and Board Committee memberships:

- ✦ Chair of Crown Melbourne Limited
- ✦ Member of the Responsible Gaming Committee
- ✦ Member of the Risk Management Committee

Directorships of other Australian listed companies held during last three years:

- ✦ Capitol Health Limited from November 2014 to current



Jane Halton AO PSM, BA (Hons)
Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)
Non-executive Director

Jane Halton's 33 year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary for the Department of Health and Ageing and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet.

Ms Halton is a current Director of Australia and New Zealand Banking Group Limited, is the current Chair of Vault Systems and Council on the Ageing Australia and is the Chair and a Director of Coalition of Epidemic Preparedness Innovations (Norway).

Ms Halton's other roles include Director of Clayton Utz, Member of the Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington, Adjunct Professor of the University of Sydney and the University of Canberra and Council Member of the Australian Strategic Policy Institute.

Ms Halton brings to the Board extensive experience in finance, risk management, information technology, human resources and public policy.

Board and Board Committee memberships:

- ✦ Chair of Crown Sydney Gaming Pty Ltd
- ✦ Chair of the Risk Management Committee
- ✦ Member of the Audit and Corporate Governance Committee

Directorships of other Australian listed companies held during the past three years:

- ✦ Australia and New Zealand Banking Group Limited from October 2016 to current



Guy Jalland, LLB
Non-executive Director

Guy Jalland is the Chief Executive Officer of Consolidated Press Holdings Pty Limited (CPH), having worked in the Consolidated Press Holdings and Publishing & Broadcasting Limited (PBL) groups since 1998.

In the past, Mr Jalland has held the role of Group General Counsel and Joint Company Secretary of CPH and PBL.

He has represented CPH as a Director on the boards of Consolidated Media Holdings Limited, Foxtel and Fox Sports.

Board Committee memberships:

- Chair of the Investment Committee



Michael R Johnston, BEc, CA
Non-executive Director

Michael Johnston is the Finance Director of Consolidated Press Holdings Pty Limited (CPH), having previously been an adviser to the Consolidated Press Holdings Group (CPH Group) for seventeen years. As Finance Director, Mr Johnston oversees a number of operational businesses within the CPH Group and its controlled associates. He was also the Chief Financial Officer of Ellerston Capital (a subsidiary of CPH) until 30 June 2008.

Prior to his appointment with the CPH Group, Mr Johnston was a senior partner in the Australian member firm of Ernst & Young. He was also on the Board of Partners of Ernst & Young, Australia.

Mr Johnston holds a Bachelor of Economics degree from Sydney University and is an Associate of the Institute of Chartered Accountants of Australia.

Board Committee memberships:

- Member of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Investment Committee
- Member of the Occupational Health and Safety Committee
- Member of the People, Remuneration and Nomination Committee
- Member of the Risk Management Committee



Antonia Korsanos, BEc, CA, GAICD
Non-executive Director

Antonia Korsanos was the Chief Financial Officer (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. She has over 25 years' experience in financial and general management at companies including Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Mrs Korsanos brings to the Board extensive experience in the gaming industry and experience in the areas of technology, finance, strategy, mergers and acquisitions, risk management and financial and regulatory compliance.

Mrs Korsanos has a Bachelor of Economics (Accounting & Finance) from Macquarie University, is a Member of the Institute of Chartered Accountants and is a Graduate of Australian Institute of Company Directors (GAICD). Mrs Korsanos is also a Member of Chief Executive Women, a Non-executive Director of Webjet Limited and Treasury Wine Estates Limited and former Non-executive Director of Ardent Leisure Group Limited.

Board and Board Committee memberships:

- Director of Crown Melbourne Limited
- Chair of the Audit and Corporate Governance Committee
- Member of the Finance Committee
- Member of the Responsible Gaming Committee
- Member of the Risk Management Committee

Directorships of other Australian listed companies held during the past three years:

- Webjet Limited from June 2018 to current
- Treasury Wine Estates Limited April 2020 to current
- Ardent Leisure Group Limited from July 2018 to June 2020



Harold C Mitchell AC
Non-executive Director

Harold Mitchell is the founder of Mitchell & Partners and until August 2013 was Executive Chairman of Aegis Media, Australia and New Zealand. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today.

In December 2000, Mr Mitchell launched the Harold Mitchell Foundation which distributes funds between health and the arts. Mr Mitchell is the Chairman of the Harold Mitchell Foundation.

Mr Mitchell holds a large number of community roles including Chairman of The Florey Institute of Neuroscience and Mental Health, Board member of New York Philharmonic and Chairman of Australia-Indonesia Centre.

Previously Mr Mitchell was a Board Member and Vice President of Tennis Australia, Chairman of FreeTV Australia, the Melbourne Symphony Orchestra, Art Exhibitions Australia, TVS and University of Western Sydney's television service for Greater Sydney. Mr Mitchell was also the Chairman of the Victorian Premier's Job and Investment Panel.

In 2003, Mr Mitchell delivered the Andrew Olle Memorial Lecture on Media. In January 2004, he was awarded the Officer of the Order of Australia for his services as a

benefactor and fundraiser in support of artistic and cultural endeavour.

Mr Mitchell was appointed Companion of the Order of Australia in 2010 for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities.

In December 2011, Mr Mitchell was awarded an Honorary Doctorate – Doctor of Business Honoris Causa, by RMIT University.

Mr Mitchell was awarded the Victorian Australian of the Year for 2013.

In August 2013, Mr Mitchell was appointed Adjunct Professor, School of Humanities and Communications Arts, University of Western Sydney.

In December 2014, Melbourne University conferred on him an honorary degree of Doctor of Laws.

Mr Mitchell sits on the Crown Resorts Foundation Board.

Board Committee memberships:

- Chair of the Corporate Responsibility Committee
- Chair of the People, Remuneration and Nomination Committee



John Poynton AO, BCom, Hon DCom, FAICD, SF FIN (LIFE), FAIM
Non-executive Director

John Poynton is a Director of the Future Fund Board of Guardians (Australia's sovereign wealth fund). He is also the Chair of Strike Energy Limited, Deputy Chair of Sapien Cyber Limited and Co-Founder and Chair of Poynton Stavrianou.

Mr Poynton has previously served as Chairman, Deputy Chairman or Non-Executive Director of a number of ASX Listed companies, Federal Government boards and education institutions. These include the Export Finance and Insurance Corporation, the Payments System Board of the Reserve Bank of Australia and the Business School at the University of Western Australia.

Mr Poynton was the Chair of the Council of Christ Church Grammar School between 2014 and 2018 and a member of the Advisory Board of the Security Research Institute at Edith Cowan University.

Mr Poynton is a past recipient of a Western Australian Citizen of the Year award in the Industry and Commerce category.

Board and Board Committee memberships:

- Chair of Burswood Limited (Crown Perth)
- Member of the Occupational Health and Safety Committee

Directorships of other Australian listed companies held during the past three years:

- Strike Energy Limited from April 2017 to current

Company secretary details



Mary Manos, LLB (Hons), BCom, GAICD
General Counsel and Company Secretary

Mary Manos is Crown's General Counsel and Company Secretary. Ms Manos is also Secretary of Crown Melbourne Limited, Crown Sydney Gaming Pty Ltd, Burswood Limited and Crown Resorts Foundation Limited.

Ms Manos was formerly Senior Legal Counsel for Crown and joint Company Secretary. Ms Manos was appointed joint Company Secretary in April 2008.

Prior to joining Crown, Ms Manos was a Senior Associate in a Melbourne law firm, specialising in mergers and acquisitions and corporate law.

Ms Manos holds Bachelor of Laws (Hons) and Bachelor of Commerce degrees from the University of Melbourne.

She is also a Graduate of the Australian Institute of Company Directors.

Other officer details



Barry Felstead
Chief Executive Officer - Australian Resorts

Barry Felstead has been Chief Executive Officer - Australian Resorts since August 2013. Mr Felstead sits on the Crown Melbourne Limited and Burswood Limited (Crown Perth) Boards.

Prior to August 2013, Mr Felstead was Chief Executive Officer of Crown Perth (formerly Burswood Entertainment Complex) since March 2007, after holding the position of Chief Operating Officer - Gaming of Crown Perth from 2005. Mr Felstead has held multiple management positions at Crown Melbourne.

Mr Felstead is Chairman of FutureNow, a Board member of Burswood Park Board, Alumni of Celebrate WA and a Board Member of Australasian Gaming Council (AGC).



Alan F McGregor, BCom, CA
Chief Financial Officer

Alan McGregor was appointed to the role of Chief Financial Officer of Crown with effect from 20 August 2020.

Mr McGregor has a strong casino background, having first joined Crown in April 2005 as General Manager Corporate Services at Crown Perth (formerly Burswood Entertainment Complex) and progressing to the role of Chief Financial Officer of Crown Perth in 2007. Mr McGregor then moved to Melbourne in April 2013 to assume the role of Chief Financial Officer - Crown Melbourne, before taking the collective role of Chief Financial Officer - Australian Resorts which he held from August 2014 until his most recent appointment in August 2020.

Prior to joining Crown, Mr McGregor worked for SKYCITY Entertainment Group for seven years in various finance roles.

Mr McGregor is a Council Member of Crown College Institute of Higher Education, holds a Bachelor of Commerce from the University of Auckland and is a member of Chartered Accountants of Australia and New Zealand.



W Todd Nisbet, BSc
Executive Vice President - Strategy and Development

With over 30 years' experience in the design, construction, and financing of integrated resorts, Mr Nisbet joined Crown in 2007 and is responsible for all project development at Crown.

Mr Nisbet has represented Crown as a Director on the board of Melco Crown Entertainment, Studio City International Holdings, and Melco Crown (Philippines) Resorts Corporation and is licensed in numerous gaming jurisdictions.

Prior to joining Crown, Mr Nisbet was one of the original founding members of the Wynn Resorts management team holding the position of Executive Vice President - Project Director for Wynn Design and Development, a development subsidiary of Wynn. Serving this role with Wynn, he was responsible for all project development and construction operations in Las Vegas and Macau.

Prior to joining Wynn, Mr Nisbet was the Vice President of Operations for Marnell Corrao Associates at which time he was responsible for managing various aspects of the construction of some of Las Vegas' most elaborate and industry-defining properties.

Relevant Interests of Directors

Details of relevant interests of current Directors in Crown shares as at 30 June 2020¹ were as follows:

Director	Total number of ordinary shares	Total number of options
The Hon. Helen Coonan	10,000	-
Professor John Horvath AO	-	-
Ken Barton	143,128	3,000,000 ²
John Alexander	399,557	5,000,000
Andrew Demetriou	-	-
Jane Halton AO PSM	948	-
Guy Jalland	-	-
Michael Johnston	-	-
Antonia Korsanos	10,000	-
Harold Mitchell AC	114,887	-
John Poynton AO	1,000	-

¹ For more information on relevant interests of current Directors, please refer to the Remuneration Report.

² As at 30 June 2020, Ken Barton also had a relevant interest in 8,513,980 ordinary shares in Crown Digital Holdings Pty Ltd (a wholly owned subsidiary of Crown).

Other than in connection with Crown's 2017 Senior Executive Incentive Plan which is described in the Remuneration Report, no Crown Director is party to any contract which would give that Director the right to call for the delivery of shares in Crown.

Board and Committee Meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2020 financial year together with each Director's attendance details.

	Board Meetings		Audit and Corporate Governance Committee Meetings		Corporate Responsibility Committee Meetings		People, Remuneration and Nomination Committee Meetings		Occupational Health and Safety Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
H A Coonan ¹	20	20	8	8	2	2								
J S Horvath AO ²	20	19			2	2	6	6	5	4	7	7		
K M Barton ³	12	12												
J H Alexander ⁴	20	18									4	3		
A Demetriou ⁵	20	20					2	2			3	3	6	6
G J Dixon ⁶	5	5					2	2					1	1
S J Halton AO PSM ⁷	20	20	1	1					3	3			6	6
G Jalland	20	19												
M R Johnston ⁸	20	19	9	9			6	5	5	5			3	3
A Korsanos ⁹	20	20	9	9							7	7	5	5
H C Mitchell AC ¹⁰	20	20			2	2	6	6						
J Poynton AO ¹¹	20	19							2	2				

- Ms Coonan was appointed as Chairman of Crown on 24 January 2020 and ceased as Chair and Member of the Audit and Corporate Governance Committee on 18 February 2020 and as Chair of the Corporate Responsibility Committee on 18 February 2020.
- Professor Horvath was appointed as Deputy Chairman of Crown on 24 January 2020.
- Mr Barton was appointed as Managing Director of Crown on 3 March 2020.
- Mr Alexander ceased as a Member of the Responsible Gaming Committee on 18 February 2020.
- Mr Demetriou was appointed as Chair and Member of the People, Remuneration and Nomination Committee on 24 October 2019 and as a Member of the Responsible Gaming Committee on 18 February 2020 and ceased as Chair and Member of the People, Remuneration and Nomination Committee on 18 February 2020.
- Mr Dixon retired as a director of Crown and its Committees on 24 October 2019.
- Ms Halton ceased as a Member of the Occupational Health and Safety Committee and was appointed as a Member of the Audit and Corporate Governance Committee on 18 February 2020.
- Mr Johnston was appointed as a Member of the Risk Management Committee on 18 February 2020.
- Mrs Korsanos was appointed as a Member of the Risk Management Committee on 24 October 2019 and as Chair of the Audit and Corporate Governance Committee on 18 February 2020.
- Mr Mitchell was appointed as Chair of the Corporate Responsibility Committee and the People, Remuneration and Nomination Committee on 18 February 2020.
- Mr Poynton was appointed as a Member of the Occupational Health and Safety Committee on 18 February 2020.

Under Crown's Constitution and its Board and Committee Charters, documents containing written resolutions assented to by Directors are to be taken as a minute of a meeting of Directors or of a Committee (as the case may be). The Board assented to eight written resolutions and the Risk Management Committee and the People, Remuneration and Nomination Committee each assented to one written resolution in the 2020 financial year. The Finance and Investment Committees did not formally meet in the 2020 financial year.

During the 2020 financial year, Crown established a special purpose Committee the members of which comprised John Alexander, Helen Coonan, Jane Halton AO PSM, John Horvath AO and Michael Johnston. The purpose of the Committee was to oversee, among other things, matters which relate or respond to allegations made against Crown. The Committee formally met 21 times during the financial year.

Shares and Options

As at the date of this Report, Crown has 21.175 million unquoted options on issue (as set out below). Each option is granted over one fully paid ordinary share in Crown. In addition, Crown Digital Holdings Pty Ltd (Crown Digital Holdings) (a wholly owned subsidiary of Crown) has 8,513,980 unquoted options on issue, each of which has been granted over one fully paid ordinary share in Crown Digital Holdings (as set out below).

In April 2017, Crown issued 14 million options under the 2017 Senior Executive Incentive Plan to a small number of senior executives. The options, with an expiry date of 22 February 2021, were granted with an initial exercise price of \$11.43. The exercise price of \$11.43 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

In August 2018, Crown issued an additional 7.175 million options under the 2017 Senior Executive Incentive Plan to a small number of senior executives. The options, with an expiry date of 8 August 2022, were granted with an initial exercise price of \$13.35. The exercise price of \$13.35 per option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

In respect of the 2017 Senior Executive Incentive Plan, if Crown undertakes a bonus issue of Crown shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown shares the holder would have received under that bonus issue. If Crown undertakes a pro rata issue of Crown shares during the term of the options, then the exercise price of each option will be reduced in accordance with the 2017 Senior Executive Incentive Plan Rules.

For all holders of options under the 2017 Senior Executive Incentive Plan, other than a Director of Crown, at Crown's election, the options can be settled by the issue of new Crown fully paid ordinary shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the exercise price of the options and the market price of the shares at the time of exercise. For Directors of Crown, any shares to be acquired on the vesting and exercise of the options must be purchased on-market and cannot be settled by the issue of new Crown shares.

In December 2018, Crown Digital Holdings issued 8,513,980 options to Mr Ken Barton under the Crown Digital Senior Executive Option Plan. Each option has been granted over one fully paid ordinary share in Crown Digital Holdings. The options, with an expiry date of 19 December 2022, were granted with an exercise price of \$1.45.

In respect of the Crown Digital Senior Executive Incentive Plan, if Crown Digital Holdings undertakes a bonus issue of shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown Digital Holdings shares the holder would have received under that bonus issue. If Crown Digital undertakes a pro rata issue of shares during the term of the options, then the exercise price of each option will be reduced in accordance with the Crown Digital Senior Executive Incentive Plan Rules.

No shares or interests have been issued during the year or since year end as a result of option exercise.

Indemnity and Insurance of Officers and Auditors

Director and Officer Indemnities

Crown indemnifies certain persons as detailed in its Constitution in accordance with the terms of the Crown Constitution.

Directors' and Officers' Insurance

During the year Crown has paid insurance premiums to insure officers of the Crown group against certain liabilities.

The insurance contract prohibits disclosure of the nature of the insurance cover and the amount of the insurance premiums payable.

Indemnification of Auditors

To the extent permitted by law, Crown has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Auditor Information

Auditor Details

Ernst & Young was Crown's auditor for the 2020 financial year. Mr Michael Collins was the Ernst & Young partner responsible for the audit of Crown's accounts for the year ended 30 June 2020.

Following year end, it was announced that the Board approved the appointment of KPMG as Crown's statutory auditor from the financial year beginning 1 July 2020, following completion of a competitive tender process. The appointment remains subject to the receipt of shareholder and regulatory approvals, with shareholder approval to be sought at Crown's 2020 Annual General Meeting.

Non-audit Services

Details of the amounts paid or payable to Ernst & Young for non-audit services provided during the year by the auditor are outlined in note 24 of the Financial Report. Crown acquired non-audit services from Ernst & Young, largely in respect of taxation matters relating to the Cannery tax litigation matter as well as compliance related taxation matters.

The ratio of non-audit to audit services provided by Ernst & Young to Crown at the conclusion of the 2020 financial year was approximately 1.9:1.

Based on advice received from the Audit and Corporate Governance Committee, the Directors are satisfied that the provision of non-audit services during the 2020 financial year by Ernst & Young 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:

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

Rounding

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.

Remuneration Report

The Remuneration Report set out on pages 60 to 82 forms part of this Directors' Statutory Report.

Remuneration Report

This Remuneration Report for the year ended 30 June 2020 outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Corporations Regulations 2001* (Cth). For the purposes of this Report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of Crown Resorts Limited.

The disclosures in this Report have been audited. This Report is presented under the following sections:

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
 - Fixed Remuneration
 - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
 - Short Term Incentives
 - Long Term Incentives: 2017 Senior Executive Incentive Plan and Crown Digital Senior Executive Incentive Plan
5. Relationship between Remuneration Policy and Company Performance
 - Remuneration linked to performance
 - Policy on entering into transactions in associated products which limit economic risk
6. Remuneration details for Non-executive Directors
7. Remuneration details for Senior Executives
8. Key Management Personnel Disclosures

Introduction

Persons to Whom Report Applies

The remuneration disclosures in this Report cover the following persons:

Non-executive Directors

- The Hon. Helen A Coonan (Chairman from 24 January 2020, previously Non-executive Director)
- Professor John S Horvath AO (Deputy Chairman from 24 January 2020, previously Non-executive Director)
- Andrew Demetriou
- Geoffrey J Dixon (until 24 October 2019)
- Jane Halton AO PSM
- Guy Jalland
- Michael R Johnston
- Antonia Korsanos
- Harold C Mitchell AC
- John H Poynton AO

Executive Directors

- John H Alexander (Executive Director from 24 January 2020, previously Executive Chairman)
- Kenneth M Barton (Chief Executive Officer from 24 January 2020 and Managing Director from 3 March 2020, previously Chief Financial Officer and CEO Crown Digital)

Other Company Executives and Key Management Personnel

- Barry Felstead (Chief Executive Officer – Australian Resorts)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report, the group of persons comprised in the categories of Executive Directors and Other Company Executives (listed above) are collectively referred to as “Senior Executives”.

2020 Report

This Report contains a similar level of disclosure to the 2019 Remuneration Report.

There has been no material change to the Company’s Remuneration Policy during the period and much of the description of the Company’s Remuneration Policy in this Report is therefore unchanged from last year other than in relation to the following:

- a change in fees paid to the Chairman, Deputy Chairman and Non-executive Directors;
- in response to the impact of the COVID-19 pandemic on Crown, the Non-executive Directors and certain of the Senior Executives took a 20% reduction in fees or remuneration from 16 April 2020 to 30 June 2020; and
- the introduction of a deferred component of Short Term Incentive for Senior Executives in respect of the 2021 financial year.

On 20 August 2020, Alan McGregor’s appointment as Chief Financial Officer of Crown became effective. Remuneration disclosures in relation to Mr McGregor will be included in Crown’s 2021 Remuneration Report.

Overview of Remuneration Policy

Philosophy

Crown is a company that provides outstanding customer service and, to remain competitive, Crown must continue to enhance the experience of all customers who visit Crown’s land-based properties and digital assets. As a result, the performance of the Crown group is highly dependent upon the quality of its Directors, Senior Executives and employees. Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre. Crown’s remuneration philosophy is to ensure that remuneration

packages properly reflect a person's duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance. Crown has differing remuneration structures in place for Non-executive Directors and Senior Executives.

Non-executive Directors

The process for determining remuneration of the Non-executive Directors has the objective of ensuring maximum benefit for Crown by the retention of a high quality Board.

The People, Remuneration and Nomination Committee (formally the Nomination and Remuneration Committee) bears the responsibility of determining the appropriate remuneration for Non-executive Directors. Non-executive Directors' fees are reviewed periodically by the People, Remuneration and Nomination Committee with reference to the fees paid to the Non-executive Directors of comparable companies. The People, Remuneration and Nomination Committee is subject to the direction and control of the Board.

In forming a view of the appropriate level of Board fees to be paid to Non-executive Directors, the People, Remuneration and Nomination Committee may also elect to receive advice from independent remuneration consultants, if necessary. Details regarding the composition of the People, Remuneration and Nomination Committee and its main objectives are outlined in the 2020 Corporate Governance Statement. The People, Remuneration and Nomination Committee is comprised of a majority of independent Non-executive Directors.

No performance based fees are paid to Non-executive Directors. Non-executive Directors are not entitled to participate in Crown's incentive plans (described more fully below). Non-executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (Superannuation Legislation).

Senior Executives

The remuneration structure for Senior Executives incorporates a mix of fixed and performance based remuneration. The following section provides an overview of the fixed and performance based elements of executive remuneration. The summary tables provided later in this Report indicate which elements apply to each Senior Executive.

Crown's key business strategies which are taken into consideration as part of performance based remuneration, are set out in the Operating and Financial Review section of the 2020 Directors' Statutory Report.

Remuneration Recommendation

During the financial year, Crown obtained information from Egan Associates on market practices and advice from Egan Associates as part of Crown's review of market remuneration practices and trends.

In addition to the above, Egan Associates provided a remuneration recommendation in relation to the remuneration package of the Chief Executive Officer. To ensure that the remuneration recommendation was free from undue influence by the member of the key management personnel to whom the recommendation related, Egan Associates was appointed by the General Counsel and Company Secretary on behalf of the Chair of the People, Remuneration and Nomination Committee. The recommendation was presented by Egan Associates to the People, Remuneration and Nomination Committee in the absence of the Chief Executive Officer. Egan Associates confirmed that its specific recommendation was free from undue influence and, on that basis, the Board is satisfied that the remuneration recommendation was free from undue influence by the Chief Executive Officer.

Egan Associates was paid approximately \$3,230 in relation to the remuneration recommendation and \$20,322 in relation to the other services provided during the 2020 financial year.

Summary of Senior Executive Remuneration Structure

Fixed Remuneration

The objective of fixed remuneration is to provide a base level of remuneration which is appropriate to the Senior Executive's responsibilities, the geographic location of the Senior Executive and competitive conditions in the appropriate market.

Fixed remuneration is therefore determined with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual. From time to time, Crown seeks a range of specialist advice to help establish the competitive remuneration for its Senior Executives.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Legislation, mobile telephone costs, complimentary privileges at Crown Melbourne and Crown Perth and may include, at the election of the Senior Executive, other benefits such as a motor vehicle, additional contributions to superannuation, car parking and staff gym membership, aggregated with associated fringe benefits tax to represent the total employment cost (TEC) of the relevant Senior Executive to Crown.

Fixed remuneration for the Senior Executives (except the Chief Executive Officer) is reviewed annually by the Chief Executive Officer and the People, Remuneration and Nomination Committee and is recommended by the People, Remuneration and Nomination Committee for approval by the Board.

The review process measures the achievement by the Senior Executives of their Key Performance Objectives (KPOs) established at the beginning of the financial year (see further below) and the performance of Crown and the business in which the Senior Executive is employed. In some circumstances, consideration will be given to relevant comparative remuneration in the market and relevant external advice.

Fixed remuneration for the Chief Executive Officer is reviewed by the Chairman and People, Remuneration and Nomination Committee following their consideration of his performance against his KPOs and is then recommended to the Board for approval.

Any payments relating to redundancy or retirement are as specified in each relevant Senior Executive's contract of employment.

For summaries of Senior Executive contracts of employment, see pages 74 to 77 of this Report.

Performance Based Remuneration

The performance based components of remuneration for Senior Executives seek to align the rewards attainable by Senior Executives with the achievement of particular annual and long term objectives of Crown and the creation of shareholder value over the short and long term. The performance based components which applied to the Senior Executives during the year were as follows:

- Short Term Incentives; and
- Long Term Incentives (the 2017 Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan).

A key focus of the Crown Board is the achievement of the Crown group's Annual Business Plan and Budget. The 2017 Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan are based on an alignment of the relevant Senior Executive's reward to the appreciation of Crown's share price (in respect of the 2017 Senior Executive Incentive Plan) and the appreciation of Crown's Digital business (in respect of the Crown Digital Senior Executive Incentive Plan) and are contingent on continued employment with the Crown group.

Details of Performance Based Remuneration Elements

Short Term Incentives (STI)

The remuneration of Senior Executives is linked to Crown's short term annual performance through a cash-based STI. Senior Executives, other than John Alexander, have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year.

Financial performance objectives are derived from Crown's Annual Business Plan and Budget as the Crown Board considers that this is the best way to ensure that Crown meets the Annual Business Plan and Budget, aligning performance outcomes with shareholder value.

A failure to achieve relevant financial performance objectives will result in Senior Executives receiving either no STI bonus or, where relevant financial performance objectives are only partially met, a reduced STI bonus. The Crown Board retains discretion, however, to pay STI bonuses where financial performance objectives have not been met, but other objectives have been achieved.

The performance of each Senior Executive eligible for an STI bonus against financial and non-financial KPOs is reviewed on an annual basis. Whether KPOs have been achieved by each Senior Executive (other than the Chief Executive Officer) is assessed by the Chief Executive Officer, having regard to the operational performance of the business or function in which the Senior Executive is involved.

The Chief Executive Officer reviews the performance based remuneration entitlements of the Senior Executives eligible for an STI bonus and recommends the STI bonuses (other than in relation to himself) to the People, Remuneration and Nomination Committee who makes relevant recommendations to the Board for consideration.

The Chief Executive Officer's performance and eligibility for an STI bonus is considered by the People, Remuneration and Nomination Committee in the absence of the Chief Executive Officer having regard to the Chief Executive Officer's self-assessment of his performance against his KPOs. The People, Remuneration and Nomination Committee make relevant recommendations to the Board for consideration.

The following table sets out the STI performance scorecard measures and weightings that applied to the Senior Executives, other than the Chief Executive Officer, who were eligible to receive an STI bonus in respect of the 2020 financial year.

Where rating ranges have been provided, this indicates that different targets applied to individual Senior Executives based on their level of influence or responsibility with regard to the relevant KPO.

Category	Description	Performance Outcome	Weighting
Financial	Achieve relevant financial targets, as determined by the Board for the performance period taking into consideration any events/occurrences not contemplated or flagged at the time of the setting of the relevant financial targets.	The EBITDA and NPAT targets determined by the Board for the 2020 financial year were not met, with the full year result reflecting the impacts of the COVID-19 pandemic.	25-40%
Capital Structure and Investments	Maintain an appropriate capital structure to support Crown's strategy including capital management initiatives and major project investments. Ongoing capital investment to support growth in shareholder value. Ensure each of Crown's properties are maintained in keeping with brand positioning and standards.	At 30 June 2020, Crown's net debt position was \$891.5 million, with total liquidity, excluding working capital cash, of \$639.8 million. In April 2020, Crown entered into new bilateral facilities with relationship banks for a total of \$560 million and agreed terms with three relationship banks in relation to a \$450 million project finance facility to support the continuation of the construction of Crown Sydney. The Crown Sydney project finance facility was executed following year end. Given the uncertainty surrounding the ongoing closure of Crown Melbourne, Crown secured agreement from its lenders for a waiver of banking covenants in relation to the 31 December 2020 testing date. No waiver was required for the 30 June 2020 testing date. Construction of the Crown Sydney Hotel Resort is proceeding on time and on budget. Maintenance capital expenditure for Crown Melbourne and Crown Perth was delivered within budget while at the same time, ensuring brand standards were maintained with a focus on key customer facing elements of the properties.	5-25%
Customer Service / Experience	Achieve relevant property customer service benchmarks. Building on existing relationships with local communities.	In the interests of protecting Crown's customers, Crown successfully implemented physical distancing and hygiene programs at its properties in response to COVID-19 to comply with relevant Government directions. Customer experience metrics, up to the closure of Crown's properties in March 2020, at Crown Melbourne experienced a slight decline and at Crown Perth were flat on the prior year. Crown Melbourne and Crown Perth received a number of prestigious awards reflecting the quality of their service offering and standards. Refer to pages 17 and 19 for a further description of these awards.	0-15%

REMUNERATION REPORT CONTINUED

Category	Description	Performance Outcome	Weighting									
Governance, Risk & Compliance	<p>Implement appropriate corporate governance processes and procedures.</p> <p>Pursue and maintain effective relationships with stakeholders including Government, Regulators and the Community through regular formal and informal contact.</p> <p>Manage the organisation's corporate responsibility initiatives.</p> <p>Manage risk management decisions in accordance with Crown's Board approved Risk & Compliance framework.</p>	<p>Crown proactively engaged with relevant stakeholders, including regulators, during the financial year.</p> <p>In response to the COVID-19 pandemic, Crown also proactively engaged with relevant Federal and State Governments and local health authorities in relation to its physical distancing and hygiene programs and its re-opening planning.</p> <p>During the period, Crown continued to progress the implementation of the recommendations made by the VCGLR in its final report on the Sixth Review of the Casino Operator and Licence held by Crown Melbourne Limited.</p> <p>During the period, the New South Wales Independent Liquor & Gaming Authority announced that it would be conducting an inquiry under s143 of the <i>Casino Control Act 1992</i> (NSW) (Inquiry). The Honourable Patricia Bergin SC 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 <i>Casino Control Act 1992</i> (NSW). The Victorian Commission for Liquor and Gambling Regulation also announced it would re-examine issues relating to Crown Melbourne that were reported in the media in mid-2019. Crown is continuing to fully co-operate in relation to the investigations.</p> <p>Crown is continuing to explore ways to enhance its compliance and governance processes, including with respect to matters the subject of the Inquiry.</p>	15%									
Occupational Health and Safety	Achieve compliance with all relevant Health and Safety Policies and Procedures to support a safe environment for staff and patrons alike.	<p>The Total Recordable Injury Frequency Rate (TRIFR) was better than the targets at Crown Melbourne and Crown Perth with the actual performance metrics set out below.</p> <table border="1"> <thead> <tr> <th></th> <th>F20 TRIFR</th> <th>F19 TRIFR</th> </tr> </thead> <tbody> <tr> <td>Crown Melbourne</td> <td>27.1</td> <td>29.0</td> </tr> <tr> <td>Crown Perth</td> <td>25.5</td> <td>26.4</td> </tr> </tbody> </table> <p>Comprehensive physical distancing and hygiene programs were developed and implemented in response to the COVID-19 pandemic.</p>		F20 TRIFR	F19 TRIFR	Crown Melbourne	27.1	29.0	Crown Perth	25.5	26.4	10%
	F20 TRIFR	F19 TRIFR										
Crown Melbourne	27.1	29.0										
Crown Perth	25.5	26.4										
Our People and Culture	<p>Drive improved workforce and leadership through:</p> <ul style="list-style-type: none"> Enhanced engagement Promotion of talent Career progression Promotion of diversity Promote a culture of compliance Develop the company's indigenous workforce & relationships 	<p>During the 2020 financial year, a number of key objectives were achieved, including:</p> <ul style="list-style-type: none"> the publication of Crown's first Gender Action Plan; the achievement of certain of its Gender Objectives as detailed on pages 29 to 30 of the Annual Report; the integration of Crown's purpose statement and values into its structures and systems; and the CROWNability employment target was exceeded. <p>In response to the COVID-19 pandemic, Crown introduced measures and established programs to support its employees through the stand downs. Refer to pages 14 and 15 of the Annual Report for additional information.</p>	10%									

Category	Description	Performance Outcome	Weighting
Role Specific	Role specific metrics which are aligned to the achievement of Crown objectives.	The performance of each Senior Executive was assessed against their role specific objectives.	5 - 15%

Upon appointment as Crown's Chief Executive Officer on 24 January 2020, Mr Barton's KPOs were revised having regard to the change in his responsibilities.

Following year end, the Chief Executive Officer conducted formal reviews with each of the Senior Executives eligible to receive an STI bonus to assess their performance for the financial year and the achievement of their KPOs. Separately, the Chairman and the People, Remuneration and Nomination Committee conducted a review of the Chief Executive Officer, to assess his performance for the financial year and the achievement of his KPOs.

Upon receipt of a recommendation from the People, Remuneration and Nomination Committee, the Board determined that, on account of the fact that Crown did not achieve its financial objectives and the impact of COVID-19 on Crown, no STI bonuses would be awarded to the Senior Executives (including the Chief Executive Officer) in respect of the 2020 financial year.

Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

Following year end, the Board resolved that, from the 2021 financial year, a component of the STI bonus for Senior Executives be deferred for a period of one year (STI Deferred Component). The STI Deferred Component for the Chief Executive Officer and the Chief Executive Officer – Australian Resorts was set at 50% and the STI Deferred Component for other Senior Executives was set at 25%. The STI Deferred Component will provide the People, Remuneration and Nomination Committee with an opportunity to reassess the KPOs having regard to events or circumstances which may not have materialised during the relevant financial year.

Long Term Incentives

During the year, Crown had the following two long term incentive plans in place:

- the 2017 Senior Executive Incentive Plan; and
- the Crown Digital Senior Executive Incentive Plan.

During the financial year, no new long term incentive plans were introduced.

This section of the Report describes these two Plans.

2017 Senior Executive Incentive Plan (2017 Incentive Plan) and Crown Digital Senior Executive Incentive Plan (Crown Digital Incentive Plan)

As the features of the 2017 Incentive Plan and the Crown Digital Incentive Plan (together, the Plans) are similar, the plans are described together below with the differences between the Plans and the offers made under the Plans distinguished where required.

Plan Participants

Options have been granted under the Plans to the following Senior Executives:

Senior Executive	Number of 2017 Incentive Plan Options	Number of Crown Digital Incentive Plan Options*
John Alexander	5,000,000	-
Ken Barton	3,000,000	8,513,980
Barry Felstead	3,000,000	-
Todd Nisbet	3,000,000	-

* Options under the Crown Digital Incentive Plan have only been granted to Mr Barton.

Key Features of the Plans

The Plans seek to assist in the reward, retention and motivation of relevant Senior Executives, to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

The key features of the Plans are set out below.

Feature	2017 Incentive Plan	Crown Digital Incentive Plan
Options Description	<p>The 2017 Incentive Plan accommodates the offer and issue of 'Awards' which may be in the form of Options, Performance Rights or Share Appreciation Rights. All Awards may be settled with Crown shares or cash.</p> <p>Options were issued to participants with a four year term from their agreed date of issue and are styled as 'European Options', meaning that they are only exercisable on a single day starting at midnight and ending at 11.59pm Melbourne time on the expiry date.</p> <p>The Options expire on 22 February 2021.</p> <p>The Options are not quoted on the ASX or on any other financial market.</p> <p>For all participants, other than a Director of Crown, at Crown's election, the Options can be settled by the issue of new Crown shares, the transfer of shares acquired by Crown from the market or by paying cash, equivalent to the difference between the Exercise Price of the Options and the market price of the shares at the time of exercise. For Directors of Crown, any Crown shares to be acquired on the vesting and exercise of the Options must be purchased on-market and cannot be settled by the issue of new Crown shares.</p>	<p>The Crown Digital Incentive Plan accommodates the offer and issue of Options. All Options may be settled with Crown Digital Holdings Pty Ltd (Crown Digital Holdings) shares.</p> <p>Options were issued under this Plan with a four year term from their agreed date of issue and are styled as 'European Options', meaning that they are only exercisable on a single day starting at midnight and ending at 11.59pm Melbourne time on the expiry date.</p> <p>The Options expire on 19 December 2022.</p> <p>The Options are not quoted on the ASX or on any other financial market.</p>
Exercise Price	<p>The Options have an initial Exercise Price of \$11.43 per Option.</p> <p>The initial Exercise Price of \$11.43 per Option was determined by reference to the volume weighted average price (VWAP) of Crown shares at the time that the Crown Board approved the offer of Options at its February 2017 meeting.</p> <p>The Exercise Price of each Option may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.</p>	<p>The Options have an Exercise Price of \$1.45 per Option.</p> <p>The Exercise Price of \$1.45 per Option was determined by reference to the market value of one Crown Digital Holdings share at the grant date.</p>
Adjustments to the Exercise Price	<p>Any special dividends (but not ordinary dividends) or capital returns are reflected as adjustments to the Exercise Price of the Options.</p> <p>Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.</p>	<p>Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.</p>

In addition, the following features are common to both of the Plans.

Feature	
Options Issued for Value	Participants were required to pay value for their Options. The Options issued were not free.
Consideration for the Payment of Options	Each participant was required to pay a Fee equal to the market value of the Options through an Acquisition Loan advanced by the Crown group.
Vesting Condition	The Options are subject to a single Vesting Condition, being the continued employment of the relevant participant for four years after the grant date, or the classification of the Senior Executive as a good leaver at the expiry date.

Feature	
Malus and Board Discretion	<p>The Board may deem all unvested Options to have lapsed where a participant acts fraudulently or dishonestly, or wilfully breaches their duties.</p> <p>All unvested Options will automatically be forfeited where a participant is considered a 'bad leaver'. Circumstances in which a participant would be considered a 'bad leaver' include where a participant's employment is terminated or a participant is dismissed due to serious and wilful misconduct, material breach of the terms of the employment contract, gross negligence or other conduct justifying termination without notice.</p> <p>A participant will also be considered a 'bad leaver' if the participant resigns from his or her employment or office.</p>
Board discretion to buy back at any time	The Board may cause the relevant company to buy back Options held by a participant at any time, for the Market Value of the Options without the agreement of a participant.
Dividend and Voting Rights	No ordinary dividend or voting rights attach to the Options unless and until shares are delivered on exercise.
Bonus Issues and Reconstructions	Certain adjustments may be made in accordance with the Plan rules and the ASX Listing Rules (where applicable) in relation to bonus and pro rata issues and reorganisations.
Shareholder Approval	Shareholder approval was not required for the issue of Options.

Value Creation and Alignment

As noted earlier, the Plans seek to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

Further discussed below are how a selection of these features seek to achieve the Plans' objectives and accordingly why Crown considers these features to be appropriate.

Options are Issued for Value – Senior Executives Pay for Options

The Plans differ from many similar option-based incentive plans in that they require participants to pay value for their Options. The Options are not free.

Senior Executives participating in the plans were invited to acquire Options for a Fee equal to the market value of those Options.

The market value was based on the option valuation methodology under the *Income Tax Assessment Regulations 1997* (Cth) (Regulations).

Under the Regulations, having regard to the market price of a share at the grant date and the Exercise Price of the Option, a four year Option is valued at 6.2% of the market value of the underlying share.

The Fee determined with reference to the above for each plan is set out below.

2017 Incentive Plan	Crown Digital Incentive Plan
Options were issued to participants for a fee equal to the market value at the date they were agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$11.43).	Options were issued to participants for a fee equal to the market value at the date they were agreed to be issued, being 19 December 2018, of \$0.09 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$1.45).

On the day the Options were issued, the value to the participants was therefore nil. The value of the incentives to the participants will arise only where the relevant share price exceeds the Exercise Price of the Options plus the Fee (i.e. \$12.14 for the 2017 Incentive Plan and \$1.54 for the Crown Digital Incentive Plan), the vesting condition is met and the Options are exercisable.

Consideration for the Payment of Options – Acquisition Loan

Each participant paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the Acquisition Loan and:

- the market value of the shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Options; or
- in the case of lapse, cancellation or forfeiture, nil.

Single Vesting Condition of Continued Employment

The Options are subject to a single Vesting Condition being the continued employment of the relevant Senior Executive for four years after the grant date, or the classification of the Senior Executive as a good leaver at the Expiry Date.

The 2017 Incentive Plan seeks to reward and retain those Senior Executives who have primary responsibility for delivering Crown's key strategic priorities over the Plan period.

In relation to the Crown Digital Incentive Plan, the Board considered that Mr Barton, who was the CEO of Crown Digital, should be given the opportunity to benefit from the increase in the value of the Crown Digital portfolio over the Plan period. Further, the Crown Digital Incentive Plan seeks to reward and retain Mr Barton who has primary responsibility for creating value in the Crown Digital portfolio.

The Options have an implicit performance hurdle in that the Options have no value upon vesting unless the relevant share price exceeds the Exercise Price of the Options plus the Fee (i.e. the Crown share price exceeding \$12.14 for the 2017 Incentive Plan and the Crown Digital share price exceeding \$1.54 for the Crown Digital Incentive Plan). This creates alignment with shareholders through value and share price appreciation and motivates the performance and retention of Senior Executives.

Shareholder Approval Not Required – Plans not Dilutive to Existing Shareholders

The terms of the 2017 Incentive Plan specifically provide that, upon vesting and exercise of the Options, Directors of Crown may only receive Crown shares that have been purchased on-market. The issue of such Options to Directors of Crown will therefore not be dilutive of existing shareholders and the shares delivered to Option holders will reflect the market value of the shares at the time. As a result, shareholder approval was not required under the ASX Listing Rules for the 2017 Incentive Plan or any Options issued under the 2017 Incentive Plan. Neither the letter nor the spirit of the ASX Listing Rules requires such approval, which would therefore not serve any purpose. As a condition of the fact that the 2017 Incentive Plan was not approved by shareholders, new Crown shares must not be issued to a Director of Crown under the terms of the 2017 Incentive Plan.

In relation to the Crown Digital Incentive Plan, as the Options are issued over shares in Crown Digital Holdings, shareholder approval considerations do not apply.

Accounting Valuation of Options and Reporting

The Options constitute remuneration for the purposes of this Report.

For the purposes of reporting, a determination of the "fair value" (for accounting purposes) of each Option was undertaken.

As there is a limited recourse Acquisition Loan associated with the Options with an obligation to repay Crown (in the event the Options are exercised) the Fee per Option, from an accounting perspective, the Acquisition Loan has been treated as an addition to the Exercise Price of the Option and the Option has been re-valued accordingly, without having further regard to the amount outstanding under the Acquisition Loan.

Based on this approach, from an accounting perspective, the Options have been valued using an assumed "exercise price" of the Exercise Price plus the Fee and assumes that there is no Acquisition Loan.

The fair value of the Options was determined at the commencement of each Plan as set out below.

The outcome of this valuation approach (using the Black Scholes valuation model) and the accounting implications are shown below:

	2017 Incentive Plan	Crown Digital Incentive Plan
Number of Options	14,000,000	8,513,980
Exercise Price \$	11.43 ¹	1.45 ²
Total Face value \$	160,020,000	12,345,271
Valuation %	4.6% ¹	7.15% ²
Valuation \$	7,360,920	882,687
Value per Option \$	0.53	0.10
Annual impact on Crown reported results (over four years) \$	1,840,230	220,672

1 While the contracted Exercise Price of each Option is as set out, from an accounting perspective, the valuation of each Option was determined assuming the Exercise Price plus the Fee. For the purposes of the Black Scholes Valuation model, a volatility measure of 18% was used representing the historical volatility of Crown shares.

2 While the contracted Exercise Price of each Option is as set out, from an accounting perspective, the valuation of each Option was determined assuming the Exercise Price plus the Fee. For the purposes of the Black Scholes Valuation model, a volatility measure of 25% was used representing the historical volatility of shares in listed companies comparable to the Crown Digital business portfolio.

Based on the above, the annual value of the Plans which has been attributed to each Senior Executive participant is as follows:

	Number of 2017 Incentive Plan Options	Accounting Value per 2017 Incentive Plan Option	Number of Crown Digital Incentive Plan Options	Accounting Value per Crown Digital Incentive Plan Option	Annual Impact \$
John Alexander	5,000,000	53 cents	-	-	657,225
Ken Barton	3,000,000	53 cents	8,513,980	10 cents	615,007 ¹
Barry Felstead	3,000,000	53 cents	-	-	394,335
Todd Nisbet	3,000,000	53 cents	-	-	394,335
Total	14,000,000		8,513,980		2,060,902

1 The annual impact for Mr Barton includes the annual impact of the 2017 Incentive Plan, being \$394,335, and the annual impact of the Crown Digital Incentive Plan, being \$220,672.

Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

Relationship between Remuneration Policy and Company Performance

Remuneration Linked to Performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, various elements of Crown's Remuneration Policy are linked to company performance, in particular, the achievement of Crown's Board approved Annual Budget and Business Plan (in the case of STI), an increase in the value of Crown shares (in the case of the 2017 Incentive Plan) and an increase in the value of the Crown Digital portfolio (in the case of the Crown Digital Incentive Plan).

The Crown Board requires the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI), an increase in the value of Crown shares over the term of the 2017 Incentive Plan or an increase in the value of Crown Digital portfolio over the term of the Crown Digital Incentive Plan.

Full details of how these links have been achieved are set out in the above sections of this Report, but, in summary:

- an STI bonus may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;
- an increase in the value of Crown shares over the four years of the 2017 Incentive Plan may result in a benefit to participants; and
- an increase in the value of the Crown Digital portfolio over the four years of the Crown Digital Incentive Plan may result in a benefit to participants.

REMUNERATION REPORT CONTINUED

The table below sets out information about movements in shareholder wealth for the financial years ended 30 June 2016 to 30 June 2020.

	Year Ended 30 June 2016	Year Ended 30 June 2017	Year Ended 30 June 2018	Year Ended 30 June 2019	Year Ended 30 June 2020
Normalised ⁽¹⁾ EBITDA (\$m)	855.8	828.0	878.3	802.1	503.8
Actual EBITDA (\$m)	861.4	790.3	792.4	849.7	504.6
Normalised ⁽¹⁾ NPAT ⁽²⁾ (\$m)	406.2	343.1	386.8	368.6	161.0
Actual NPAT ⁽²⁾ (\$m)	948.8	1,866.1	558.9	401.8	79.5
Basic Earnings per share - Normalised ⁽¹⁾⁽²⁾ (cents)	55.77	47.26	56.16	54.19	23.78
Basic Earnings per share - Actual ⁽²⁾ (cents)	130.26	257.03	81.16	59.07	11.74
Share price at end of period	\$12.61	\$12.28	\$13.50	\$12.45	\$9.67
Increase/(decrease) in share price	3%	(3%)	10%	(8%)	(22%)
Dividend per Share (cents)					
Interim	33.0	30.0	30.0	30.0	30.0
Final	39.5	30.0	30.0	30.0	-
Special	-	83.0	-	-	-

1 Normalised results have been adjusted to exclude the impact of any variances from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinalls and Melco Resorts and Entertainment Limited (MRE)), Significant Items and Closure Costs.

2 Includes the equity accounted profit from MRE (normalised NPAT contribution of \$58.1 million in FY16 and \$42.4 million in FY17; actual NPAT contribution of \$42.7 million in FY16 and \$37.9 million in FY17). Crown ceased to hold an interest in MRE in the 2017 financial year.

Policy on Entering into Transactions in Associated Products which Limit Economic Risk

The rules of the 2017 Incentive Plan and the Crown Digital Incentive Plan specifically provide that a participant must not 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 a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

In addition, Crown's Securities Trading Policy provides that restricted persons who hold Crown shares (defined as Crown shares or other securities which may be issued from time to time by Crown) under an incentive plan offered by Crown from time to time, must not, without the prior consent in writing of Crown, sell, create a security interest in, or otherwise dispose or deal with their Crown shares or any of their interests in any of those Crown shares.

The rules of the 2017 Incentive Plan and the Crown Digital Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

Remuneration Details for Non-executive Directors

Non-executive Directors

Non-executive Directors are entitled to a base fee per annum for acting as a Director of Crown.

Non-executive Directors acting on the Board of Crown Melbourne Limited, Burswood Limited (ie Crown Perth) and Crown Sydney Gaming Pty Ltd are entitled to receive a further fee in respect of that service.

Non-executive Directors of Crown are entitled to additional fees if they act as either Chair or a Member of an active Committee (the Audit and Corporate Governance Committee, the Corporate Responsibility Committee, the Occupational Health and Safety Committee, the People, Remuneration and Nomination Committee, the Responsible Gaming Committee or the Risk Management Committee).

All Directors are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Following the Board and Senior Executive changes which were announced by Crown on 24 January 2020, fees for the Chairman and Deputy Chairman were introduced having regard to the level of commitment required by the respective roles. A fee of \$700,000 inclusive of superannuation was introduced for the Chairman and a fee of \$350,000 inclusive of superannuation was introduced for the Deputy Chairman. These Chairman and Deputy Chairman fees are all-inclusive fees and no additional fees are payable for participation on any Board Committee or Subsidiary Board.

On 18 February 2020, the Non-executive Director Fees (other than for the Chairman and Deputy Chairman) were reviewed and revised from \$150,000 exclusive of superannuation to \$170,000 inclusive of superannuation.

Furthermore, Crown appointed Non-executive Directors as Chairs to the Boards of Crown Melbourne Limited, Crown Sydney Gaming Pty Ltd and Burswood Limited which resulted in the introduction of a Chair fee for those roles of \$115,000 from 18 February 2020.

From 18 February 2020, all fees paid to Non-executive Directors are inclusive of superannuation.

Non-executive Directors' fees which applied during the financial year ended 30 June 2020 were as follows:

	From 1 July 2019 ¹	From 18 February 2020 ²
Chairman Fee:	N/A	\$700,000 ³
Deputy Chairman Fee:	N/A	\$350,000 ⁴
Base Board Fees:	\$150,000	\$170,000
Active Board Committees:		
- Chair	\$25,000	\$25,000
- Member	\$15,000	\$15,000
Subsidiary Board:		
- Chair	\$60,000 – 80,000	\$115,000
- Member	\$60,000 – 80,000	\$60,000 – 80,000

1 Fees exclusive of superannuation.

2 Fees inclusive of superannuation.

3 Chairman Fee applicable from 24 January 2020.

4 Deputy Chairman Fee applicable from 24 January 2020.

The Board established a special purpose Committee in August 2019 to oversee, among other things, matters which relate or respond to allegations made against Crown. The Board determined that a fee be paid to the Chair and Members of that Committee. The fee payable to the Chair of the special purpose Committee was \$85,000 for the period 1 October 2019 to 30 June 2020 and the fee payable to the members of special purpose Committee was \$50,000 for the period 1 October 2019 to 30 June 2020. The Committee met 21 times during financial year 2020. On 30 January 2020, shortly after the Board and Senior Management changes which were announced on 24 January 2020, the special purpose Committee ceased to be an active Committee and the fee ceased to be payable with effect from that date.

In accordance with Crown's constitution, Non-executive Directors' fees in financial year 2020 were within the aggregate Non-executive Directors' Fee cap of \$2,500,000 per annum.

REMUNERATION REPORT CONTINUED

Set out below is a table showing Non-executive Director remuneration for financial years 2020 and 2019.

Remuneration Table – Non-executive Directors

	Financial Year ¹	Short Term Benefits			Post-employment Benefit - Superannuation	Long Term Incentives			Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based	Termination Benefits	
Helen Coonan²	2020	416,932	-	-	20,502	-	-	-	437,434
Chairman	2019	200,000	-	-	19,000	-	-	-	219,000
Andrew Demetriou³	2020	209,560	-	-	19,908	-	-	-	229,468
Non-executive Director	2019	165,000	-	-	15,675	-	-	-	180,675
Geoffrey Dixon⁴	2020	66,667	-	-	6,333	-	-	-	73,000
Non-executive Director	2019	200,000	-	-	19,000	-	-	-	219,000
Jane Halton AO PSM⁵	2020	231,622	-	-	18,295	-	-	-	249,917
Non-executive Director	2019	180,000	-	-	17,100	-	-	-	197,100
John Horvath AO⁶	2020	315,458	-	-	21,003	-	-	-	336,461
Deputy Chairman	2019	290,000	-	-	20,531	-	-	-	310,531
Guy Jalland⁷	2020	-	-	-	-	-	-	-	-
Non-executive Director	2019	-	-	-	-	-	-	-	-
Michael Johnston⁷	2020	-	-	-	-	-	-	-	-
Non-executive Director	2019	-	-	-	-	-	-	-	-
Antonia Korsanos⁸	2020	241,351	-	-	22,451	-	-	-	263,802
Non-executive Director	2019	230,000	-	-	20,531	-	-	-	250,531
Harold Mitchell AC⁹	2020	179,321	-	-	16,651	-	-	-	195,972
Non-executive Director	2019	180,000	-	-	17,100	-	-	-	197,100
John Poynton AO¹⁰	2020	238,012	-	-	14,243	-	-	-	252,255
Non-executive Director	2019	172,391	-	-	8,777	-	-	-	181,168
2020 TOTALS		1,898,923	-	-	139,386	-	-	-	2,038,309
2019 TOTALS		1,617,391	-	-	137,714	-	-	-	1,755,105

1 With effect from 24 January 2020, the Chairman and Deputy Chairman fees were changed to an all-inclusive fee as set out below:

- Chairman: \$700,000 per annum (inclusive of superannuation).

- Deputy Chairman: \$350,000 per annum (inclusive of superannuation).

With effect from 18 February 2020, the Non-executive Director fees (other than the Chairman and Deputy Chairman) were changed to \$170,000 per annum (inclusive of superannuation).

In response to the COVID-19 pandemic, from 16 April 2020 to 30 June 2020 (inclusive), all Non-executive Director fees (including the fees of the Chairman and Deputy Chairman) were reduced by 20%.

- 2 Ms Coonan was appointed as Chairman of Crown on 24 January 2020. Ms Coonan ceased as Chair and Member of the Audit and Corporate Governance Committee and as Chair of the Corporate Responsibility Committee on 18 February 2020. Ms Coonan was appointed as Chair of a special purpose Committee and received a fee for her participation as Chair of that Committee. Refer to page 71 for further details.
- 3 Mr Demetriou was appointed as Chair and Member of the People, Remuneration and Nomination Committee on 24 October 2019 and as a Member of the Responsible Gaming Committee on 18 February 2020 and ceased as Chair and Member of the People, Remuneration and Nomination Committee on 18 February 2020. Mr Demetriou was appointed as Chair and a Director of Crown Melbourne Limited on 30 January 2020 and received a fee for his participation on the Crown Melbourne Limited Board. Refer to page 71 for further details.
- 4 Mr Dixon retired as a Director of Crown on 24 October 2019.
- 5 Ms Halton ceased as a Member of the Occupational Health and Safety Committee and was appointed as a Member of the Audit and Corporate Governance Committee on 18 February 2020. Ms Halton was appointed as Chair and a Director of Crown Sydney Gaming Pty Ltd on 3 March 2020 and received a fee for her participation on the Crown Sydney Gaming Pty Ltd Board. Ms Halton was appointed as a Member of a special purpose Committee and received a fee for her participation on that Committee. Refer to page 71 for further details.
- 6 Professor Horvath was appointed as Deputy Chairman of Crown on 24 January 2020. Professor Horvath received a fee for his participation on the Crown Melbourne Limited Board. Professor Horvath was appointed as a Member of a special purpose Committee and received a fee for his participation on that Committee. Refer to page 71 for further details.
- 7 Messrs Jalland and Johnston did not receive remuneration from Crown for their participation as Non-executive Directors of Crown.
- 8 Mrs Korsanos was appointed as a Member of the Risk Management Committee on 24 October 2019 and as Chair of the Audit and Corporate Governance Committee on 18 February 2020. Mrs Korsanos received a fee for her participation on the Crown Melbourne Limited Board.
- 9 Mr Mitchell was appointed as Chair of the Corporate Responsibility Committee and the People, Remuneration and Nomination Committee on 18 February 2020.
- 10 Mr Poynton was appointed as a Member of the Occupational Health and Safety Committee on 18 February 2020. Mr Poynton was appointed as Chair of Burswood Limited on 24 January 2020. Mr Poynton received a fee for his participation on the Burswood Limited Board for which no superannuation was applicable.

Remuneration details for Senior Executives

Senior Executives are employed under employment agreements with Crown or a subsidiary of Crown. Common features to these service agreements include (unless noted otherwise):

- an annual review of the Senior Executive's fixed remuneration, with any increases requiring approval of the Chief Executive Officer (except in relation to the Chief Executive Officer) and the People, Remuneration and Nomination Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- a provision that Crown may ask the Senior Executive to act as a Director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for a period following termination and a requirement that the Senior Executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation, Western Australian Gaming and Wagering Commission and the New South Wales Independent Liquor and Gaming Authority);
- where post-employment restraints apply, a restraint covering, amongst other things, competitive activities to those of the Crown group. Restraint periods vary and have been noted in each instance;
- where an employment agreement is terminated by Crown, a provision that notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- a provision that all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Specific details of each Senior Executive's contract of employment which applied at the end of the 2020 financial year are summarised in the tables on the following pages.

John Alexander

On 24 January 2020, John Alexander stepped down as Executive Chairman of Crown and, to assist with the transition of the Chair and CEO roles, agreed to remain an Executive Director of Crown.

This resulted in the termination of Mr Alexander's employment contract for the Executive Chairman role and entry into a new employment contract for the role of Executive Director.

No payments were received by Mr Alexander on termination of his employment contract as Executive Chairman.

Mr Alexander's key roles and responsibilities as Executive Director include to assist with the transition of his prior roles and responsibilities to the Chair and CEO.

The key terms of Mr Alexander's new employment contract are summarised in the tables on page 74 of this Report.

Ken Barton

On 24 January 2020, Ken Barton was appointed as the Chief Executive Officer of Crown. Mr Barton was also appointed as the Managing Director of Crown subject to the receipt of any necessary regulatory approvals. Mr Barton's appointment as Managing Director of Crown became effective on 3 March 2020.

This appointment resulted in the entry into a new employment contract on 24 January 2020 for the role of Chief Executive Officer.

The key terms of Mr Barton's new employment contract are summarised in the tables on page 75 of this Report.

REMUNERATION REPORT CONTINUED

Summary of Senior Executive Contracts of Employment Applicable at 30 June 2020

John H Alexander									
Current Position	Executive Director (commenced 24 January 2020) (previously Executive Chairman from 1 February 2017 and, prior to that, Executive Deputy Chairman) Mr Alexander's current employment contract with Crown has a fixed term of 12 months from 24 January 2020 (unless terminated earlier).								
Fixed Remuneration									
Base salary:	\$3,543,930 per annum, inclusive of superannuation, with effect from 24 January 2020.								
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$21,003 per annum.								
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephones and salary sacrifice arrangements for motor vehicle and superannuation.								
Performance based remuneration									
STI:	No eligibility for an STI payment.								
LTI:	Mr Alexander continued to participate in the 2017 Incentive Plan. Refer to pages 65 to 69.								
2020 Percentage breakdown of remuneration	<table border="1"> <thead> <tr> <th>Fixed remuneration (Includes voluntary and compulsory superannuation)</th> <th>STI</th> <th>2017 Incentive Plan</th> <th>Crown Digital Incentive Plan</th> </tr> </thead> <tbody> <tr> <td>81%</td> <td>0%</td> <td>19%</td> <td>N/A</td> </tr> </tbody> </table>	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan	81%	0%	19%	N/A
Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan						
81%	0%	19%	N/A						
Post-employment benefits	Nil								
Post-employment restraint	Crown may impose a restraint for various periods up to 12 months.								
Termination									
By Senior Executive:	4 weeks' notice.								
By Crown:	Without cause at any time by making a payment equal to the remuneration that would have been received for the remaining period of the term of the Employment Contract. Without notice or payment for serious breach or misconduct.								
Termination benefits	Nil								
Payments made prior to commencement	No sign-on payments were made in connection with Mr Alexander's new employment contract.								
Directors' Fees	Nil								

Kenneth M Barton				
Current Position	Chief Executive Officer and Managing Director (commenced as Chief Executive Officer on 24 January 2020 and as Managing Director on 3 March 2020. Formerly, Chief Financial Officer and CEO Crown Digital (from 9 March 2010 and 1 February 2017 respectively))			
Fixed Remuneration				
Base salary:	\$3,000,000 per annum, inclusive of superannuation, with effect from 24 January 2020 and fixed for three years from the date of commencement.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$21,003 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Barton is entitled to weekly travel costs for commuting between Sydney and Melbourne and hotel accommodation while in Melbourne.			
Performance based remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Barton's annual target STI is 60% of his TEC.			
LTI:	Mr Barton continued to participate in the 2017 Incentive Plan and the Crown Digital Incentive Plan. Refer to pages 65 to 69.			
2020 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	77%	0%	15%	8%
Post-employment benefits	Nil			
Post-employment restraint	Nil			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; without notice for serious breach or misconduct.			
Termination benefits	Nil			
Payments made prior to commencement	No sign-on payments were made in connection with Mr Barton's new employment contract.			
Directors' Fees	Nil			

REMUNERATION REPORT CONTINUED

Barry Felstead				
Current Position	Chief Executive Officer – Australian Resorts (from 1 August 2013): Mr Felstead's current employment agreement with Crown Resorts Limited has no fixed term.			
Fixed Remuneration				
Base salary:	\$2,349,557 per annum, inclusive of superannuation.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$21,003 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to a travel allowance of \$50,000 per annum.			
Performance based remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead's annual target STI is 40% of his TEC.			
LTI:	Mr Felstead continued to participate in the 2017 Incentive Plan. Refer to pages 65 to 69.			
2020 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	83%	0%	17%	N/A
Post-employment benefits	Nil			
Post-employment restraint	Crown may impose various restraint periods up to a period of 12 months post-employment.			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.			
Termination benefits	Nil			
Payments made prior to commencement	Nil			
Directors' Fees	Nil			

W Todd Nisbet				
Current Position	Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet's fixed term employment agreement with Crown Resorts Limited expired on 31 December 2015 and is continuing on the same terms and conditions except as to term, which is now no longer fixed.			
Fixed Remuneration				
Base salary:	\$2,349,557 per annum, inclusive of superannuation			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$21,003 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. During Mr Nisbet's employment with Crown, he is also entitled to additional customary expatriate benefits for himself and his family. Upon cessation of employment, Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.			
Performance based remuneration				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet's annual target STI is 50% of his base salary.			
LTI:	Mr Nisbet continued to participate in the 2017 Incentive Plan. Refer to pages 65 to 69.			
2020 Percentage breakdown of remuneration	Fixed remuneration (Includes voluntary and compulsory superannuation)	STI	2017 Incentive Plan	Crown Digital Incentive Plan
	86%	0%	14%	N/A
Post-employment benefits	Nil			
Post-employment restraint	Crown may impose various restraint periods up to a period of 12 months post-employment.			
Termination				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.			
Termination benefits	Nil			
Payments made prior to commencement	Nil			
Directors' Fees	Nil			

Remuneration Table for Senior Executives

Commentary

The structure of Senior Executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ended 30 June 2020 and 30 June 2019 is set out on the following pages.

Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the tables set out on the following pages.

In addition, a separate table has been provided which details the remuneration that was received, or vested by each Senior Executive during the year.

Fixed Remuneration

Messrs Alexander, Barton, Felstead and Nisbet did not receive an increase to their fixed remuneration for the 2020 financial year in respect of the positions they held on that date.

As detailed above, on 24 January 2020, Mr Alexander and Mr Barton entered into new contracts of employment in respect of the change in their positions which resulted in an adjustment to their fixed remuneration with effect from that date.

From 16 April 2020 to 30 June 2020, the Senior Executives, other than John Alexander, received a 20% reduction in fixed remuneration in response to the impacts of the COVID-19 pandemic on Crown.

The Senior Executives did not receive an increase in fixed remuneration for the 2021 financial year.

Short Term Incentives (STI)

Senior Executives, other than John Alexander, have a potential or target STI bonus, which is subject to Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In the 2020 financial year, the Group's financial performance objectives were not met.

The performance of each Senior Executive (other than the Chief Executive Officer) against the non-financial KPOs (described earlier) was reviewed by the Chief Executive Officer, having regard to the operational performance of the business and the function in which the Senior Executive is involved.

The Chief Executive Officer's non-financial KPOs were reviewed by the Chairman, the People, Remuneration and Nomination Committee and the Board.

As the financial targets were not achieved in the 2020 financial year, STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally not paid. The Senior Executives did not receive an STI bonus entitlement for the 2020 financial year.

Long Term Incentives (LTI)

As summarised earlier, the Senior Executives also continued their participation in the 2017 Incentive Plan and Mr Barton also participated in the Crown Digital Incentive Plan.

In accordance with relevant accounting standards, the 2017 Incentive Plan and the Crown Digital Incentive Plan are included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this Report that the vesting conditions will occur.

An amount has been attributed to each participant in the 2017 Incentive Plan and the Crown Digital Incentive Plan based on the methodology noted earlier in this Report.

Remuneration Table – Statutory

Financial Year	Short Term Benefits					Long Term Incentives					Total		
	Salary & Fees	Non Monetary ⁴	Other ⁴	STI	STI	% of target	Post-employment Benefits - Superannuation ⁵	Cash Based	Executive Incentive Plan - 2017 ⁶	Executive Incentive Plan - Crown Digital ⁷		Fringe Benefits Tax Applicable to the Senior Executive Incentive Plans	Termination Benefits
John Alexander¹													
2020	3,559,988	2,560	4,785	-	0%	21,003	-	657,225	-	168,735	-	4,414,296	
2019	3,589,391	12,939	24,335	-	0%	20,531	-	657,225	-	163,394	-	4,467,815	
Ken Barton^{2,3}													
2020	2,489,587	78,650	-	-	0%	21,003	-	394,335	220,672	137,749	-	3,341,996	
2019	2,167,920	82,945	-	-	0%	25,000	-	394,335	117,289	108,012	-	2,895,501	
Barry Felstead³													
2020	2,231,531	126,012	-	-	0%	21,003	-	394,335	-	101,241	-	2,874,122	
2019	2,329,026	145,334	-	-	0%	20,531	-	394,335	-	98,036	-	2,987,262	
Todd Nisbet³													
2020	2,231,531	321,590	392,995	-	0%	21,003	-	394,335	-	101,241	-	3,462,695	
2019	2,329,026	350,507	351,406	-	0%	20,531	-	394,335	-	98,036	-	3,543,841	
2020 TOTALS	10,512,637	528,812	397,780	-	0%	84,012	-	1,840,230	220,672	508,966	-	14,093,109	
2019 TOTALS	10,415,363	591,725	375,741	-	0%	86,593	-	1,840,230	117,289	467,478	-	13,894,419	

1. John Alexander stepped down as Executive Chairman on 24 January 2020 and entered into a new employment contract for the role of Executive Director. Refer to page 74 for further details.

2. Ken Barton was appointed as Crown's Chief Executive Officer on 24 January 2020 and entered into a new employment contract for that role. Refer to page 75 for further details.

3. In response to the COVID-19 pandemic, from 16 April 2020 to 30 June 2020 (inclusive), Ken Barton, Barry Felstead and Todd Nisbet's fixed remuneration was reduced by 20%.

4. Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive. The Non Monetary short term benefits include fringe benefits tax (other than in relation to the Senior Executive Incentive Plans) paid in relation to benefits received by the Senior Executives.

5. Long service leave accrued balances have increased during the financial year ended 30 June 2020 for the following Senior Executives: Mr Alexander \$46,177, Mr Barton \$150,427, Mr Felstead \$39,034 and Mr Nisbet \$39,034.

6. The 2017 Senior Executive Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

7. The Crown Digital Senior Executive Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

REMUNERATION REPORT CONTINUED

Remuneration Table – Remuneration Received / Vested

The statutory table on page 79 is prepared in accordance with the requirements of the Corporations Act and the Australian Accounting Standards and does not reflect amounts actually received by the Senior Executives during the financial year. The following table sets out the remuneration which was received by, or vested during, the relevant financial year for each Senior Executive. This is comprised of salary and fees and the STI referable to the previous financial year, but which was received after the end of the financial year. The value of the 2017 Incentive Plan and the Crown Digital Incentive Plan has not been included in the following table. This information is provided as it is considered to be of interest to the users of this Report.

	Financial Year	Salary & Fees	Non Monetary ¹	Other ¹	STI	Super-annuation	Termination Benefits	Total
John Alexander	2020	3,559,988	2,560	4,785	-	21,003	-	3,588,336
Executive Director	2019	3,589,391	12,939	24,335	500,000	20,531	-	4,147,196
Ken Barton	2020	2,489,587	78,650	-	-	21,003	-	2,589,240
Chief Executive Officer and Managing Director	2019	2,167,920	82,945	-	750,000	25,000	-	3,025,865
Barry Felstead	2020	2,231,531	126,012	-	-	21,003	-	2,378,546
Chief Executive Officer - Australian Resorts	2019	2,329,026	145,334	-	916,900	20,531	-	3,411,791
Todd Nisbet	2020	2,231,531	321,590	392,995	-	21,003	-	2,967,119
Executive Vice President - Strategy & Development	2019	2,329,026	350,507	351,406	1,146,126	20,531	-	4,197,596
2020 TOTALS		10,512,637	528,812	397,780	-	84,012	-	11,523,241
2019 TOTALS		10,415,363	591,725	375,741	3,313,026	86,593	-	14,782,448

1. Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive.

Key Management Personnel Disclosures

Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities.

30 June 2020

Crown Directors

Directors	Balance 1 July 2019	Other net change	Balance 30 June 2020
John Alexander	399,557	-	399,557
Ken Barton ¹	143,128	-	143,128
Jane Halton AO PSM	948	-	948
Helen A Coonan	-	10,000 ²	10,000
Antonia Korsanos	10,000	-	10,000
Harold Mitchell AC	114,887	-	114,887
John Poynton AO	1,000	-	1,000

¹ Mr Barton was appointed Managing Director of Crown with effect from 3 March 2020.

² As required by the ASX Listing Rules, Ms Coonan provided Crown with an Appendix 3Y detailing her change in interests in Crown shares on 2 March 2020.

Crown Executives

Executives	Balance 1 July 2019	Other net change ¹	Balance 30 June 2020
Barry Felstead	178,374	-	178,374
Todd Nisbet	229,531	15,000	244,531

¹ Other net change represents the acquisition or sale of Crown Shares by Crown Executives.

30 June 2019

Crown Directors

Directors	Balance 1 July 2018	Other net change	Balance 30 June 2019
John Alexander	399,557	-	399,557
Jane Halton AO PSM	948	-	948
Antonia Korsanos	-	10,000 ¹	10,000
Harold Mitchell AC	114,887	-	114,887
John Poynton AO	-	1,000 ²	1,000

¹ As required by the ASX Listing Rules, Mrs Korsanos provided Crown with an Appendix 3Y detailing her change in interests in Crown shares on 8 November 2018.

² Mr Poynton was appointed as a director on 20 November 2018. As required by the ASX Listing Rules, Mr Poynton provided Crown with an Appendix 3X detailing his interests in Crown shares on the date of his appointment. The interests in respect of Mr Poynton are therefore as at 20 November 2018.

Crown Executives

Executives	Balance 1 July 2018	Other net change	Balance 30 June 2019
Ken Barton	143,128	-	143,128
Barry Felstead	178,374	-	178,374
Todd Nisbet	229,531	-	229,531

REMUNERATION REPORT CONTINUED

Senior Executive Option Holdings

Set out below is a summary of Options held directly, indirectly or beneficially by KMPs, close family or controlled entities.

Senior Executives	Balance 1 July 2019	Options granted	Options exercised	Other net change	Balance 30 June 2020	Options vested during year
John Alexander	5,000,000	-	-	-	5,000,000	-
Ken Barton	11,513,980 ¹	-	-	-	11,513,980 ¹	-
Barry Felstead	3,000,000	-	-	-	3,000,000	-
Todd Nisbet	3,000,000	-	-	-	3,000,000	-

¹ Includes 3,000,000 options over Crown Shares issued to Mr Barton under the 2017 Incentive Plan and 8,513,980 options over Crown Digital shares issued to Mr Barton under the Crown Digital Incentive Plan.

Loans to Key Management Personnel

As noted above, Options under the 2017 Incentive Plan and the Crown Digital Incentive Plan were issued to the Senior Executives for a Fee equal to the market value at the date they were originally agreed to be issued (ie 22 February 2017 (\$0.71 per Option (Fee)) in relation to the 2017 Incentive Plan and 19 December 2018 (\$0.09 per Option (Fee)) in relation to the Crown Digital Incentive Plan). Each relevant Senior Executive paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Option; or
- in the case of lapse, cancellation or forfeiture, nil.

The Senior Executives who have been granted an Acquisition Loan and the value of that Acquisition Loan are as follows:

Senior Executives	2017 Incentive Plan Acquisition Loan Value	Crown Digital Incentive Plan Acquisition Loan Value
John Alexander	\$3,543,300	-
Ken Barton	\$2,125,980	\$765,407
Barry Felstead	\$2,125,980	-
Todd Nisbet	\$2,125,980	-

There have been no other loans made, guaranteed or secured, directly or indirectly by the Company or any of its subsidiaries in the reporting period in relation to KMPs, close family or controlled entities.

Transactions Entered into with Key Management Personnel

Other than as has been disclosed in Note 28 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Signed in accordance with a resolution of the Directors.

Ken Barton

Director

9 September 2020

Auditor's Independence Declaration



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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
9 September 2020

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Independent Auditor's Report



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Independent Auditor's Report to the Members of Crown Resorts Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Crown Resorts Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

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

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1. Carrying value of trade receivables

Why significant	How our audit addressed the key audit matter
<p>The Group is required to assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers.</p> <p>The Group applies Australian Accounting Standard - AASB 9 <i>Financial Instruments</i> in calculating the allowance for expected credit losses, applying a forward-looking expected loss impairment model. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.</p> <p>The estimates and assumptions applied by the Group in determining the allowance for expected credit losses at 30 June 2020 were updated to incorporate the uncertainty surrounding the duration for which restricted operating conditions and border restrictions, imposed by governments in their response to the COVID-19 pandemic, continue.</p> <p>The Group's disclosures are included in Note 1.5 and Note 6 of the financial report, which outlines the accounting policy for determining the allowance for expected credit losses.</p>	<p>In assessing the carrying value of trade receivables, we:</p> <ul style="list-style-type: none"> ▶ tested the ageing of trade receivables for a sample of customer transactions; ▶ assessed receipts after year-end to determine any remaining exposure at the date of the financial report; ▶ considered the Group's assessment of individual customers debtor circumstances along with other information available relating to customers; ▶ assessed whether the expected credit loss impairment model was calculated in accordance with AASB 9 and tested the mathematical accuracy of the calculations; ▶ compared the Group's provisioning rates against historical collection data; ▶ considered the impact of the uncertainty surrounding the duration for which restricted operating conditions and border restrictions continue; ▶ assessed whether the time value of money was considered in the impairment model; ▶ assessed the effectiveness of relevant controls in relation to the granting of credit facilities, including credit checks; and ▶ assessed the adequacy of the Group's disclosures in relation to trade receivables included in the financial report, including the assumptions, estimations and judgements made in calculating the provision for expected credit losses.

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2. Carrying value of intangible assets

Why significant

The Group has goodwill of \$243.2 million and licence intangible assets of \$1,047.3 million held on the consolidated statement of financial position at 30 June 2020. The Crown Aspinalls cash generating unit was impaired during the year.

The Group performs an impairment assessment on an annual basis to support the carrying value of goodwill and other indefinite life intangible assets. In addition, an impairment assessment is performed when there is an impairment indicator present.

The impairment assessment is complex and judgmental, as it includes modelling a range of assumptions and estimates that are affected by expected future performance and market conditions. This includes cash flow forecasts, growth rates, discount rates, terminal value assumptions and market multiples.

At 30 June 2020 there was significant uncertainty arising from the COVID-19 pandemic and the response of Governments to it. The COVID-19 pandemic resulted in the mandated closure of a number of the Group's operations during the year. Upon reopening, certain operating restrictions will be observed and international border closures are likely to remain in place. The duration of these restrictions and the constraint they provide to the operations of the Group are uncertain.

Significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets.

The disclosures in the financial report provide important information about the assumptions made in the impairment testing and the conditions at 30 June 2020. As a result, we consider the impairment testing of goodwill and other intangible assets and the related disclosures in the financial report to be particularly significant to our audit.

Attention is drawn to the key assumptions, judgements and estimates used in the Group's assessment of impairment of intangible assets which are set out in Note 1.5 and Note 13 of the financial report.

How our audit addressed the key audit matter

In assessing the carrying value of intangible assets, we:

- ▶ assessed the cash flow forecasts, which supported the calculations of recoverable amounts for goodwill and other indefinite lived intangible assets and the impairment charge recorded;
- ▶ compared the forecasts to the Board approved budgets and long-term financial plan. We also considered the historical reliability of the Group's cash flow forecasting process;
- ▶ assessed the Group's assumptions and estimates made as a result of COVID-19 including those with respect to expected duration of Government mandated operating restrictions and the effects on the Group's cash generating units;
- ▶ involved our valuation specialists to assess whether the methodology applied was in accordance with Australian Accounting Standards and to assess the key assumptions applied in the impairment models. These included the discount rates, terminal value assumptions and market multiples;
- ▶ tested whether the models used were mathematically accurate;
- ▶ performed sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that would either individually or collectively result in an impairment charge. In addition, we assessed the sensitivity analysis performed by the Group; and
- ▶ assessed the adequacy of the disclosures included in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



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Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 60 to 82 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Michael Collins
Partner
Melbourne
9 September 2020

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Financial Report

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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

FINANCIAL REPORT 2020 CONTINUED

Statement of Comprehensive Income

For the year ended 30 June 2020

	2020 \$m	2019 \$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.

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		32.5	153.9
Provisions	17	200.3	186.0
Other financial liabilities		2.4	-
Total current liabilities		669.9	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	420.5	401.5
Provisions	17	27.0	24.2
Other financial liabilities		-	4.5
Total non-current liabilities		1,741.6	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.

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			
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.

Statement of Changes in Equity

For the year ended 30 June 2020

	Ordinary Shares \$m	Shares Held in Trust \$m	Retained Earnings \$m	Reserves \$m	Total \$m	Non- Controlling Interest \$m	Total Equity \$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.

Notes to 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 the financial report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to Crown Resorts Limited (Crown or 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 9 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.

Going concern

At 30 June 2020, the Group is in a net current liability position of \$213.0 million (2019: net current asset position of \$224.4 million). The financial statements have been prepared on a going concern basis. In determining the appropriateness of the basis of preparation, the Group have considered the impact of the COVID-19 pandemic on the Group's financial position at 30 June 2020 and its operations in future periods.

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. The Group re-commenced gaming activities at Crown Perth on 27 June 2020 and at Crown Aspinalls on 15 August 2020. Restrictions remain in place around the number of patrons allowed onsite and strict adherence to health and safety standards. It remains uncertain for how long these restrictions will remain in place. Gaming

activities at Crown Melbourne remained closed at the date of this report.

COVID-19 has had a significant impact on the current year financial results and financial position and has created significant uncertainty in relation to the Group's cash flow forecasts. The matters which the Group have taken into consideration in forming a view that the Group is a going concern, include, but are not limited to, the following:

- In April 2020, the Group entered into new bilateral facilities with relationship banks for a total of \$560 million, with a mix of two and four year maturities. \$280 million was drawn on these facilities at 30 June 2020 (refer note 16).
- Given the uncertainty surrounding the ongoing closure of Crown Melbourne, the Group has obtained waivers of financial covenants for its banking facilities in relation to the 31 December 2020 testing date. No waiver was required for the 30 June 2020 testing date.
- At 30 June 2020, the Group had \$238.5 million in available cash and cash equivalents (excluding working capital cash) (refer note 21) and \$401.3 million in committed un-drawn bank facilities (refer note 16).
- At 30 June 2020, the Group had \$447.7 million in capital commitments (refer note 20), primarily related to the construction of Crown Sydney. Subsequent to 30 June 2020, the Group executed a \$450 million project finance facility to support the continuation of the construction of Crown Sydney. This facility is expected to be retired by the proceeds of the apartment sales.
- The Group has undertaken scenario modelling which consider varying levels of unfavourable impacts of the COVID-19 pandemic on its cash flow forecasts, including varying timing of re-commencement of gaming activities at Crown Melbourne and duration for which restricted operating conditions and border restrictions continue.

Based on the above, the Group is satisfied that it will be able to continue to meet its liabilities as and when they fall due, over the next twelve months.

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 AASB Interpretation 4 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:

	\$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)

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

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) Refer note 1.5.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.2 Changes in accounting policies *continued*

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 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.

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 with the exception of the adoption of AASB 16 and AASB Interpretation 23.

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.

At 30 June 2020 there is significant uncertainty arising from the COVID-19 pandemic and the response of Governments to it. This means that cash flow assumptions and forecasts may change significantly and unexpectedly over a relatively short period of time. The COVID-19 pandemic resulted in the mandated closure of a number of the Group's operations during the year. Upon reopening, certain operating restrictions will be observed and international border closures are likely to remain in place. The duration of these restrictions and the constraint they provide to the operations of the Group are uncertain.

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.

Expected credit losses

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

An impairment analysis is performed at each reporting date to measure allowance for expected credit losses. The allowance for expected credit losses is based on a provision matrix that reflects the Group's historical credit loss experience, adjusted for management's knowledge of specific customers' circumstances, including changes in financial circumstances, significant delay in payments and gambling activity, as well as current collection trends and business conditions.

The estimates and assumptions associated with the Group's expected credit loss model were revised as a result of prevailing economic conditions at 30 June 2020, reflecting the uncertainty regarding the duration of restricted operating conditions and border closures. Extended periods of restricted operations and border closures create uncertainty regarding the collectability of those debts.

The assumptions used in the estimation of the allowance for expected credit losses are discussed further in note 6. 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 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

If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the lessee 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 lessee '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. Information relating to Significant items is presented within note 2 Segment Information and is disclosed to allow users of the financial

Notes to Financial Statements *continued*

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.5 Significant accounting judgements, estimates and assumptions *continued*

report to see the performance of the Group in a comparable form to that of the comparative period.

Closure Costs

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. Given these circumstances, Crown has provided information relating to the costs incurred during closure within note 2 Segment Information, on the basis this is consistent with information used by the Chief Operating Decision Makers during the 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.

(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 expected credit losses.

An allowance for expected credit losses 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 associate.

(h) Investments and other financial assets

Financial assets are classified based on:

- The objective of the entity's business model for managing the financial assets; and
- 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.

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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

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 fittings 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.

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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

(o) Employee benefits *continued*

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.

(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. Variable lease payments are recognised as revenue in the period in which the event or condition that triggers those payments occurs.

(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.

(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**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.

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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies

continued

(u) Revenue from contracts with customers

continued

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.

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

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.

(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.

2. Segment Information

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.

This is consistent with the information provided to and used by the Chief Operating Decision Makers to evaluate the performance of the Group during this period.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

2. Segment Information *continued*

	Theoretical Result ⁽¹⁾⁽⁷⁾						VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾	ACTUAL
	Crown Melbourne	Crown Perth	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group		
30 June 2020	\$m	\$m	\$m	\$m	\$m	\$m	\$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	-	-	440.1	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	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	2,237.2	
EBITDA before Closure Costs ⁽³⁾ & Significant items ⁽⁷⁾	354.3	161.8	(2.7)	34.7	(44.3)	503.8	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	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	152.9	
Equity accounted share of associates' net profit/(loss) ⁽⁶⁾						6.7	6.7	
Equity accounted share of associates' net profit/(loss) during mandated closure ⁽⁶⁾						(6.4)	(6.4)	
Net interest income/(expense)						0.0	0.0	
Profit/(loss) before tax						153.2	153.2	
Income tax benefit/(expense)						(71.3)	(71.3)	
Profit/(loss) after tax						81.9	81.9	
Non-controlling interest						(2.4)	(2.4)	
Profit/(loss) attributable to equity holders of the Parent						79.5	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 above), excluding costs in relation to hotel quarantine services and Crown's Wagering and Online businesses. 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.

	Theoretical Result ⁽¹⁾⁽⁴⁾							ACTUAL
	Crown Melbourne	Crown Perth	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group	VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾	
30 June 2019	\$m	\$m	\$m	\$m	\$m	\$m	\$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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

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
Total Revenue	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 ⁽²⁾	21.7	-
Reassessment of contingent consideration - DGN ⁽³⁾	1.7	(48.9)
Other expenses	71.0	46.8
	2,074.2	2,326.8
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

(1) Refer note 13 for further information.

(2) Refer note 8 for further information.

(3) Refer note 15 for further information.

	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 ⁽⁴⁾	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 ⁽²⁾	(21.7)	-
Reassessment of contingent consideration - DGN ⁽³⁾	(1.7)	48.9
Tax amounts in significant items	1.0	-
	(78.7)	-

(1) Refer note 13 for further information.

(2) Refer note 8 for further information.

(3) Refer note 15 for further information.

(4) Net of government grants, refer note 25 for further information.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

4. Dividends Paid and Declared

	2020 \$m	2019 \$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%)	0.1	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	33.1	(4.4)
	33.2	(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	33.2	(23.3)

5. Income Tax

	2020 \$m	2019 \$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 ⁽¹⁾	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	63.9	50.9
Deferred expense	17.3	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	(420.5)	(401.5)
Net deferred income tax assets/(liabilities)	(249.8)	(242.0)

(1) Non-deductible/(non-assessable) significant items includes asset impairments and reassessment of contingent consideration.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

5. Income Tax *continued*

	Statement of Financial Position		Statement of Profit or Loss	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
(c) Deferred income tax assets and liabilities at the end of the financial year				
The balance comprises temporary differences attributable to:				
Allowance for expected credit losses	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	13.8	11.9	0.9	(18.5)
Deferred income tax expense/(income)			17.3	126.1
Net deferred income tax assets/(liabilities)	(249.8)	(242.0)		
			2020 \$m	2019 \$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			(17.3)	(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			(249.8)	(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			548.9	540.9
Foreign income tax losses for offset against future foreign profits			885.7	753.0
Total tax losses not brought to account			1,434.6	1,293.9
Potential tax benefit at respective tax rates			350.7	320.4

(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.

6. Trade and Other Receivables

	2020	2019
	\$m	\$m
Current		
Trade receivables	193.5	189.7
Allowance for expected credit losses (a)	(139.0)	(108.0)
	54.5	81.7
Other receivables ⁽¹⁾	56.7	17.0
	111.2	98.7
Non-current		
Other receivables	-	157.8
	-	157.8

(1) Includes JobKeeper receivable, refer note 25 for further information.

(a) Allowance for expected credit losses

Trade receivables are non-interest bearing and are generally 30 day terms. An allowance for expected credit losses is recognised based on the expected credit loss model from the time the financial instrument is initially recognised. The estimates and assumptions applied by the Group in determining the allowance for expected credit losses at 30 June 2020 were updated to incorporate the uncertainty around the duration for which restricted operating conditions and border restrictions continue.

Movements in the allowance for expected credit losses

	2020	2019
	\$m	\$m
Allowance for expected credit losses at the beginning of the year	(108.0)	(425.7)
Net credit loss expense ⁽¹⁾	(27.0)	(12.7)
Net amounts written off/(recovered)	(4.3)	339.1
Exchange differences	0.3	(8.7)
	(139.0)	(108.0)

(1) Amounts are included in other expenses.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

6. Trade and Other Receivables *continued*(a) Allowance for expected credit losses *continued*

Ageing analysis of trade receivables

	0-30 days \$m	>30 days - <1 year \$m	>1 year \$m	Total \$m
2020 - consolidated				
Gross carrying amount	6.5	101.3	85.7	193.5
Allowance for expected credit losses	-	(66.9)	(72.1)	(139.0)
Net carrying amount	6.5	34.4	13.6	54.5
2019 - consolidated				
Gross carrying amount	47.3	70.3	72.1	189.7
Allowance for expected credit losses	(1.8)	(49.0)	(57.2)	(108.0)
Net carrying amount	45.5	21.3	14.9	81.7

7. Other Financial Assets

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

	2020 \$m	2019 \$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	(21.7)	-
Foreign exchange movements	2.9	7.4
Dividends received	(5.9)	(7.4)
Carrying amount of investment in the Nobu Group at the end of the financial year	121.2	142.5

Impairment testing

At each reporting date, the Group assesses for each associate 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. Nobu, Aspers and Chill Gaming have all been adversely impacted by COVID-19, and therefore the Group determined that this could be considered as objective evidence of impairment. Therefore, the carrying amount of the investment in each associate was tested for impairment at 30 June 2020.

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 and dividend forecasts that are based primarily on business plans presented to the Board.

The recoverable amount of the Group's investment in Nobu determined based on the impairment testing as at 30 June 2020 is \$121.2 million. As a result of the carrying amount of the investment exceeding its recoverable amount, the Group 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. The following describes key assumptions used to determine the recoverable amount of the Group's investment in Nobu:

- The cash flow and dividend forecasts were developed as part of the annual business plan presented to the Board in June 2020. The forecasts are based on past performance and expectations for the future using a five year cash flow period, and considered the uncertainty around the duration for which restricted operating conditions and border restrictions continue.
- Terminal value is calculated using a perpetuity growth formula based on cash flow and dividend forecasts using a discount rate (weighted average cost of capital and cost of equity) and forecast growth rate.
- Forecast growth rate is based on past performance and the Group's expectations of future performance as at 30 June 2020, based on the nature of the industries in which Nobu operates. The terminal growth rates beyond the five year period do not exceed the forecasted long term United States inflation rate of 2.0%.
- A weighted average cost of capital (before tax) of 10.5% (for value in use calculation based on cash flow forecasts) and cost of equity of 9.5% (for value in use calculation based on dividend forecasts) was used by the Group in the impairment testing.

An adverse change in any of the assumptions utilised to determine the recoverable amount of Nobu would lead to a further impairment charge for the Group's investment in Nobu.

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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

9. Property, Plant and Equipment

Property, Plant and Equipment comprises owned and leased assets.

	2020 \$m	2019 \$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 \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Total property, plant & equipment \$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 bilateral facilities totalling \$560 million and provided security to the lenders in the form of first ranking mortgages over certain Property, Plant and Equipment.

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Total property, plant & equipment \$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 and Equipment):

	Land & buildings \$m	Other \$m	Total \$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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

10. Leases *continued*

Group as Lessee *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 Leases	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 has adopted the COVID-19 Related Rent Concessions Amendment to AASB16 and applied the practical expedient, where conditions were met, to recognise all rent relief (total of \$0.2 million) granted due to the impact of COVID-19 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 lease contracts are \$1.4 million within one year, \$5.8 million within five years and \$2.9 million thereafter. As at 30 June, undiscounted potential future cash outflows of \$7.7 million relating to leases with extension options have not been included in the lease liability because it is not reasonably certain that the options will be exercised.

Group as Lessor

The Group has entered into operating leases for retail tenancies within its Crown Melbourne and Crown Perth properties. The undiscounted lease payments to be received for 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 lease payments, and will therefore be reduced by the rental relief provided to tenants. The extent of rent relief to be provided depends on when Crown Melbourne is re-opened.

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

11. Intangible Assets - Licences

	2020 \$m	2019 \$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 (\$506.9 million, 2019: \$523.6 million) 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 (\$100.0 million) once the property is operational.

12. Other Intangible Assets

	Goodwill ⁽¹⁾ \$m	Casino Management Agreement ⁽¹⁾ \$m	Other \$m	Total \$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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

13. Impairment Testing of 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 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, Crown Aspinalls 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 Crown Aspinalls at 30 June 2019 was determined based on a fair value less costs of disposal method.

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

Value in use assessment

The following describes each key assumption on which the Group has based its cash flow projections to undertake impairment testing under the value in use method.

- Cash flow forecasts are based on past performance and expectations for the future using a five year cash flow period, risk adjusted where applicable. COVID-19 has had a major impact on Australian and international economies. A level of uncertainty previously unseen has resulted in increased difficulty in developing cash flow forecasts. Therefore the Group considered the uncertainty around the duration of restricted operating conditions and border restrictions in determining cash flow forecasts.
- For the purposes of impairment testing, allowances have been made in order to reflect the estimated impact of COVID-19 on Crown's businesses. Based on information available at 30 June 2020, with respect to Crown Melbourne, Crown Perth and Crown Aspinalls the impairment modelling assumed that the properties would re-commence gaming operations within the first year under social distancing restrictions, before a gradual recovery to pre COVID-19 trading over the

medium to long term within the context of the 5 year forecast period. An impairment loss related to the Crown Aspinalls CGU was recorded on this basis (refer below for further information). In addition to the base impairment model, for Crown Melbourne and Crown Perth, the Group also analysed a range of scenarios with respect to recovery to pre COVID-19 trading. The worst case scenario considered a gradual recovery to pre COVID-19 trading over a 5 year period. The recoverable amount continued to exceed the carrying amount of Crown Melbourne and Crown Perth using the worst case scenario. The likelihood of this scenario is considered remote.

- Impairment testing assumptions for Betfair anticipate continued trading with no adverse material impact on their operations as a result of COVID-19, which is consistent with the circumstances observed to 30 June 2020.
- 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 for Crown Melbourne, Crown Perth and Betfair beyond the five year period do not exceed the forecasted long term Australian inflation rate of 2.50% (2019: 2.50%). The terminal growth rates for Crown Aspinalls beyond the five year period do not exceed the forecasted long term UK inflation rate of 2.00%.
- A weighted average cost of capital (before tax) of between 9.1% and 14.7% (2019: 10.5% and 17.2%) 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 calculations under the fair value less costs of disposal method. The below assumptions are in addition to those assumptions utilised in the independent valuations undertaken by third parties with respect to the CGUs. The adopted recoverable amount has been determined based on a range of values calculated using the methods described below and the independent valuations undertaken.

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.

The Group also considered the impact of existing economic conditions in determining cash flow forecasts.

- Terminal value is calculated using a perpetuity growth formula based on cash flow forecasts using a discount rate and earnings multiples.
- A discount rate (before tax) of 14.6% was used (2019: 11.9%), risk adjusted where applicable.
- Cost of disposal of 2.0% has been utilised to discount the implied fair value.

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 (pre COVID-19) have been utilised.
- Cost of disposal of between 1.0% and 2.0% has been utilised to discount the implied fair value.
- In determining the forecast EBITDA to which the trading multiples were applied, the Group considered earnings forecasts based on the business plan as presented to the Board using a five year cash flow period, risk adjusted where applicable. COVID-19 has had a major impact on Australian and international economies. A level of uncertainty previously unseen has resulted in increased difficulty in developing earnings forecasts. Therefore the Group considered the uncertainty around the duration of restricted operating conditions and border restrictions in determining earnings forecasts

The fair value measurement for the DGN and Crown Sydney CGUs 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 related to the Crown Aspinalls CGU has been recorded against the Group's intangible assets during the year. At 30 June 2019 there were indicators of impairment for the DGN CGU, and based on the impairment testing, an impairment loss of \$48.9 million was recorded against the goodwill of DGN in the prior year.

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.

Sensitivity analysis

For CGUs 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, prevailing regulatory and licence conditions, 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 or regulatory environments may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

For Crown Melbourne and Crown Perth, the Group analysed a range of scenarios with respect to recovery to pre COVID-19 trading. The worst case scenario considered a gradual recovery to pre COVID-19 trading over a 5 year period. The recoverable amount continued to exceed the carrying amount of Crown Melbourne and Crown Perth using the worst case scenario. The likelihood of this scenario is considered remote.

With respect to Crown Perth, based on the cash flows adopted in the calculation of recoverable amount, an increase in the discount rate (weighted average cost of capital after tax) of 1.0% or a decrease in terminal growth rate of 1.2%, in isolation and with all other assumptions held constant, could give rise to an impairment. It should be noted that Crown Perth has opened earlier than anticipated and traded stronger than the Board presented forecasts. If these strong trading results post re-opening are reflected in the forecast cash flows, no impairment is anticipated under the aforementioned sensitivity scenarios.

In the case of Crown Aspinalls where an impairment charge was taken, an adverse change in any of the assumptions utilised to determine the recoverable amount would lead to a further impairment charge of the CGU.

For CGUs where the recoverable amount was determined based on fair value less costs of disposal, the key assumptions used to determine the fair value include management's current expectations based on past experience, prevailing regulatory and licence conditions, current circumstances surrounding COVID-19, future plans and external market information, as well as trading multiples and assumptions used in the independent valuations undertaken (as applicable). They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions or regulatory environments may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

14. Other Assets

	2020 \$m	2019 \$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 \$m	2019 \$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.

16. Interest-Bearing Loans and Borrowings

	2020 \$m	2019 \$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.

Financing and Credit Facilities

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

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	

Notes to Financial Statements *continued*

For the year ended 30 June 2020

16. Interest-Bearing Loans and Borrowings *continued*

Financing and Credit Facilities *continued*

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 are 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.

Subsequent to 30 June 2020, Crown executed a \$450 million project finance facility to support the continuation of the construction of Crown Sydney. Post execution, Crown drew down \$226.5 million from this facility. At the date of this report, the majority of this amount is held as cash and cash equivalents. The project finance facility is secured by certain Property, Plant and Equipment and will mature in December 2021. This facility is expected to be fully retired by the proceeds of the apartment sales.

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

17. Provisions

	Employee Entitlements \$m	Other \$m	Total \$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

18. Contributed Equity

	2020 \$m	2019 \$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 No.	2019 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 Financial Statements *continued*

For the year ended 30 June 2020

19. Reserves and Retained Earnings

	2020 \$m	2019 \$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
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 \$m	2019 \$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	447.7	623.9
Payable after one year but not more than five years	-	82.8
	447.7	706.7

21. Cash Flow Statement Reconciliation

	2020 \$m	2019 \$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 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 \$m	2019 \$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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

21. Cash Flow Statement Reconciliation *continued*

(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).

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. 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. Refer note 16 for further details.

23. Contingent Liabilities and Related Matters

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 and participate in regulatory inquiries arising from the conduct of their business. The Group does not consider that the outcome of any proceedings or inquiries ongoing at balance date, either individually or in aggregate, are 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. Auditor's Remuneration

	2020 \$	2019 \$
Fees to Ernst & Young (Australia):		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,534,982	1,560,777
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	67,300	64,750
Fees for other services:		
- Taxation services	2,479,861	3,567,326
- Other	30,000	87,853
Total fees to Ernst & Young (Australia)	4,112,143	5,280,706
Fees to other overseas member firms of Ernst & Young (Australia):		
Fees for auditing the financial report of any controlled entities	127,583	127,509
Fees for other services:		
- Taxation services	537,350	545,204
Total fees to overseas member firms of Ernst & Young (Australia)	664,933	672,713
Total auditor's remuneration	4,777,076	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 \$113.9 million, the accounting for which is detailed below. Crown has presented 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 3(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.

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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

27. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

The Hon. Helen A Coonan	Chairman (appointed as Chairman on 24 January 2020)
Professor John S Horvath AO	Deputy Chairman (appointed as Deputy Chairman 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 Chairman until 24 January 2020)
Andrew Demetriou	Non-Executive Director
Geoffrey J Dixon	Non-Executive Director (retired 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
W Todd Nisbet	Executive Vice President – Strategy and Development

Prior to 30 June 2020, Crown announced the appointment of Mr Alan McGregor as Crown's Chief Financial Officer, subject to the receipt of any necessary regulatory approvals. On 20 August 2020, following receipt of the regulatory approvals, Mr McGregor's appointment became effective.

(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:

Remuneration by category	2020 \$m	2019 \$m
Short term benefits	13.3	13.0
Post employment benefits	0.2	0.2
Long term incentives	2.6	2.4
	16.1	15.6

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

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. At 30 June 2020 there was \$0.1 million owing to Nobu (2019: \$0.2 million).

Notes to Financial Statements *continued*

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

	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).

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 \$m	2019 \$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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

30. Deed of Cross Guarantee *continued*

	Closed Group	
	2020 \$m	2019 \$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	33.2	153.6
Provisions	195.6	172.3
Other financial liabilities	2.4	-
Total current liabilities	635.3	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	418.6	399.8
Provisions	27.0	24.3
Other financial liabilities	-	4.5
Total non-current liabilities	1,989.0	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

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	14,401.5	14,253.6
Total assets	14,418.7	14,289.3
Current liabilities	95.6	236.8
Non-current liabilities	5,004.1	4,891.7
Total liabilities	5,099.7	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.

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, lease liabilities, 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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*

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 \$m	2019 \$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).

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 (2019: 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 \$m	2019 \$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).

(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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued*(a) Market Risk *continued*(iii) Foreign exchange risk *continued*

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 \$m	2019 \$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
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
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

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 higher/(lower)		Other comprehensive income higher/(lower)	
	2020 \$m	2019 \$m	2020 \$m	2019 \$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 \$m	2019 \$m	2020	2019
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 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.

(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.

Notes to Financial Statements *continued*

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued***(c) Credit Risk** *continued*

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 \$m	2019 \$m	2020 \$m	2019 \$m	2020 \$m	2019 \$m	2020 \$m	2019 \$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
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
Lease liabilities	7.8	-	15.8	-	140.8	-	164.4	-
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	449.8	735.7	345.0	138.9	1,238.8	1,105.3	2,033.6	1,979.9
Net maturity	(42.7)	497.8	(309.1)	54.2	(1,140.0)	(999.3)	(1,491.8)	(447.3)

(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.

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

Notes to Financial Statements *continued*

For the year ended 30 June 2020

32. Financial Risk Management Objectives and Policies *continued***(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 2019	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

Directors' Declaration

1. In the opinion of the Directors:
 - a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* (Cth);
 - b. the financial statements and notes also comply with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1 of the Financial Report; and
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2020.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 29 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of the Directors.



Ken Barton
Director

9 September 2020

Shareholder Information

Substantial shareholders as at 31 August 2020

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Date Received	Number of Ordinary Shares	% of Issued Capital
Consolidated Press Holdings Pty Limited	11 June 2019	249,253,302	36.81%
Midnight Acacia Holdings Pte. Limited	1 May 2020	67,675,000	9.99%
Perpetual Limited	6 April 2020	63,194,756	9.33%

Holders of each class of securities as at 31 August 2020

Crown has 677,158,271 ordinary shares on issue held by 47,957 shareholders.

Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting:

- (a) on a show of hands, every member present has one vote; and
- (b) on a poll, every member present has:
 - (i) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (ii) a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid on the share bears to the total amounts paid and payable on the share.

Distribution of shareholders as at 31 August 2020

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	33,689	1.82
1,001 – 5,000	12,553	3.99
5,001 – 10,000	1,141	1.19
10,001 – 100,000	523	1.61
100,001 and over	51	91.39
Total	47,957	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 3,828 (based on a closing market price of ordinary shares on 31 August 2020).

The 20 largest shareholders as at 31 August 2020

Name	No. of Shares	% of Issued Capital
1. CPH CROWN HOLDINGS PTY LTD	237,025,000	35.00
2. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	146,246,329	21.60
3. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	74,788,412	11.04
4. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	67,683,253	10.00
5. CITICORP NOMINEES PTY LIMITED	35,425,150	5.23
6. UBS NOMINEES PTY LTD	7,486,002	1.11
7. BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,111,402	1.05
8. BNP PARIBAS NOMS PTY LTD <DRP>	6,558,841	0.97
9. CONSOLIDATED PRESS HOLDINGS PTY LIMITED	6,000,000	0.89
10. NATIONAL NOMINEES LIMITED	5,686,492	0.84
11. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,134,716	0.61
12. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	3,535,550	0.52
13. ARGO INVESTMENTS LIMITED	2,609,184	0.39
14. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,501,569	0.22
15. AUSTRALIAN EXECUTOR TRUSTEES LIMITED <IPS SUPER A/C>	1,363,625	0.20
16. NATIONAL NOMINEES LIMITED <N A/C>	1,187,000	0.18
17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	796,067	0.12
18. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	715,648	0.11
19. SANDHURST TRUSTEES LTD <SISF A/C>	630,000	0.09
20. NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	581,346	0.09
Total	611,065,586	90.24

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the website of Crown's Share Registry, Computershare, at www.investorcentre.com. For security reasons, shareholders will be required to enter their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online at any time. Alternatively, shareholders can update their details by phone or by writing to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry either online at www.investorcentre.com, by phone on 1300 659 795 (within Australia) or on +61 3 9415 4000 (outside Australia) or alternatively by writing to: Computershare Investor Services, GPO Box 2975, Melbourne, Victoria 3001.

Electronic shareholder communications

Crown encourages shareholders to elect to receive shareholder communications electronically instead of by post as it enables shareholders to:

- receive important shareholder and company information faster;
- reduce the impact on the environment;
- securely store important shareholder documents online; and
- access all documents conveniently 24/7.

Shareholders who wish to receive email alerts with copies of Crown's Annual Reports, Notices of Meeting, Issuer Holding Statements, Payment Advices and other company related information may update their communication preference online at www.investorcentre.com or by contacting the Share Registry.

Change of address

Issuer sponsored shareholders should immediately update their details online at www.investorcentre.com or by contacting the Share Registry. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details either mailed or sent electronically to shareholders. Shareholders who wish to have their dividends paid directly to their account should update their payment instructions online at www.investorcentre.com or by contacting the Share Registry prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal tax rate plus the Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please update your details online at www.investorcentre.com or by contacting the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings that you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly

Crown's website

Crown has a dedicated corporate website at www.crownresorts.com.au which includes Crown's Annual Reports, Notices of Meeting and other Explanatory Memoranda and disclosures made to the ASX.

Investment warning

All information provided in the Annual Report is provided as at the date stated or otherwise as at the date of this Report.

This Report has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Crown or to seek independent professional advice.

Corporate Information

Directors

The Honourable Helen A Coonan, BA, LLB – Chairman

Professor John S Horvath AO, MB, BS (Syd), FRACP, FAAHMS, FRCPA (Hons) – Deputy Chairman

Kenneth M Barton, BEc, CA, F Fin – Chief Executive Officer and Managing Director

John H Alexander, BA

Andrew Demetriou, BA, Dip. Ed

Jane Halton AO PSM, BA (Hons) Psychology, FIML, FIPAA, NAM, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW)

Guy Jalland, LLB

Michael R Johnston, BEc, CA

Antonia Korsanos, BEc, CA, GAICD

Harold C Mitchell AC

John H Poynton AO, BCom, Hon DCom, FAICD, SF FIN (Life), FAIM

Company Secretary

Mary Manos, LLB (Hons), BCom, GAICD

Crown's Registered Office and Principal Corporate Office

Level 3

Crown Towers

8 Whiteman Street

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Australia

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Share Registry

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

Phone: 1300 659 795 (within Australia)

+61 3 9415 4000 (outside Australia)

Fax: +61 3 9473 2500

Website: www.computershare.com.au

Securities Exchange Listing

Crown's ordinary shares are listed on the Australian Securities Exchange under the code "CWN".

Crown's Subordinated Notes II are listed on the Australian Securities Exchange under the code "CWNHB".

The home exchange is Melbourne.

Website

www.crownresorts.com.au

Auditor

Ernst & Young



**CROWN
RESORTS**