SKYCITY Entertainment Group Limited
Financial Statements
for the year ended 30 June 2013

For and on behalf of the Board:

Chris Moller
Chairman

Bruce Carter
Chairman of the Audit and Financial Risk Committee

14 August 2013

Independent Auditors' Report
to the shareholders of SKYCITY Entertainment Group Limited

Report on the Financial Statements
We have audited the financial statements of SKYCITY Entertainment Group Limited on pages 1 to 43, which comprise the balance sheet as at 30 June 2013, the income statements, statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 30 June 2013 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company and Group's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We have no relationship with, or interests in, SKYCITY Entertainment Group Limited or any of its subsidiaries other than in our capacities as auditors and providers of accounting, tax, other assurance and advisory services. These services have not impaired our independence as auditors of the Company and the Group.

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Independent Auditors' Report

SKYCITY Entertainment Group Limited

Opinion

In our opinion, the financial statements on pages 1 to 43:

(i) comply with generally accepted accounting practice in New Zealand;

(ii) comply with International Financial Reporting Standards; and

(iii) give a true and fair view of the financial position of the Company and the Group as at 30 June 2013, and its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 30 June 2013:

(i) we have obtained all the information and explanations that we have required; and

(ii) in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
14 August 2013

Auckland

		Consolidated		Parent	
	Notes	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Total receipts including GST	3	**970,651**	960,203	**-**	-
Less non-gaming GST	3	**(26,148)**	(26,398)	**-**	-
Gaming win plus non-gaming revenue	3	**944,503**	933,805	**-**	-
Less gaming GST	3	**(84,954)**	(82,275)	**-**	-
Revenue	3	**859,549**	851,530	**-**	-
Other income	4	**1,022**	1,928	**113,484**	110,178
Shares of net profits of associates		**2,245**	5,447	**-**	-
Employee benefits expense		**(281,281)**	(276,642)	**(20,156)**	(22,117)
Other expenses	5	**(119,447)**	(100,354)	**(1,796)**	(3,782)
Direct consumables		**(67,453)**	(62,190)	**-**	-
Gaming taxes and levies		**(61,573)**	(64,039)	**-**	-
Marketing and communications		**(34,796)**	(49,909)	**(1,452)**	(441)
Directors' fees		**(1,123)**	(1,034)	**(1,123)**	(1,034)
Depreciation and amortisation expense	5	**(76,784)**	(72,770)	**(5,593)**	(5,561)
Restructuring costs	5	**(3,235)**	(4,274)	**(1,694)**	(2,093)
Finance costs - net	6	**(49,263)**	(48,861)	**(4,178)**	(4,171)
Gain on disposal of associate	15	**59**	-	**-**	-
Profit before income tax		**167,920**	178,832	**77,492**	70,979
Tax expense	7	**(40,538)**	(39,962)	**(1,479)**	-
Profit for the year		**127,382**	138,870	**76,013**	70,979
Attributable to:					
Profit attributable to shareholders of the company		**127,289**	138,534	**76,013**	70,979
Non controlling interest	23	**93**	336	**-**	-
		127,382	138,870	**76,013**	70,979
		Cents	Cents		
Earnings per share for profit attributable to the shareholders of the company:					
Basic earnings per share	8	**22.1**	24.0		
Diluted earnings per share	8	**22.1**	23.8		

The above income statements should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Profit for the year		**127,382**	138,870	**76,013**	70,979
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of overseas subsidiaries	22	**(24,213)**	(4,517)	**-**	-
Movement in cash flow hedges	22	**10,878**	(1,375)	**-**	593
Income tax relating to components of other comprehensive income	22	**(3,118)**	360	**-**	(166)
Other comprehensive income for the year		**(16,453)**	(5,532)	**-**	427
Total comprehensive income for the year, net of tax		**110,929**	133,338	**76,013**	71,406
Total comprehensive income for the year is attributable to:					
Shareholders of the company		**110,836**	133,002		
Non controlling interest	23	**93**	336		
		110,929	133,338		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
ASSETS					
Current assets					
Cash and bank balances	9	**51,131**	41,400	**1**	1
Receivables and prepayments	10	**20,398**	26,974	**53,278**	153,629
Inventories		**7,416**	6,876	**-**	-
Tax prepayment	11	**38,227**	35,503	**-**	-
Derivative financial instruments	12	**692**	480	**-**	-
Total current assets		**117,864**	111,233	**53,279**	153,630
Non-current assets					
Tax prepayment	11	**16,624**	31,550	**-**	-
Property, plant and equipment	13	**1,093,982**	1,064,418	**7,287**	7,532
Investment in subsidiaries	29	**-**	-	**623,595**	618,775
Intangible assets	14	**389,639**	410,645	**10,231**	10,031
Investments in associates	15	**-**	75,266	**-**	-
Derivative financial instruments	12	**33,910**	23,154	**-**	-
Total non-current assets		**1,534,155**	1,605,033	**641,113**	636,338
Total assets		**1,652,019**	1,716,266	**694,392**	789,968
LIABILITIES					
Current liabilities					
Payables	16	**105,399**	107,186	**273,746**	344,768
Current tax liabilities	11	**-**	7,972	**-**	-
Derivative financial instruments	12	**304**	664	**-**	-
Total current liabilities		**105,703**	115,822	**273,746**	344,768
Non-current liabilities					
Interest bearing liabilities	17	**558,806**	604,902	**-**	-
Subordinated debt - capital notes	18	**56,427**	56,414	**56,427**	56,414
Deferred tax liabilities	19	**87,603**	84,571	**1,479**	-
Derivative financial instruments	12	**30,589**	45,415	**-**	-
Total non-current liabilities		**733,425**	791,302	**57,906**	56,414
Total liabilities		**839,128**	907,124	**331,652**	401,182
Net assets		**812,891**	809,142	**362,740**	388,786
EQUITY					
Share capital	21	**729,395**	727,598	**729,395**	727,598
Reserves	22(a)	**(18,303)**	(1,850)	**-**	-
Retained profits/(losses)	22(b)	**101,799**	81,690	**(366,655)**	(338,812)
Parent entity interest		**812,891**	807,438	**362,740**	388,786
Non controlling interest	23	**-**	1,704	**-**	-
Total equity		**812,891**	809,142	**362,740**	388,786

The above balance sheets should be read in conjunction with the accompanying notes.

Consolidated	Notes	Share capital $'000	Hedging reserves $'000	Foreign currency translation reserve $'000	Retained profits $'000	Minority interest $'000	Total equity $'000
Balance as at 1 July 2011		728,616	(12,340)	16,022	41,150	1,368	774,816
Total comprehensive income/(expense)		-	(1,015)	(4,517)	138,534	336	133,338
Dividends	24	-	-	-	(97,994)	-	(97,994)
Shares issued under dividend reinvestment plan	21	4,736	-	-	-	-	4,736
Share rights issued for employee services		1,426	-	-	-	-	1,426
Net purchase of treasury shares	21	(7,180)	-	-	-	-	(7,180)
Balance as at 30 June 2012		727,598	(13,355)	11,505	81,690	1,704	809,142
Balance as at 1 July 2012		727,598	(13,355)	11,505	81,690	1,704	809,142
Total comprehensive income/(expense)		-	7,760	(24,213)	127,289	93	110,929
Dividends	24	-	-	-	(103,856)	-	(103,856)
Shares issued under dividend reinvestment plan	21	-	-	-	-	-	-
Share rights issued for employee services	21	1,394	-	-	-	-	1,394
Repayment of non controlling interest	23	-	-	-	-	(121)	(121)
Acquisition of non controlling interest	23	-	-	-	(3,324)	(1,676)	(5,000)
Net purchase of treasury shares	21	403	-	-	-	-	403
Balance as at 30 June 2013		729,395	(5,595)	(12,708)	101,799	-	812,891

Parent	Notes	Share capital $'000	Hedging reserves $'000	Retained losses $'000	Total equity $'000
Balance as at 1 July 2011		728,616	(427)	(311,797)	416,392
Total comprehensive income/(expense)		-	427	70,979	71,406
Dividends	24	-	-	(97,994)	(97,994)
Shares issued under dividend reinvestment plan	21	4,736	-	-	4,736
Share rights issued for employee services	21	1,426	-	-	1,426
Net purchase of treasury shares	21	(7,180)	-	-	(7,180)
Balance as at 30 June 2012		727,598	-	(338,812)	388,786
Balance as at 1 July 2012		727,598	-	(338,812)	388,786
Total comprehensive income/(expense)		-	-	76,013	76,013
Dividends	24	-	-	(103,856)	(103,856)
Shares issued under dividend reinvestment plan	21	-	-	-	-
Share rights issued for employee services	21	1,394	-	-	1,394
Net purchase of treasury shares	21	403	-	-	403
Balance as at 30 June 2013		729,395	-	(366,655)	362,740

The above statements of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Cash flows from operating activities					
Receipts from customers		**861,559**	854,348	**-**	-
Payments to suppliers and employees		**(515,501)**	(490,574)	**(25,252)**	(25,785)
		346,058	363,774	**(25,252)**	(25,785)
Dividends received		**1,616**	3,968	**-**	-
Interest received		**69**	167	**-**	-
Gaming tax paid		**(54,402)**	(56,841)	**-**	-
Income taxes paid		**(36,394)**	(49,325)	**-**	-
Net cash inflow / (outflow) from operating activities	32	**256,947**	261,743	**(25,252)**	(25,785)
Cash flows from investing activities					
Purchase of/proceeds from property, plant and equipment		**(111,785)**	(153,689)	**-**	-
Payments for intangible assets		**(11,489)**	(11,008)	**-**	-
Non controlling interest share repurchase		**(121)**	-	**-**	-
Purchase of non controlling interest in Queenstown Casinos Limited		**(5,000)**	-	**-**	-
Loan repayment from Christchurch Hotels Limited		**527**	1,110	**-**	-
Loan repayment from Christchurch Hotels Limited as part of the disposal		**4,598**	-	**-**	-
Proceeds from sale of Christchurch Casinos Limited		**75,402**	-	**-**	-
Dividend from subsidiaries		**-**	-	**113,484**	110,178
Net cash inflow / (outflow) from investing activities		**(47,868)**	(163,587)	**113,484**	110,178
Cash flows from financing activities					
Cash flows associated with derivatives	12	**(3,695)**	11,283	**-**	-
Repayment of borrowings		**(43,000)**	(264,450)	**-**	-
New borrowings		**-**	241,314	**-**	-
Advances from subsidiaries	28	**-**	-	**19,397**	19,700
Net purchase of treasury shares	21	**403**	(7,180)	**403**	(7,180)
Dividends paid to company shareholders	24	**(103,856)**	(93,258)	**(103,856)**	(93,258)
Interest paid		**(49,200)**	(49,042)	**(4,176)**	(3,655)
Net cash (outflows) from financing activities		**(199,348)**	(161,333)	**(88,232)**	(84,393)
Net increase / (decrease) in cash and bank balances		**9,731**	(63,177)	**-**	-
Cash and bank balances at the beginning of the year		**41,400**	104,577	**1**	1
Cash and cash equivalents at end of year	9	**51,131**	41,400	**1**	1

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

SKYCITY Entertainment Group Limited (SKYCITY or the company and its subsidiaries or the Group) operates in the gaming/entertainment, hotel and convention, hospitality, recreation, and tourism sectors. The Group has operations in New Zealand and Australia.

SKYCITY is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Federal House, 86 Federal Street, Auckland. The company is dual-listed on the New Zealand and Australian stock exchanges.

These financial statements have been approved for issue by the board of directors on 14 August 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the year ended 30 June 2013 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards.

(a) Basis of Preparation

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Compliance with IFRS

The separate and consolidated financial statements of SKYCITY also comply with International Financial Reporting Standards (IFRS).

Entities Reporting

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2013 and the results of all subsidiaries and associates for the year then ended.

The financial statements of the 'Parent' are for the company as a separate legal entity.

The Parent company and the Group are designated as profit-oriented entities for financial reporting purposes.

The Parent company has a negative net working capital balance. The Parent's subsidiaries will continue to support it as required.

Statutory Base

SKYCITY is a company registered under the New Zealand Companies Act 1993 and is an issuer in terms of the Securities Act 1978 (New Zealand).

These financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 (New Zealand) and the Companies Act 1993 (New Zealand).

Measurement Basis

These financial statements have been prepared under the historical cost convention, as modified by the revaluation financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical Accounting Estimates and Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the company to exercise its judgement in the process of applying the Group's accounting policies. Estimates are used in the following areas: impairment testing of goodwill, indefinite life casino licences and assessing the probability of utilisation of unused tax losses.

The Group tests annually whether goodwill and indefinite licences have suffered any impairment, in accordance with the accounting policy stated in note 2(i). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates (refer note 14).

There is significant headroom between the value in use calculations and the carrying value of the remaining assets such that reasonably possible changes in the assumptions used would not result in an impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses (refer note 19). Certain judgements are made in calculating these temporary differences.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the company has the power to govern the financial and operating policies to obtain benefits generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are not consolidated from the date that control ceases.

The Group financial statements consolidate the financial statements of subsidiaries, using the acquisition method.

The acquisition method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group. The consideration transferred in a business is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interest issued by the acquirer. It includes any asset or liability arising from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Each identifiable asset and liability is generally measured at its acquisition-date fair value except if an NZ IFRS requires another measurement basis. The excess of the consideration transferred over the Group’s share of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. If the consideration transferred is less than the acquisition-date fair value of identifiable assets acquired and liabilities assumed, a gain is recognised directly in profit or loss.

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

Non controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Income Statement and Balance Sheet respectively.

Subsidiaries are accounted for at cost less any impairment within the parent entity financial statements.

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the differences between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally evidenced by holdings of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity's financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group’s investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group’s share of its associates’ post acquisition profits or losses is recognised in the Income Statement and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operation decision maker. The chief operating decision maker has been identified as the Chief Executive Officer/Managing Director.

(d) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the company's operations are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated and parent financial statements are presented in New Zealand dollars, which is the company's functional and the Group's presentation currency.

(ii) Transactions and Balances

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

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available for sale financial assets, are included in the fair value reserve in equity.

(iii) Foreign Operations

The results and financial position of foreign entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency below:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Revenue Recognition

Revenue is recognised as summarised below.

(i) Operating Revenue

Operating revenues include casino, hotel, food and beverage, convention centre, tower admissions and other revenues. Gaming revenues represent the net gaming win to the casino from gaming activities, being the difference between amounts wagered and amounts won by casino patrons.

Revenues exclude the retail value of rooms, food, beverage and other promotional allowances provided on a complimentary basis to customers.

(ii) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iv) Loyalty Programme

A portion of revenue is allocated to the loyalty points scheme and is recognised when customers redeem their loyalty points.

(f) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income, based on the income tax rate for each jurisdiction. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and changes in unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Goods and Services Tax (GST)

The Income Statement, Cash Flow Statement and Statement of Changes in Equity have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(h) Leases

(i) The Group is the Lessee

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

(ii) The Group is the Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the Balance Sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(i) Impairment of Non-Current Assets

Goodwill and Intangible Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation (property, plant and equipment and intangibles that have a finite useful life) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and Bank Balances

Cash and bank balances include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

(k) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of those receivables.

(l) Inventories

Inventories, all of which are finished goods, are stated at the lower of cost and net realisable value determined on a first in, first out basis.

(m) Investments and Other Financial Assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. The company determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(i) Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets classified as held for trading and financial assets designated as at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as hedges. The Group does not hold any assets that are designated as at fair value on initial recognition. Financial assets at fair value through profit or loss are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the Balance Sheet.

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of exposures to variability in cash flows associated with recognised assets or liabilities or highly probable forecast transactions (cash flow hedges).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

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

(iii) Derivatives that do not qualify for Hedge Accounting

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

(o) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

- Buildings and fit-out	5-75 years
- Plant and equipment	2-75 years
- Motor vehicles	3 years
- Fixtures and fittings	3-20 years

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

(ii) Casino Licences

The casino licences that have a finite useful life are carried at cost less accumulated amortisation. Amortisation of these casino licences is calculated on a straight line basis so as to expense the cost of the licences over their legal life.

The casino licences that have been determined to have an indefinite useful life are not amortised but rather are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

(iii) Acquired Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to seven years).

(q) Payables

Payables are stated at fair value or estimated liability where accrued.

(r) Borrowings

Borrowings, including capital notes and the Group's Adjustable Coupon Exchangeable Securities (SKYCITY ACES - now redeemed), are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost unless part of an effective hedging relationship. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings 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 balance sheet date.

(s) Borrowing Costs

Borrowing costs are expensed, except for costs incurred for the construction of any qualifying asset which are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(t) Employee Benefits

(i) Wages, Salaries and Annual Leave

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

(ii) Share-Based Payments

SKYCITY operates an equity settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share rights or shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share rights or shares granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of share rights or shares that are expected to be distributed. At each balance sheet date, the entity revises its estimates of the number of shares expected to be distributed. It recognises the impact of the revision of original estimates, if any, in the Income Statement, and a corresponding adjustment to equity over the remaining vesting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders.

(v) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

(w) Earnings Per Share

(i) Basic Earnings Per Share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings Per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(x) Statement of Cash Flows

Cash flows associated with derivatives that are part of a hedging relationship are off-set against cash flows associated with the hedged item.

(y) Standards, amendments and interpretations to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 July 2013 or later periods, but which the Group has not early adopted. The significant items are:

- **NZ IFRS 9, Financial Instruments** (effective from annual periods beginning on or after 1 January 2015). This standard replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relates to the classification and measurement of financial instruments.

  All financial assets are required to be classified into two measurement categories: at fair value and at amortised cost. The determination is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  For financial liabilities, the standard retains most of the IAS 39 requirements. An additional presentational requirement has been added for liabilities designated at fair value through profit and loss. Where the fair value option is taken, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income.

  This standard is not expected to significantly impact the Group.

- **NZ IFRS 13, Fair value measurement** (effective from annual periods beginning on or after 1 January 2013). NZ IFRS 13 replaces the fair value measurement guidance contained in individual NZ IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other NZ IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.
  This standard is not expected to significantly impact the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New Accounting Standards Adopted in the Year

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with prior year.

3 REVENUE

	Consolidated		Parent	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Total receipts including GST	**970,651**	960,203	**-**	-
Less non-gaming GST	**(26,148)**	(26,398)	**-**	-
Gaming win plus non-gaming revenue	**944,503**	933,805	**-**	-
Less gaming GST	**(84,954)**	(82,275)	**-**	-
Total revenue	**859,549**	851,530	**-**	-
Gaming	**666,684**	658,713	**-**	-
Non-gaming	**192,865**	192,817	**-**	-
Total revenue	**859,549**	851,530	**-**	-

Non-gaming revenue includes revenues from hotels, food and beverage, convention centre, car parking, property rentals, Sky Tower, and other non-gaming activities.

Included within consolidated gaming revenue is revenue relating to loyalty action points of $1,945,000 (30 June 2012: $11,621,000).

Included within consolidated non-gaming revenue is revenue relating to loyalty action points of $931,000 (30 June 2012: $266,000).

Gaming win represents the gross cash inflows associated with gaming activities. “Total receipts including GST” and “Gaming win plus non-gaming revenue” do not represent revenue as defined by NZ IAS 18 Revenue. The Group has decided to disclose these amounts as they give shareholders and interested parties a better appreciation for the scope of the Group’s gaming activities and is consistent with industry practice adopted by casino operations in Australia.

4 OTHER INCOME

Net gain on disposal of property, plant and equipment	**947**	1,756	**-**	-
Interest income - Christchurch Hotels Limited	**69**	167	**-**	-
Dividend income	**6**	5	**-**	-
Dividends from wholly-owned entities	**-**	-	**113,484**	110,178
	1,022	1,928	**113,484**	110,178

5 EXPENSES

Profit before income tax includes the following specific expenses:

Depreciation				
Buildings	**24,980**	24,777	**-**	-
Plant and equipment	**35,751**	34,215	**2,323**	2,593
Fixtures and fittings	**8,001**	7,366	**-**	-
Motor vehicles	**417**	400	**-**	-
Total depreciation	**69,149**	66,758	**2,323**	2,593

5 EXPENSES (continued)

Amortisation				
Casino licences (Adelaide)	**2,618**	2,682	**-**	-
Computer software	**5,017**	3,330	**3,270**	2,968
Total amortisation	**7,635**	6,012	**3,270**	2,968
Total depreciation and amortisation	**76,784**	72,770	**5,593**	5,561
Other expenses includes:				
Utilities, insurance and rates	**24,169**	21,683	**186**	99
Community Trust donations	**2,919**	3,143	**-**	-
Minimum lease payments relating to operating leases	**4,589**	4,535	**-**	-
Other property expenses	**15,760**	16,045	**-**	-
Other items (including International commissions)	**69,282**	54,905	**1,610**	3,683
Provision for bad and doubtful debts	**2,728**	43	**-**	-
	119,447	100,354	**1,796**	3,782
Redundancy and other staff payments	**1,566**	2,581	**952**	2,093
Other restructuring costs	**1,669**	1,693	**742**	-
	3,235	4,274	**1,694**	2,093

Auditors' fees

During the year the following fees were paid or are payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

(a) Assurance services

Audit services				
PricewaterhouseCoopers				
Audit of Group financial statements	**436**	418	**436**	418
Audit of subsidiary financial statements	**102**	92	**-**	-
Half year review	**87**	84	**87**	84
Total remuneration for audit services	**625**	594	**523**	502
Other assurance services provided by PricewaterhouseCoopers				
Accounting advice and assistance	**90**	85	**90**	85
Systems assurance	**-**	75	**-**	-
Tax compliance services	**115**	91	**43**	40
Total remuneration for other assurance services	**205**	251	**133**	125
Total remuneration for assurance services	**830**	845	**656**	627

(b) Other services

PricewaterhouseCoopers				
Taxation and other advisory services	**309**	266	**100**	169
Total remuneration for taxation services	**309**	266	**100**	169
Total fees paid or payable to auditors	**1,139**	1,111	**756**	796

The Group employs PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important and auditor independence is not impaired. These assignments are principally tax advice. For other work, the company's External Audit Independence Policy requires that advisers other than PricewaterhouseCoopers are engaged, unless otherwise approved by the Board's Audit and Risk Committee.

6 FINANCE COSTS - NET

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Finance costs				
Interest and finance charges	**51,661**	53,167	**4,178**	4,171
Exchange losses/(gains)	**249**	(582)	**-**	-
Interest income	**(2,647)**	(3,724)	**-**	-
Total finance costs	**49,263**	48,861	**4,178**	4,171

7 INCOME TAX EXPENSE

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
(a) Income Tax Expense				
Current tax	**39,882**	49,176	**-**	-
Deferred tax	**656**	(9,214)	**1,479**	-
	40,538	39,962	**1,479**	-
Deferred tax (note 19)				
Origination and reversal of temporary differences	**656**	(9,214)	**1,479**	-
Total deferred tax	**656**	(9,214)	**1,479**	-
(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable				
Profit from continuing operations before income tax expense	**167,920**	178,832	**77,492**	70,979
Tax at the New Zealand tax rate of 28% (2012: 28%)	**47,018**	50,073	**21,698**	19,874
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Inter-company eliminations	**-**	-	**11,212**	10,830
Net non-deductible items	**1,409**	1,491	**345**	146
Share of net profit of associates	**(629)**	(1,525)	**-**	-
Foreign exchange rate differences	**381**	1,336	**-**	-
Exempt dividends received	**(3)**	-	**(31,776)**	(30,850)
Share of partnership expenditure	**(6,934)**	(7,071)	**-**	-
Tax losses not previously recognised	**(1,174)**	(284)	**-**	-
Differences in overseas tax rates	**423**	773	**-**	-
Over provision in prior years	**47**	(4,831)	**-**	-
Income tax expense	**40,538**	39,962	**1,479**	-

The weighted average applicable tax rate was 24.1% (2012: 22.3%).

8 EARNINGS PER SHARE

	Consolidated 2013 Cents	Consolidated 2012 Cents
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	**22.1**	24.0
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company	**22.1**	23.8

(a) Reconciliations of Earnings used in calculating Earnings Per Share

	Consolidated 2013 $'000	Consolidated 2012 $'000
Profit for the year	**127,382**	138,870
Profit attributable to minority interests	**(93)**	(336)
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**127,289**	138,534
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**127,288**	138,534
Interest savings on capital notes	**-**	4,160
Tax on the above	**-**	(1,165)
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**127,288**	141,529

(b) Weighted Average number of shares used as the denominator

	2013 Number	2012 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**576,958,340**	576,958,340
Adjustments for calculation of diluted earnings per share:		
Capital notes	**-**	16,592,208
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**576,958,340**	593,550,548

(c) Information concerning the classification of Securities

Capital Notes

Capital notes are considered to be potential ordinary shares and are therefore included in the determination of diluted earnings per share from their date of issue. In 2013 the capital notes were not dilutive and therefore basic and diluted earning per share are the same. The capital notes have not been included in the determination of basic earnings per share. Details relating to the capital notes are set out in note 18.

9 CASH AND BANK BALANCES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash at bank	**10,196**	2,538	**1**	1
Cash in house	**40,935**	38,862	**-**	-
	51,131	41,400	**1**	1

10 RECEIVABLES AND PREPAYMENTS

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade receivables (net)	**11,512**	13,551	**-**	-
Advance to Christchurch Hotels Limited (note 28)	**-**	5,125	**-**	-
Sundry receivables	**5,421**	4,864	**560**	227
Prepayments	**3,465**	3,434	**1,414**	1,193
Amounts due from subsidiaries (note 29)	**-**	-	**51,304**	152,209
	20,398	26,974	**53,278**	153,629

The provision for bad and doubtful debts was increased by $2,728,000 during the year.

11 NET TAX RECEIVABLES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Tax prepayment - current	**38,227**	35,503	**-**	-
Tax prepayment - non current	**16,624**	31,550	**-**	-
Current tax liabilities	**-**	(7,972)	**-**	-
	54,851	59,081	**-**	-

Tax is typically paid in advance in New Zealand to ensure the Group has positive imputation credits as at 31 March of each year.

12 DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value		Notional principal	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Current assets				
Forward foreign currency contracts	**692**	480	**70,587**	50,576
Total current derivative financial instrument assets	**692**	480	**70,587**	50,576
Non-current assets				
Interest rate swaps - cash flow hedges	**208**	-	**80,000**	-
Cross-currency interest rate swaps - cash flow hedges	**33,702**	23,154	**251,337**	258,548
Total non-current derivative financial instrument assets	**33,910**	23,154	**331,337**	258,548
Current liabilities				
Cross-currency interest rate swap - cash flow hedges*	**-**	519	**-**	31,876
Forward foreign currency contracts	**68**	145	**48,574**	13,018
Interest rate swaps - cash flow hedges	**236**	-	**29,758**	-
Total current derivative financial instrument liabilities	**304**	664	**78,332**	44,894
Non-current liabilities				
Interest rate swaps - cash flow hedges	**30,589**	42,877	**384,334**	396,705
Cross-currency interest rate swaps - cash flow hedges *	**-**	2,538	**60,372**	59,751
Total non-current derivative financial instrument liabilities	**30,589**	45,415	**444,706**	456,456

During the year there were no fair value hedges. In 2012, $3,927,289 of losses on hedged items were offset in the Income Statement by $4,153,420 of gains on derivatives in fair value hedging relationships.

There is no cash flow hedge ineffectiveness in either the current or prior year.

* The fair value amounts are net of collateral payments made of $3,695,421 (2012: nil). When the fair value of the cross-currency interest rate swaps exceeds certain levels, a payment is received from (if the CCIRS is an asset) or made to (if the CCIRS is a liability) the counter-party.

The parent has no derivatives at 30 June 2013 (2012: nil).

13 PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Land $'000	Buildings and fitout $'000	Plant and equipment $'000	Fixtures and fittings $'000	Motor vehicles $'000	Capital work in progress $'000	Total $'000
At 30 June 2011							
Cost	179,953	826,639	390,080	102,810	2,520	67,936	1,569,938
Accumulated depreciation	-	(200,246)	(302,067)	(74,599)	(1,695)	-	(578,607)
Net book value	179,953	626,393	88,013	28,211	825	67,936	991,331
Movements in the year ended 30 June 2012							
Opening net book value	179,953	626,393	88,013	28,211	825	67,936	991,331
Exchange differences	(255)	(2,165)	(493)	(78)	(7)	(258)	(3,256)
Net additions/transfers	10,226	45,337	47,916	13,433	329	25,860	143,101
Depreciation charge	-	(24,777)	(34,215)	(7,366)	(400)	-	(66,758)
Closing net book value	189,924	644,788	101,221	34,200	747	93,538	1,064,418
At 30 June 2012							
Cost	189,924	864,635	350,639	98,191	2,697	93,538	1,599,624
Accumulated depreciation	-	(219,847)	(249,418)	(63,991)	(1,950)	-	(535,206)
Net book value	189,924	644,788	101,221	34,200	747	93,538	1,064,418
Movements in the year ended 30 June 2013							
Opening net book value	189,924	644,788	101,221	34,200	747	93,538	1,064,418
Exchange differences	(1,950)	(10,738)	(2,281)	(337)	(24)	(3,115)	(18,445)
Net additions/transfers	4,101	66,317	49,309	12,270	2,025	(16,864)	117,158
Depreciation charge	-	(24,980)	(35,751)	(8,001)	(417)	-	(69,149)
Closing net book value	192,075	675,387	112,498	38,132	2,331	73,559	1,093,982
At 30 June 2013							
Cost	192,075	907,564	353,796	95,265	4,547	73,559	1,626,806
Accumulated depreciation	-	(232,177)	(241,298)	(57,133)	(2,216)	-	(532,824)
Net book value	192,075	675,387	112,498	38,132	2,331	73,559	1,093,982

13 PROPERTY, PLANT AND EQUIPMENT (continued)

PARENT	Plant and equipment $'000	Capital work in progress $'000	Total $'000
At 30 June 2011			
Cost	32,011	733	32,744
Accumulated depreciation	(25,690)	-	(25,690)
Net book value	6,321	733	7,054
Movements in the year ended 30 June 2012			
Opening net book value	6,321	733	7,054
Net additions/transfers	2,023	1,048	3,071
Depreciation charge	(2,593)	-	(2,593)
Closing net book value	5,751	1,781	7,532
At 30 June 2012			
Cost	27,496	1,781	29,277
Accumulated depreciation	(21,745)	-	(21,745)
Net book value	5,751	1,781	7,532
Movements in the year ended 30 June 2013			
Opening net book value	5,751	1,781	7,532
Net additions/transfers	2,873	(795)	2,078
Depreciation charge	(2,323)	-	(2,323)
Closing net book value	6,301	986	7,287
At 30 June 2013			
Cost	30,369	986	31,355
Accumulated depreciation	(24,068)	-	(24,068)
Net book value	6,301	986	7,287

Borrowing costs of $838,507 have been capitalised in the current year relating to the Auckland and Adelaide casino and food and Beverage capital projects and Darwin resort (2012: $2,129,123) using the Group's weighted average cost of debt of 6.97% (2012: 7.16%).

A memorandum of encumbrance is registered against the title of land for the Auckland casino in favour of Auckland City Council. Auckland City Council requires prior written consent before any transfer, assignment or disposition of the land. The intent of the covenant is to protect the Council's rights under the resource consent, relating to the provision of the bus terminus, public car park and the provision of public footpaths around the complex.

A further encumbrance records the Council's interest in relation to the sub-soil areas under Federal and Hobson Streets used by SKYCITY as car parking and a vehicle tunnel. The encumbrance is to notify any transferee of the Council's interest as lessor of the sub-soil areas.

The SKYCITY Hamilton site is subject to the normal rights that the Crown reserves in respect of minerals and mining in relation to the sub-soil areas. The land title is subject to Section 27B of the State Owned Enterprises Act 1986 which does not provide for the owner of the land to be heard in relation to any recommendations of the Waitangi Tribunal for the resumption of the land. At balance date the company was not aware of any matters pertaining to the land under the State Owned Enterprises Act 1986. Drainage rights have been granted over parts of the land appurtenant to Lot 2 Plan 5.23789 (CT22C/1428). There is also a right of way granted over part of Lot 1 and part of Lot 2 DP580554.

14 INTANGIBLE ASSETS

CONSOLIDATED	Goodwill $'000	Casino Licences $'000	Computer software $'000	Total $'000
At 30 June 2011				
Cost	157,997	274,924	60,234	493,155
Accumulated amortisation	-	(33,709)	(49,034)	(82,743)
Net book amount	157,997	241,215	11,200	410,412
Movements in the year ended 30 June 2012				
Opening net book amount	157,997	241,215	11,200	410,412
Exchange differences	(1,605)	(3,156)	(3)	(4,764)
Additions	-	-	11,009	11,009
Amortisation charge	-	(2,682)	(3,330)	(6,012)
Closing net book amount	156,392	235,377	18,876	410,645
At 30 June 2012				
Cost	156,392	271,314	60,027	487,733
Accumulated amortisation	-	(35,937)	(41,151)	(77,088)
Net book amount	156,392	235,377	18,876	410,645
Movements in the year ended 30 June 2013				
Opening net book amount	156,392	235,377	18,876	410,645
Exchange differences	(8,011)	(15,510)	(22)	(23,543)
Additions	-	-	10,172	10,172
Amortisation charge	-	(2,618)	(5,017)	(7,635)
Closing net book amount	148,381	217,249	24,009	389,639
At 30 June 2013				
Cost	148,381	253,293	70,024	471,698
Accumulated amortisation	-	(36,044)	(46,015)	(82,059)
Net book amount	148,381	217,249	24,009	389,639

Casino Licence	**Contract Term**
Darwin	The casino and associated operations are carried out by SKYCITY Darwin under a casino licence/operator agreement (the Casino Operator's Agreement) with the Northern Territory Government. The current licence term was extended in 2011 and now expires on 30 June 2031. The Casino Operator's Agreement is subject to extension for a further 5 years once its period to maturity reaches 15 years. These licence extensions apply on a continuing five year basis so that, subject to certain criteria being met, the licence period is never less than 15 years.
Adelaide	The casino and associated operations are carried out by SKYCITY Adelaide under a casino licence (the Approved Licensing Agreement ("ALA")) dated October 1999 (as amended). Unless terminated earlier, the expiry date of the ALA is June 2085. The term of the ALA can be renewed for a further fixed term pursuant to section 9 of the Casino Act 1997 (SA). The carrying value of the Adelaide licence is amortised over the life of the agreement.
Auckland	SKYCITY Auckland Limited holds a Casino Premises Licence for the Auckland premises. The Casino Premises Licence is for an initial 25 year term from 2 February 1996. The licence can be renewed for further periods of 15 years pursuant to s138 of the Gaming Act 2003 (NZ). As the licence was initially granted to the company for nil consideration there is no associated carrying value.
Hamilton	SKYCITY Hamilton Limited holds a Casino Premises Licence for the Hamilton premises. The Casino Premises Licence is for an initial 25 year term from 19 September 2002. The licence can be renewed for further periods of 15 years pursuant to s138 of the Gaming Act 2003 (NZ). As the licence was initially granted to the company for nil consideration there is no associated carrying value.
Queenstown	Queenstown Casinos Limited holds a Casino Premises Licence for the Queenstown premises. The Casino Premises Licence is for an initial 25 year term from 7 December 2000. The licence can be renewed for further periods of 15 years pursuant to s138 of the Gaming Act 2003 (NZ). As the licence was initially granted to the company for nil consideration there is no associated carrying value

14 INTANGIBLE ASSETS (continued)

PARENT COMPANY	Computer software $'000	Total $'000
At 30 June 2011		
Cost	52,289	52,289
Accumulated amortisation	(41,593)	(41,593)
Net book amount	10,696	10,696
Movements in the year ended 30 June 2012		
Opening net book amount	10,696	10,696
Additions	2,303	2,303
Amortisation charge	(2,968)	(2,968)
Closing net book amount	10,031	10,031
At 30 June 2012		
Cost	45,583	45,583
Accumulated amortisation	(35,552)	(35,552)
Net book amount	10,031	10,031
Movements in the year ended 30 June 2013		
Opening net book amount	10,031	10,031
Additions	3,470	3,470
Amortisation charge	(3,270)	(3,270)
Closing net book amount	10,231	10,231
At 30 June 2013		
Cost	49,053	49,053
Accumulated amortisation	(38,822)	(38,822)
Net book amount	10,231	10,231

(a) Impairment Tests for Intangibles with Indefinite Lives

Goodwill and licences with indefinite lives are allocated to the Group's cash-generating units (CGU's) identified below.

2013	**SKYCITY Hamilton *** $'000	**SKYCITY Darwin** $'000	**Total** $'000
Goodwill	35,786	112,595	148,381
Casino Licence	-	37,771	37,771
	35,786	150,366	186,152
2012			
Goodwill	35,786	120,606	156,392
Casino Licence	-	40,459	40,459
	35,786	161,065	196,851

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections approved by directors covering a three year period. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates. There is a surplus between the carrying values of indefinite life assets and value in use calculations.

* SKYCITY Hamilton is included within the "Rest of New Zealand" segment in note 26.

14 INTANGIBLE ASSETS (continued)

(b) Key Assumptions used for Value in Use Calculations of Cash Generating Units

	EBITDA margin		Growth rate		Discount rate	
	2013 %	2012 %	**2013 %**	2012 %	**2013 %**	2012 %
SKYCITY Hamilton	**40.2**	41.8	**2.0**	2.0	**10.0**	10.0
SKYCITY Darwin	**28.5**	29.4	**3.5**	4.7	**10.0**	10.0

These assumptions are consistent with past experience adjusted for economic indicators. The discount rates are post-tax and reflect specific risks relating to the relevant operating segment.

The company does not expect a reasonably possible change in key assumptions would reduce recoverable amount below carrying amount.

15 INVESTMENTS IN ASSOCIATES

(a) Carrying amounts

Information relating to associates is set out below.

Name of company	Principal activities	Ownership interest		Consolidated		Parent	
		2013 %	2012 %	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Christchurch Casinos Limited Group	Casino operator	**-**	50.0	**-**	75,266	**-**	-
				-	75,266	**-**	-

Christchurch Casinos Limited Group (CCL) is incorporated in New Zealand and has a 31 March balance date.

The Group previously held a 50% interest in Christchurch Casinos Limited. This interest was sold effective 20 December 2012 for $80,000,000 cash (including repayment of the loan to Christchurch Hotels Limited of $4,598,000). As a result of this disposal a gain of $59,000 has been recognised in the current year results.

(b) Movements in carrying amounts

	Consolidated	
	2013 $'000	2012 $'000
Balance at the beginning of the year	**75,266**	73,782
Share of profits after income tax	**2,245**	5,447
Dividends received/receivable	**(1,610)**	(3,963)
Disposal	**(75,901)**	-
Balance at 30 June	**-**	75,266

16 PAYABLES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade payables	**18,571**	18,034	**-**	-
Deferred income	**2,917**	3,520	**-**	-
Accrued expenses	**40,558**	42,144	**7,143**	7,025
Employee benefits	**43,353**	43,488	**-**	-
Amounts due to subsidiaries (note 29)	**-**	-	**266,603**	337,743
	105,399	107,186	**273,746**	344,768

17 NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Unsecured				
United States Private Placement (USPP)	**369,142**	365,848	**-**	-
Syndicated bank facility	**191,275**	240,627	**-**	-
Deferred funding expenses	**(1,611)**	(1,573)	**-**	-
Total unsecured non-current interest bearing borrowings	**558,806**	604,902	**-**	-

(a) United States Private Placement (USPP)

On 15 March 2005 SKYCITY borrowed NZ$96,571,000, A$74,900,000 and US$274,500,000 with maturities between 2012 and 2020 from private investors (primarily US based) on an unsecured basis.

In March 2011, additional US$175,000,000 of USPP debt was raised, US$100,000,000 with 10 year maturity and US$75,000,000 with 7 years.

In July and August 2009, USPP borrowings of US$115,500,000 were repaid and in March 2012 USPP borrowings of US$85,000,000, A$74,900,000 and NZ$47,275,000 matured and were repaid.

Movements in the USPP from 30 June 2012 relate to foreign exchange movements.

The USPP fixed rate US dollar borrowings have been converted to New Zealand or Australian dollar floating rate borrowings by use of cross currency interest rate swaps to eliminate foreign exchange exposure within the Income Statement.

The offsetting value of the cross currency interest rate swaps are included within derivative financial instruments in note 12.

(b) Syndicated Bank Facility

At 30 June 2013, SKYCITY had in place a NZ$485,000,000 revolving credit (2012: NZ$485,000,000) and Australian $75,000,000 term (2012: A$75,000,000) facility on an unsecured, negative pledge basis in two tranches of NZ$200,000,000 each maturing June 2016 and February 2017, and two tranches maturing March 2019 of NZ$85,000,000 and Australian $75,000,000 . The funding syndicate is comprised of ANZ National Bank Limited, Bank of New Zealand Limited, Commonwealth Bank of Australia and Westpac New Zealand Limited.

The facility is a revolving credit facility with the exception of the Australian $75,000,000 tranche which is a term loan.

(c) Fair values

Fair value of long term fixed rate USPP debt is estimated at $398 million (2012: $341 million) compared to a carrying value of $369 million (2012: $317 million). Fair value has been calculated based on the present value of future principal and interest cash flows, using market interest rates and credit margins at balance date.

The carrying value of floating rate debt approximates its fair value.

18 SUBORDINATED DEBT - CAPITAL NOTES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Balance at the end of the year	**56,451**	56,451	**56,451**	56,451
Deferred expense	**24**	37	**24**	37
Net capital notes at the end of the year	**56,427**	56,414	**56,427**	56,414

In May 2010, the capital notes were renewed for a new term of five years to 15 May 2015. The notes were reissued on the same terms and conditions except at a lower interest rate of 7.25% (previously 8.0%).

In October 2010, 9,408,000 of capital notes were sold from treasury stock.

Prior to the next election date (15 May 2015), the company will notify holders of the proportion of their capital notes it will redeem (if any) and, if applicable, the new conditions (including as to interest rate, interest dates, new election date, and other modifications to the existing conditions) that will apply to the capital notes from the election date. Holders may then choose either to retain some or all of their capital notes on the new terms, and/or to convert some or all of their capital notes into SKYCITY ordinary shares. The company may elect to redeem or purchase some or all of the capital notes that holders have elected to convert, at an amount equal to the principal amount plus any accrued but unpaid interest.

If capital notes are converted, holders will receive ordinary shares equal in value to the aggregate of the principal amount of the notes plus any accrued but unpaid interest. The value of the shares is determined on the basis of 95% of the weighted average sale price of a SKYCITY ordinary share on the New Zealand stock exchange during the 15 trading days prior to the election dates.

The capital notes do not carry voting rights. Capital noteholders are not entitled to any distributions made by SKYCITY in respect of its ordinary shares prior to the conversion date of the capital notes and do not participate in any change in value of SKYCITY's issued shares.

As at 30 June 2013, there were 150,000,000 (2012: 150,000,000) capital notes on issue, of which 93,549,000 (2012: 93,549,000) are held as treasury stock by the company.

The capital notes are listed on the NZX. As at 30 June 2013 the closing price was $1.0290 per $1 note (2012: $1.0425). The capital notes are carried at amortised cost.

19 DEFERRED TAX LIABILITIES

	Consolidated		Parent	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
The balance comprises temporary differences attributable to:				
Prepayments and receivables	**445**	529	**67**	-
Provision and accruals	**(12,573)**	(14,174)	**(771)**	-
Depreciation	**101,978**	97,622	**2,183**	-
Foreign exchange differences	**1,466**	6,903	**-**	-
Tax losses	**(2,089)**	(1,486)	**-**	-
Other	**566**	605	**-**	-
Cash flow hedges	**(2,190)**	(5,428)	**-**	-
Net deferred tax liabilities	**87,603**	84,571	**1,479**	-
Movements:				
Balance at the beginning of the year	**84,571**	94,290	**-**	-
(Credited)/charged to the Income Statement (note 7)	**656**	(9,214)	**1,479**	-
Debited to equity reserves	**3,118**	(360)	**-**	-
Foreign exchange differences	**(742)**	(145)	**-**	-
Closing balance at 30 June	**87,603**	84,571	**1,479**	-
Within 12 months	**(9,597)**	(15,512)	**(106)**	-
In excess of 12 months	**97,200**	100,083	**1,585**	-
	87,603	84,571	**1,479**	-

The Group has not recognised deferred tax assets of $nil (2012: $1.3 million) in respect of losses that can be carried forward against future taxable income.

20 IMPUTATION CREDITS

	Consolidated 2013 $'000	2012 $'000
Balances		
Imputation credit account	**2,658**	2,179
Franking credit account	**26,615**	28,844
Imputation credit account		
Balance at the beginning of the year	**2,179**	(7,708)
Tax payments, net of refunds	**8,172**	26,284
Credits attached to dividends paid	**(17,368)**	(18,069)
Credits attached to dividends received	**9,675**	1,672
Balance at end of year	**2,658**	2,179
Franking credit account		
Balance at beginning of year	**28,844**	36,008
Tax payments, net of refunds	**16,966**	12,676
Credits attached to dividends paid	**(19,195)**	(19,840)
Balance at end of year	**26,615**	28,844
Imputation credits available directly and indirectly to shareholders of the parent company, through:		
Parent company	**2,658**	2,179
Subsidiaries	**-**	-
Balance at end of year	**2,658**	2,179

As required by relevant tax legislation, the imputation credit account had a credit balance as at 31 March 2013.

21 SHARE CAPITAL

	2013 Shares	2012 Shares	2013 $'000	2012 $'000
Opening balance of ordinary shares issued	**576,958,340**	576,958,340	**727,598**	728,616
Share rights issued for employee services	**-**	-	**1,394**	1,426
Employee share entitlements issued	**453,830**	674,251	**-**	-
Treasury shares issued	**(453,830)**	(2,092,762)	**-**	-
Net purchase of treasury shares	**-**	-	**403**	(7,180)
Shares issued under dividend reinvestment plan	**-**	1,418,511	**-**	4,736
	576,958,340	576,958,340	**729,395**	727,598

All ordinary shares rank equally with one vote attached to each fully-paid ordinary share.

Included within the number of shares is 4,080,292 treasury shares (2012: 4,517,313) held by the company. The movement in treasury shares during the year related to the issuance of shares under the employee incentive plans and purchases of shares by an external trustee as part of the new executive long term incentive plan (refer note 27). Treasury shares may be used to issue shares under the company's employee incentive plans or upon the exercise of share rights/options.

22 RESERVES AND RETAINED PROFITS/(LOSSES)

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
(a) Reserves				
Hedging reserve - cash flow hedges	**(5,595)**	(13,355)	**-**	-
Foreign currency translation reserve	**(12,708)**	11,505	**-**	-
	(18,303)	(1,850)	**-**	-

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Hedging reserve - cash flow hedges				
Balance at the beginning of the year	**(13,355)**	(12,340)	**-**	(427)
Revaluation	**10,782**	16,635	**-**	-
Transfer to net profit	**96**	(18,010)	**-**	593
Deferred tax	**(3,118)**	360	**-**	(166)
Balance 30 June	**(5,595)**	(13,355)	**-**	-

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Foreign currency translation reserve				
Balance at the beginning of the year	**11,505**	16,022	**-**	-
Exchange difference on translation of overseas subsidiaries	**(24,213)**	(4,517)	**-**	-
Balance 30 June	**(12,708)**	11,505	**-**	-

(i) *Hedging Reserve - Cash Flow Hedges*

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 2(n). Amounts are recognised in the Income Statement when the associated hedged transaction affects the Income Statement.

(ii) *Foreign Currency Translation Reserve*

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(d). The reserve is recognised in the Income Statement when the net investment is disposed of.

(b) Retained Profit/(Losses)

Movements in retained profits were as follows:

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Balance at the beginning of the year	**81,690**	41,150	**(338,812)**	(311,797)
Profit attributable to shareholders of the company	**127,289**	138,534	**76,013**	70,979
Dividends	**(103,856)**	(97,994)	**(103,856)**	(97,994)
Acquisition of non controlling interest - refer note 23	**(3,324)**	-	**-**	-
Balance at the end of the year	**101,799**	81,690	**(366,655)**	(338,812)

23 NON CONTROLLING INTEREST

	Consolidated	
	2013	2012
	$'000	$'000
Balance at the beginning of the year	**1,704**	1,368
Share of profits of subsidiaries	**93**	336
Repayment of non controlling interest	**(121)**	-
Acquisition of non controlling interest	**(1,676)**	-
Balance at the end of the year	**-**	1,704

The non controlling interest related to the 40% of Queenstown Casinos Limited which was not previously owned by SKYCITY. Effective 20 December 2012 this interest was purchased by the group for $5,000,000. The purchase consideration in excess of the carrying value of the non controlling interest being $3,324,000 is recognised in retained profits.

24 DIVIDENDS

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Prior year final dividend	**46,171**	46,079	**46,171**	46,079
Current year interim dividend	**57,685**	51,915	**57,685**	51,915
Total dividends provided for or paid	**103,856**	97,994	**103,856**	97,994
Prior year final dividend (per share)	**8.00¢**	8.00¢	**8.00¢**	8.00¢
Current year interim dividend (per share)	**10.00¢**	9.00¢	**10.00¢**	9.00¢

On 14 August 2013, the directors resolved to declare a final dividend of 10 cents per share in respect of the year ended 30 June 2013 (refer to note 33 for further details).

25 FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risks (interest rate, currency and electricity price), liquidity risk, and credit risk. The Group’s overall risk management programme recognises the nature of these risks and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under a formal Treasury Policy approved annually by the board of directors. Treasury policy sets out written principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess funds. The Treasury Policy sets conservative limits for allowable risk exposures which are formally reviewed at least annually.

(a) Market Risk

(i) Currency Risk

The Group operates internationally and is exposed to currency risk, primarily with respect to Australian and US dollars. Exposure to the Australian dollar arises from the Group’s net investment in its Australian operations. Exposure to the US dollar arises from funding denominated in that currency.

The Group utilises natural hedges wherever possible (i.e. Australian dollar funding is used to partially hedge the net investment in Australian operations) with forward foreign exchange contracts used to manage any significant residual risk to the Income Statement.

25 FINANCIAL RISK MANAGEMENT (continued)

The Group's exposure to the US dollar (refer to US dollar US Private Placement debt detailed in note 17) has been fully hedged by way of cross-currency interest rate swaps (CCIRS), hedging US dollar exposure on both principal and interest. The CCIRS correspond in amount and maturity to the US dollar borrowings with no residual US dollar exposure.

Movement in exchange rates will have very limited impact on the parent accounts as there are minimal currency exposures in that entity.

(ii) Interest Rate Risk

The Group's interest rate exposures arise from long-term borrowings.

Interest rate swaps (IRS) and CCIRS are utilised to modify the interest repricing profile of the Group's debt to match the profile required by Treasury Policy. All IRS and CCIRS are in designated hedging relationships that are highly effective.

As the Group has no significant interest-bearing assets, the Group's revenue is substantially independent of changes in market interest rates.

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate.

		Principal - Interest Rate Repricing						
2013		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and deposits	2.50	10,196	-	-	-	-	-	10,196
Bank facility	4.85	(191,275)	-	-	-	-	-	(191,275)
US Private Placement	5.21	(49,296)	(60,373)	-	(34,682)	(96,339)	(128,452)	(369,142)
Capital notes (NZ)	7.25	-	(56,451)	-	-	-	-	(56,451)
IRS/CCIRS*		64,488	(33,735)	(33,807)	(3,318)	78,239	(71,867)	-
		(165,887)	(150,559)	(33,807)	(38,000)	(18,100)	(200,319)	(606,672)
Weighted average debt interest rate	7.02%**							

		Principal - Interest Rate Repricing						
2012		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and deposits	2.50	2,538	-	-	-	-	-	2,538
Advance to Christchurch Hotels	2.90	5,125	-	-	-	-	-	5,125
Bank borrowings	4.99	(240,627)	-	-	-	-	-	(240,627)
US Private Placement	5.06	(49,296)	-	(59,751)	-	(34,325)	(222,476)	(365,848)
Capital notes (NZ)	7.25	-	-	(56,451)	-	-	-	(56,451)
IRS/CCIRS *		80,153	(31,876)	(4,599)	(35,500)	(3,675)	(4,503)	-
		(202,107)	(31,876)	(120,801)	(35,500)	(38,000)	(226,979)	(655,263)
Weighted average debt interest rate	6.97%**							

* Interest rate swaps and cross-currency interest rate swaps, notional principal amounts.

** includes the impact of interest rate hedging

For both 2013 and 2012 capital notes are the only interest-bearing debt within the parent entity. The parent had no derivatives as at 30 June 2013 (2012: nil).

25 FINANCIAL RISK MANAGEMENT (continued)

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The sensitivity analysis considers reasonably possible changes in each risk with all other variables held constant, taking into account all underlying exposures and related hedges at the reporting date. The impact calculated is based on a full year impact of each change. Sensitivities have been selected based on the current level of interest rates and exchange rates, volatility observed on an historical basis and market expectations for future movements.

Consolidated	Interest rate risk				Foreign exchange risk			
	-100bps		+100bps		-5%		+5%	
30 June 2013	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
NZD/AUD movements	-	-	-	-	8	14,522	(9)	(13,139)
NZ interest rate movement	1,037	(6,777)	(1,037)	6,534	-	-	-	-
Australian interest rate movement	215	(7,333)	(215)	6,865	-	-	-	-
Total increase/ (decrease)	1,252	(14,110)	(1,252)	13,399	8	14,522	(9)	(13,139)

	Interest rate risk				Foreign exchange risk			
	-100bps		+100bps		-5%		+5%	
30 June 2012	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
NZD/AUD movements	-	-	-	-	78	17,951	(86)	(16,241)
NZ interest rate movement	1,331	(8,634)	(1,331)	8,274	-	-	-	-
Australian interest rate movement	246	(7,325)	(246)	6,816	-	-	-	-
Total increase/ (decrease)	1,577	(15,959)	(1,577)	15,090	78	17,951	(86)	(16,241)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its financial obligations. SKYCITY is largely a cash-based business and its material credit risks arise mainly from financial instruments utilised in funding and International Business play.

Financial instruments (other than International Business discussed below) that potentially create a credit exposure can only be entered into with counterparties that are explicitly approved by the board. Maximum credit limits for each of these parties are approved on the basis of long-term credit rating (Standard and Poor's or Moody's). A minimum long-term rating of A+ (S&P) or A1 (Moody's) is required to approve individual counterparties.

The maximum credit risk of any financial instrument at any time is the fair value where that instrument is an asset. All derivatives are carried at fair value in the balance sheet. Trade receivables are presented net of an allowance for estimated doubtful receivables.

International players are managed in accordance with accepted industry practice. Settlement risk associated with international players is minimised through credit checking and a formal review and approval process.

There are no significant concentrations of credit risk in the Group.

25 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of unutilised committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties and maturities.

Maturities of Committed Funding Facilities

The tables below analyse the Group's maturity profile of committed funding. The bank facility revolving credit tranches of NZ$485 million (2012: NZ$485 million) were drawn down by NZ$102,000,000 as at 30 June 2013 (2012: $145,000,000). The bank facility term tranche of A$75 million was fully drawn.

Consolidated - At 30 June 2013	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total facility
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank facility	-	-	-	200,000	200,000	174,275	574,275
Capital notes	-	-	56,451	-	-	-	56,451
US Private Placement	-	-	88,542	-	131,021	149,579	369,142
Total debt facilities	-	-	144,993	200,000	331,021	323,854	999,868
Payables	59,129	-	-	-	-	-	59,129
Total drawn debt	-	-	144,993	102,000	131,021	238,854	616,868
Future contracted interest on drawn debt	14,902	14,128	26,438	19,723	35,448	24,676	135,315
Future contracted interest on CCIRS/IRS	5,529	5,457	10,063	7,598	12,595	9,190	50,432

Consolidated - At 30 June 2012	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total facility
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank facility	-	-	-	200,000	200,000	180,627	580,627
Capital notes	-	-	-	56,451	-	-	56,451
US Private Placement	-	-	-	87,920	34,325	243,603	365,848
Total debt facilities	-	-	-	344,371	234,325	424,230	1,002,926
Payables	60,178	-	-	-	-	-	60,178
Total drawn debt	-	-	-	289,371	34,325	339,230	662,926
Future contracted interest on drawn debt	15,350	14,576	29,152	27,342	40,715	42,495	169,630
Future contracted interest on CCIRS/IRS	5,997	5,878	11,621	10,849	16,331	17,399	68,075

(d) Fair value estimation

The table below analyses for financial instruments that are measured in the balance sheet at fair value by level of the fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

25 FINANCIAL RISK MANAGEMENT (continued)

Consolidated - At 30 June 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets at fair value through profit or loss				
– Forward foreign currency contracts	-	692	-	692
Derivatives used for hedging	-	33,910	-	33,910
Total assets	-	34,602	-	34,602
Liabilities				
Financial liabilities at fair value through profit or loss				
– Forward foreign currency contracts	-	68	-	68
Derivatives used for hedging	-	30,825	-	30,825
Total liabilities	-	30,893	-	30,893

Consolidated - At 30 June 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets at fair value through profit or loss				
– Forward foreign currency contracts	-	480	-	480
Derivatives used for hedging	-	23,154	-	23,154
Total assets	-	23,634	-	23,634
Liabilities				
Financial liabilities at fair value through profit or loss				
– Forward foreign currency contracts	-	145	-	145
Derivatives used for hedging	-	45,934	-	45,934
Total liabilities	-	46,079	-	46,079

Further details on derivatives is provided in note 12.

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

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value

- Other techniques, such as discounted cash flow analyses, are used to determine fair value for the remaining financial instruments.

At year end the parent company has no derivatives (2012: nil).

25 FINANCIAL RISK MANAGEMENT (continued)

(e) Financial instruments by category

	Loans and Receivables $'000	Assets / (Liabilities) at fair value through the Income Statement $'000	Derivatives used for Hedging $'000	Liabilities at Amortised Cost $'000
Consolidated				
At 30 June 2013				
Cash and bank balances	51,131	-	-	-
Trade receivables	11,511	-	-	-
Sundry receivables	5,421	-	-	-
Derivative financial instruments (net)	-	624	3,085	-
Interest bearing liabilities	-	-	-	558,806
Capital notes	-	-	-	56,427
Payables	-	-	-	59,129
	68,063	624	3,085	674,362
At 30 June 2012				
Cash and bank balances	41,400	-	-	-
Trade receivables	13,551	-	-	-
Advance to Christchurch Hotels Limited	5,125	-	-	-
Sundry receivables	4,864	-	-	-
Derivative financial instruments (net)	-	335	(22,780)	-
Interest bearing liabilities	-	-	-	(604,902)
Capital notes	-	-	-	(56,414)
Payables	-	-	-	(60,178)
	64,940	335	(22,780)	(721,494)

(f) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise returns for shareholders and benefits for other stakeholders over the long term.

In order to optimise its capital structure, the Group manages actual and forecast operational cash flows, capital expenditure and equity distributions.

The Group primarily manages capital on the basis of gearing ratios measured on the basis of net debt to EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) and interest coverage (EBITDA relative to net interest cost).

The primary ratios were as follows at 30 June

	2013	2012
Gearing ratio	**2.0 x**	2.1 x
Interest coverage	**6.2 x**	6.3 x

These types of ratios are consistent with the financial covenants in the Group's various funding facilities. Actual gearing as at 30 June 2013 was within covenant limits on funding facilities.

Although the New Zealand capital notes include the right for SKYCITY to convert them to equity they are treated as debt for capital management and financial reporting purposes.

The Group does not have any externally-imposed capital requirements.

26 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer/Managing Director that are used to assess performance and allocate resources.

The Group is organised into the following main operating segments:

SKYCITY Auckland
SKYCITY Auckland includes casino operations, hotels and convention, food and beverage, carparking and Sky Tower and a number of other related activities.

Rest of New Zealand
Rest of New Zealand includes the Group's interest in SKYCITY Hamilton, SKYCITY Queenstown Casino and Christchurch Casino.

SKYCITY Adelaide
SKYCITY Adelaide includes casino operations and food and beverage.

SKYCITY Darwin
SKYCITY Darwin includes casino operations, food and beverage and hotel.

International Business
International Business includes commission and complimentary play. The international business segment is made up of customers sourced mainly from Asia, and the rest of the world. The revenue is generated at SKYCITY's Auckland, Darwin, Adelaide and Queenstown locations.

Corporate / Group

Head office functions including legal and regulatory, group finance, human resources and information technology, the Chief Executive's office and directors.

2013	SKYCITY AUCKLAND $'000	REST OF NEW ZEALAND $'000	SKYCITY ADELAIDE $'000	SKYCITY DARWIN $'000	INTER - NATIONAL BUSINESS $'000	CORPORATE / GROUP $'000	TOTAL $'000
Revenue from external customers and other income	418,011	54,052	173,687	147,106	67,715	-	860,571
Shares of net profits of associates	-	2,304	-	-	-	-	2,304
Less							
Expenses	(221,202)	(31,605)	(129,691)	(100,344)	(55,818)	(30,248)	(568,908)
Depreciation and amortisation	(41,179)	(4,883)	(11,422)	(13,704)	-	(5,596)	(76,784)
Segment profit/EBIT	155,630	19,868	32,574	33,058	11,897	(35,844)	217,183
Finance costs							(49,263)
Profit before income tax							167,920
Segment assets	759,425	61,341	262,063	381,612	-	187,578	1,652,019
Net additions to non-current assets (other than financial assets and deferred tax)	69,452	9,148	15,590	28,097	-	5,043	127,330

2012	SKYCITY AUCKLAND $'000	REST OF NEW ZEALAND $'000	SKYCITY ADELAIDE $'000	SKYCITY DARWIN $'000	INTER - NATIONAL BUSINESS $'000	CORPORATE / GROUP $'000	TOTAL $'000
Revenue from external customers and other income	433,648	53,929	182,043	140,021	43,817	-	853,458
Shares of net profits of associates	-	5,447	-	-	-	-	5,447
Less							
Expenses	(228,335)	(30,609)	(137,182)	(95,275)	(35,294)	(31,747)	(558,442)
Depreciation and amortisation	(39,868)	(5,284)	(10,678)	(11,358)	-	(5,582)	(72,770)
Segment profit/EBIT	165,445	23,483	34,183	33,388	8,523	(37,329)	227,693
Finance costs							(48,861)
Profit before income tax							178,832
Segment assets	720,271	136,039	269,973	382,648	-	207,335	1,716,266
Investment in associates	-	75,266	-	-	-	-	75,266
Net additions to non-current assets (other than financial assets and deferred tax)	91,805	5,295	9,749	42,320	-	4,940	154,109

26 SEGMENT INFORMATION (continued)

Breakdown of the revenue from all services is as follows:

	Consolidated	
	2013	2012
	$'000	$'000
Revenue - products and services		
Local gaming	**598,969**	615,246
International business	**67,715**	43,817
Non gaming	**192,865**	192,467
Total revenue	**859,549**	851,530
Revenue - geographic		
New Zealand	**520,330**	520,081
Australia	**339,219**	331,449
Total revenue	**859,549**	851,530
Non-current asset additions - geographic		
New Zealand	**90,132**	102,040
Australia	**37,199**	52,069
Total non-current asset additions	**127,331**	154,109
Non-current assets excluding financial instruments - geographic		
New Zealand	**888,338**	947,867
Australia	**611,908**	634,012
Total non-current assets excluding financial instruments	**1,500,246**	1,581,879

27 SHARE-BASED PAYMENTS

Executive Long Term Incentive Plan 2008

The Executive Long Term Incentive Plan (Executive LTI) was approved by directors in December 2008. Share rights are granted under the Executive LTI and (if exercisable) may be exercised at no cost. If exercised each share right corresponds to one fully paid ordinary share in the company. Share rights only become exercisable when performance hurdles set by the board of directors are met.

Chief Executive Officer and Executive Long Term Incentive Plan 2009

During 2010, the Group implemented a new long term incentive plan for a limited number of senior executives (including the Chief Executive Officer). This plan replaced the previous plans.

Under the new plan, executives purchase SKYCITY shares funded by an interest free loan from the Group. The shares purchased by the executives are held by a trustee company with executives entitled to exercise the voting rights attached to the shares and receive dividends, the proceeds of which are used to repay the interest free loan.

At the end of the restricted period (3 to 4 years), the Group will pay a bonus to each executive to the extent their performance targets have been met which is sufficient to repay the initial interest free loan associated with the shares which vest. The shares upon which performance targets have been met will then fully vest to the executives. The loan owing on shares upon which performance targets have not been met (the forfeited shares) will be novated from the executives to the trustee company and will be fully repaid by the transfer of the forfeited shares. Performance targets relate to total shareholder return.

At 30 June 2013 the interest free loan on the CEO Long Term Incentive Plan is $4,764,895 (2012: $5,582,817) and on the Executive Long Term Incentive Plan total $9,109,306 (2012: $6,996,545).

27 SHARE-BASED PAYMENTS (continued)

Movements in the number of share rights outstanding are as follows:

Grant Date	Expiry date	Balance at start of the year Number	Granted during the year Number	Exercised / converted during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
Consolidated and parent - 2013							
01/07/08	01/07/12	78,000	-	-	(78,000)	-	-
02/09/09	02/09/13	902,425	-	(453,830)	(62,000)	386,595	386,595
31/08/10	31/08/14	1,165,945	-	-	(83,750)	1,082,195	-
02/03/11	02/03/15	1,394,291	-	-	-	1,394,291	-
31/08/11	31/08/15	760,200	-	-	(55,000)	705,200	-
29/08/12	29/08/16	-	1,034,800	-	(35,000)	999,800	-
Total		4,300,861	1,034,800	(453,830)	(313,750)	4,568,081	386,595
Consolidated and parent - 2012							
04/09/06	04/09/11	333,000	-	-	(333,000)	-	-
01/03/08	01/03/12	216,098	-	(152,251)	(63,847)	-	-
01/07/08	01/07/12	600,000	-	(522,000)	-	78,000	78,000
02/09/09	02/09/13	902,425	-	-	-	902,425	-
31/08/10	31/08/14	1,216,195	-	-	(50,250)	1,165,945	-
02/03/11	02/03/15	1,544,291	-	-	(150,000)	1,394,291	-
31/08/11	31/08/15	-	790,200	-	(30,000)	760,200	-
Total		4,812,009	790,200	(674,251)	(627,097)	4,300,861	78,000

Exercise price

The rights granted from 2008 onwards do not have an exercise price.

The weighted average remaining contractual life of options and rights outstanding at the end of the period was 1.83 years (2012: 2.26 years).

Fair value of share rights granted
The assessed fair value at grant date of the rights granted 29 August 2012 is $1.22 (31 August 2011 is $1.17).

The valuation inputs for the rights granted 29 August 2012 included:

(a) rights are granted for no consideration

(b) exercise price: nil (2012: nil)

(c) grant date: 29 August 2012 (2011: 31 August 2011)

(d) expiry date: 29 August 2016 (2011: 31 August 2015)

(e) share price at valuation date $3.84 (2012: $3.42)

The expected price volatility is derived by analysing the historic volatility over a recent historical period similar to the term of the right.

Expenses arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as below.

	Consolidated		Parent	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Rights issued under Share Rights Plans	**1,393**	1,426	**1,393**	1,426
	1,393	1,426	**1,393**	1,426

28 RELATED PARTY TRANSACTIONS

There are no bad or doubtful debts associated with any related party of the Group or parent entity (2012: nil).

(a) Key Management and Personnel Compensation

Key management compensation for the years ended 30 June 2013 and 2012 is set out below. The key management personnel are all the directors of the company, the Chief Executive Officer and the direct reports to the Chief Executive Officer.

	Short-term benefits $'000	Share-based payments $'000	Total $'000
2013	**11,263**	**1,270**	**12,533**
2012	10,532	1,192	11,724

(b) Other transactions with key management personnel or entities related to them

Information on transactions with key management personnel or entities related to them, other than compensation, are set out below.

Certain directors have relevant interests in a number of companies with which SKYCITY has transactions in the normal course of business. A number of SKYCITY directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered into on an arms-length commercial basis.

(c) Subsidiaries

Interests in subsidiaries are set out in note 29.

(d) Parent

The majority of the parent entity's transactions are with its subsidiaries including the payment of dividends of $113.5 million (2012: $110.2 million) and provision of employee services of $21.1 million (2012: $22.1 million) on normal commercial terms.

Advances to and from subsidiaries are repayable on demand and are on normal commercial terms within a group and are disclosed in the relevant asset or liability note.

(e) Associates

The Group had a loan with Christchurch Hotels Limited which was repaid during the year (2012: $5,125,251) as set out in note 10 on normal commercial terms.

29 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

All wholly-owned subsidiary companies and significant partly-owned subsidiaries have balance dates of 30 June.

Name of entity	Country of incorporation	Class of shares	Equity holding 2013 %	Equity holding 2012 %
Queenstown Casinos Limited	New Zealand	Ordinary	**100**	60
SKYCITY Action Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Auckland Holdings Limited	New Zealand	Ordinary	**100**	100
SKYCITY Auckland Limited	New Zealand	Ordinary	**100**	100
SKYCITY Casino Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Hamilton Limited	New Zealand	Ordinary	**100**	100
SKYCITY International Holdings Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Australia Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Christchurch Limited	New Zealand	Ordinary	**100**	100
SKYCITY Investments Queenstown Limited	New Zealand	Ordinary	**100**	100
SKYCITY Management Limited	New Zealand	Ordinary	**100**	100
SKYCITY Metro Limited	New Zealand	Ordinary	**100**	100
SKYCITY Wellington Limited	New Zealand	Ordinary	**100**	100
Sky Tower Limited	New Zealand	Ordinary	**100**	100
Toptown Nominees Limited	New Zealand	Ordinary	**100**	100
New Zealand International Convention Centre Limited	New Zealand	Ordinary	**100**	-
SKYCITY Adelaide Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Australia Finance Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Australia Limited Partnership	Australia	Ordinary	**100**	100
SKYCITY Australia Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Treasury Australia Pty Limited	Australia	Ordinary	**100**	100
SKYCITY Darwin Pty Limited	Australia	Ordinary	**100**	100

30 CONTINGENCIES

There are no significant contingences at year end (2012: nil).

31 COMMITMENTS

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as set out below.

	Consolidated 2013 $'000	Consolidated 2012 $'000	Parent 2013 $'000	Parent 2012 $'000
Property, plant and equipment	**15,805**	27,268	**-**	-

31 COMMITMENTS (continued)

Operating Lease Commitments
The Group leases various offices and other premises under non-cancellable operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**7,191**	6,974	**-**	-
Later than one year but not later than five years	**16,216**	18,074	**-**	-
Later than five years	**310,051**	322,136	**-**	-
Commitments not recognised in the financial statements	**333,458**	347,184	**-**	-

The above operating lease summary includes a large number of leases, the most significant of which are:

SKYCITY Auckland - Hobson and Federal Streets sub soil lease. This lease is for a period of 999 years from 31 January 1996 with rent reviews every five years.

SKYCITY Adelaide - Casino building lease. The initial lease term is until 3 March 2025 with 3 further rights of renewal for 20 years each and annual rent reviews.

32 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Profit for the year	**127,289**	138,534	**76,013**	70,979
Non-controlling interest	**93**	336	**-**	-
Depreciation and amortisation	**76,784**	72,770	**5,593**	5,561
Finance costs net	**49,263**	48,861	**4,178**	4,171
Net (gain) on sale of associate	**(59)**	-	**-**	-
Current period employee share expense	**1,394**	1,426	**1,394**	1,426
Gain on sale of fixed assets	**(947)**	(1,756)	**-**	-
Dividend from subsidiary	**-**	-	**(113,484)**	(110,178)
Share of profits of associates not received as dividends	**(635)**	(1,484)	**-**	-
Change in operating assets and liabilities				
Decrease/(increase) in receivables and prepayments	**7,135**	3,928	**100,351**	(66,253)
(Increase)/decrease in inventories	**(540)**	94	**-**	-
(Decrease) in payables and accruals	**(1,787)**	(3,666)	**(71,022)**	91,708
Increase/(decrease) in deferred tax liability	**3,032**	(9,719)	**1,479**	-
Decrease/(increase) in tax receivable	**4,230**	(4)	**-**	-
Capital items included in working capital movements	**(8,305)**	12,423	**-**	-
Subsidiary funding transactions	**-**	-	**(29,754)**	(23,199)
Net cash inflow from operating activities	**256,947**	261,743	**(25,252)**	(25,785)

33 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Dividend
On 14 August 2013, the directors resolved to provide for a final dividend to be paid in respect of the year ended 30 June 2013. The 100% imputed, unfranked dividend of 10 cents per share will be paid on 4 October 2013 to all shareholders on the company's register at the close of business on 20 September 2013.

Purchase of subsidiary
On 23 July 2013, SKYCITY acquired 100% of the share capital of Otago Casinos Limited which operates The Wharf Casino in Queenstown for approximately $5 million.

Bank facility extension
On 12 August 2013, SKYCITY extended $200 million of the bank facility from June 2016 to October 2018.

New Zealand International Convention Centre
On 8 July 2013, SKYCITY signed the full Project and Licensing Agreement with the New Zealand Government to design, build, own and operate the New Zealand International Convention Centre (NZICC).

The Agreement is subject to a number of conditions, including the passing of the legislation giving effect to the regulatory concessions in the Agreement.

There is no impact on these financial statements of this agreement.

Adelaide Redevelopment
On 25 July 2013, the South Australian Parliament passed legislation to enable the South Australian Government to execute a new Approved Licensing Agreement (ALA) and Casino Duty Agreement (CDA) with SKYCITY on the terms previously agreed and announced on 19 December 2012.

There is no impact on these financial statements from this legislation.