Skyline Enterprises
Annual Report 2023

Contents

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Image
Peter Treacy and Geoff McDonald at the new corporate head office in central Queenstown.

Chairman and CEO report

We are delighted to be able to report a very pleasing result for the 2022-2023 financial year. Encouragingly, we saw a strong rebound from increased international visitation as borders began to open in August 2022, and the world emerged from CV19. The important context is that the performance was delivered in a higher inflationary operating environment and an extremely tight employment market.

We credit this strong result to the ongoing commitment and dedication of our global team of Skyliners – a result we can be very proud of.

The reopening and return of international markets have been a strong contributor this year, most notably for the Queenstown and Singapore operations. We expect to continue to see "green shoots" in international visitor numbers across all operations, particularly with the large Chinese market now able to travel.

Across the group we have maintained focus on tight cost management and operational efficiencies, with an emphasis on protecting margins as we experience a return to historical visitor numbers in a world of rising inflation rates. This approach has resulted in a strong EBITDA performance.

Careful oversight of capital works programmes, and the quality execution of these, has also been given considerable attention to ensure important projects come in on time and on budget.

We remain confident that Skyline is well placed to tackle the tight economic environment characterised by elevated inflation levels and constrained access to labour.

In New Zealand, the return of international visitors, and in particular, pent-up demand from Australia saw a big lift in the performance of our Queenstown businesses – both for Skyline Queenstown and Blue Peaks accommodation.

Our largest capital project, the Skyline Queenstown redevelopment, is making excellent progress with the changeover of the Gondola to the new 10-seater cabins in time for increasing visitation levels.

This project remains on time and budget, with completion of the new top and bottom terminals and the launch of the new Gondola taking place in July 2023. The new multi-storey car park situated at the rear of the bottom terminal is the next major milestone and this is due to open in early 2024.

In the later part of 2022, the exciting T Galleria by DFS retail and Eatspace food and beverage offerings were reopened within the redeveloped O'Connells building. We are already seeing increased foot traffic in downtown Queenstown exploring and enjoying these facilities.

Our property portfolio has enjoyed a healthy return to pre-CV19 levels, and during the year we have added another strategic commercial property to the portfolio at 20 Ballarat Street. Adjacent to an existing Skyline property, this provides future strategic development opportunities.

The availability of staff accommodation remains a big challenge in Queenstown and being able to provide this for our teams is proving an essential ingredient for attracting and retaining a high calibre workforce. To that end, this year we have completed several upgrade programmes for our residential properties.

Skyline Rotorua had a very good year, boosted by the launch of the new Luge tracks which opened in December 2022. The local team has seen record Luge ride numbers over the summer despite some very challenging weather. Visitation to this site is largely domestic, and predominantly Auckland-based, however we are starting to see encouraging numbers of international tourists.

The Christchurch Casino endured a tough operating year but ongoing focus on cost control delivered a sound result. The launch of the christchurchcasino.com online casino was delayed by regulatory processes, but the Malta Gaming licence has now been issued and the online casino is expected to be operational by the end of July 2023. This remains an important strategic play due to the massive growth in online casinos globally.

Our international operations performed well, led by Singapore, which saw a sharp rise in performance as international visitors returned. The two seasonal Canadian sites also enjoyed near record years as domestic populations near Calgary and Montreal lifted patronage.

In South Korea, performance has been more challenging due to a slow emergence from CV19, and cautious government policy requiring indoor and outdoor mask wearing up until quite recently. The impact of generic copy Luge sites and the associated competition has also been a factor, but we remain confident that our operational experience and the quality of our offering will prevail in this market in the long run. The reopening of the Chinese border in early 2023, and the arrival of this significant market has seen us lift sales and we expect this to continue. The addition of a new Zipline which will launch in September 2023 will help deepen the experience at the Busan site and provide another reason to visit the property.

International developments in Kuala Lumpur, in Malaysia and Swansea in the United Kingdom, have advanced through the year.

Skyline Luge Kuala Lumpur, which is part of the larger Gamuda Gardens development just outside Kuala Lumpur, is on track to open later this year. This green fields site will feature the latest in Luge track design innovation and include a myriad of tunnels and corkscrews alongside a pioneering Zipline experience which will be a 'world first' technology.

Construction for the Gondola, Luge, Zipline, mountain bike and food and beverage offering in Swansea will advance pending the outcome of planning approval mid 2023. A positive result will see construction begin in 2024. We had the pleasure of visiting Swansea earlier in the year to participate in the public consultation process. This visit reinforced to us the significant potential of this location and we witnessed the work Swansea City Council have done to revitalise the city.

Performance

Revenue from customers

2022/23	2021/22
$175.6M	$117.5M

Profit before tax

2022/23	2021/22
$71.4M	$35M

Total number of Gondola passengers

2022/23	2021/22
1.1M	576K

Total number of Luge rides

2022/23	2021/22
6.29M	4.85M

Image
Geoff McDonald at Skyline Queenstown's development site prior to the re-opening of the new terminal buildings and Gondola in June.

We continue to scan for further development opportunities and see real potential at several other sites in Europe.

We are making excellent progress on our sustainability journey and the strategic priority areas across the three pillars of people, places, and prosperity.

In supporting a culture of inclusion and participation across our business, we are tracking key remuneration and other demographic data. We are also encouraging more women into leadership roles and continuing to provide development opportunities across the group.

Under the 'places pillar' Skyline achieved a carbon conscious certification from Ekos based on the formal measurement and independent auditing of our carbon footprint. This reinforces our commitment to continuing to be a sustainable business for generations to come. It also provides a benchmark to help us identify specific actions to reduce our carbon footprint and support the health and prosperity of the communities that we operate in.

This year we are proud to have supported a range of independent charities and causes in each of our markets and the key themes of our donations have been targeted at youth, education, native flora regeneration, and community health.

We are committed to delivering material sustainable actions across our global operations and being transparent and proactive in our efforts. We are currently investigating the adoption of the New Zealand climate-related disclosure reporting framework.

With CV19 now in the rearview mirror we are focused on taking the lessons learned from this challenging period and maintaining the efficiencies and margin improvements. To stay ahead of the spectre of rising inflation and wages we must continue to be nimble, agile and work smarter.

We will continue to be brave in challenging ourselves to deliver outstanding customer experiences, caring for our customers and people, and getting on with the doing and delivering.

Skyline is in a strategically sound position, a globally diverse business with strong fundamentals and a broad customer appeal. We have an exciting year ahead of us as we deliver on new developments – Skyline Queenstown, Skyline Luge Kuala Lumpur – and maximise the opportunities as markets rebound.

Business success is directly related to the quality of the people that produce it, and we want to recognise our team of Skyliners around the world who have stepped up and delivered again. Thank you to you all, and to all our shareholders for your ongoing commitment and support.

Peter Treacy
Chairman

Geoff McDonald
CEO

SUSTAINABILITY

A commitment to a successful and sustainable future

For Skyline, sustainability means ensuring we continue to be a successful and sustainable business for generations to come.

Skyline's sustainability journey has continued to gather momentum as we focus on driving meaningful action through the key initiatives identified under our sustainability framework, and the three pillars of people, places, and prosperity.

With the increasing impact of climate change, taking positive climate action and continuing to operate with a light footprint has been high on our agenda. We're scaling up our efforts to reduce our carbon footprint through our emissions reduction programme, we're reducing our waste to landfill through supplier engagement and our reforestation efforts are enhancing local biodiversity.

This is alongside continuing to ensure our park-like settings and gravity-fuelled experiences are low impact by design.

A key step has been measuring and establishing our baseline emissions to show ongoing year-on-year improvement.

Skyline's Brand and Sustainability Manager Goedele Van Cauteren says implementing a greenhouse gas emissions reduction programme was a priority. Measuring the carbon footprint for the 2021-2022 financial year has given us a clear understanding of our organisational emissions profile, and highlighted the key priorities to reduce our emissions globally.

"Formally measuring the Skyline group emissions and being independently audited and certified through one of New Zealand's leading carbon measurement consultancies, Ekos, is a major step in our journey to reduce our emissions. Knowing our carbon emissions total 1198.46 tCO_2e across the year-round operational Skyline businesses, and an intensity measure of 17.09 tCO_2e per million dollars of revenue gives us a great fact base on which to develop realistic targets to drive our emissions reduction programme.

"What has been most exciting is the genuine support from the teams across all our operations to get on and do the right thing, with many already being proactive in implementing initiatives that will help reduce our emissions."

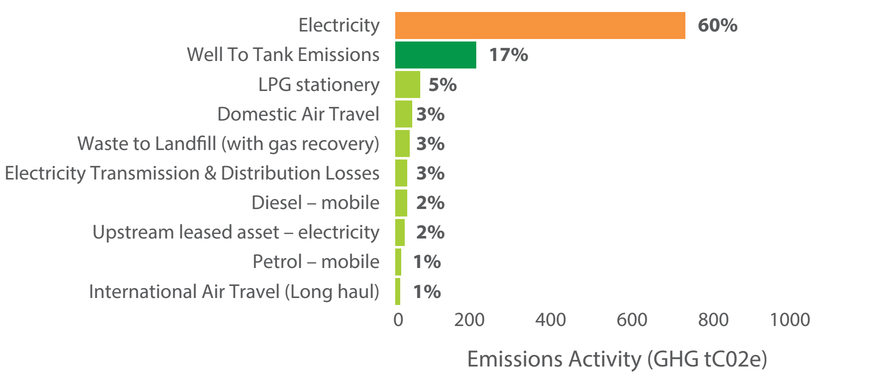
An example of this is in Singapore where the Skyline Luge Singapore team is working closely with the Sentosa Island Development Corporation to support the resort in its journey to becoming carbon neutral. The team has committed to the Sentosa Carbon Neutral Network with initiatives including measuring their emissions footprint and removing single-use plastics by the end of the year.

Goedele says we will continue to measure our emissions annually, have these audited and include new sites as they open. For the 2022-2023 financial year, this will include the redeveloped O'Connells and Skyline Luge Busan both of which opened in 2022.

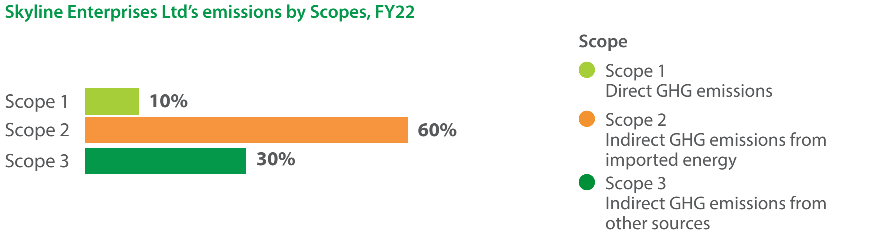
"As we develop and deliver new sites, we will include these in our measurement. For new sites, like Kuala Lumpur, we are integrating sustainable building design features such as the use of fly ash supplement in our concrete, rainwater harvesting for irrigation and solar panels from the get-go. This will be the first site where we will generate our own renewable energy which will not only reduce our energy footprint but also saves on energy costs over time."

Skyline Enterprises Ltd's GHG emissions sources ranked largest to smallest (>1%)

Emissions Activity



Skyline Enterprises Ltd's emissions by Scopes, FY22



Top Left
Skyline's Goedele Van Cauteren and Wastebuster's Nicola Cross sorting waste for Skyline Queenstown's first waste audit.

Top Right
Louise Wright enjoying some time in her new favourite garden feature.

> What has been most exciting is the genuine feedback from the teams across all our operations to get on and do the right thing.

Skyline's operations have a proud history of being committed to the local communities we operate in. Not only as an employer, but in contributing to support the development and growth of the local community. The importance of this commitment was highlighted in a recent survey of our global team of Skyliners, with over 70% agreeing that contributing to their local community was important to them.

A recent initiative highlighted how we do this. With the decommissioning of the Gondola and the iconic four-seater cabins, the Skyline Queenstown team saw an opportunity to give back to the local community while providing people with a chance to own a unique piece of history.

Skyline Queenstown General Manager Wayne Rose says it was a simple decision to sell off the cabins with proceeds going to two local causes that are close to the heart of Skyline; growing the next generation of local leaders and eradicating an invasive pest.

"The Skyline Queenstown business has been a long-term supporter of the Whakatipu Wilding Control Group so committing the proceeds from the auctions to them was a real no brainer.

The other charity selected was Branches Charitable Trust, set up in 2009 to support youth attending Branches camp. "This aligns so well with our own values, making it another worthy recipient."

"The engagement, and the more than $100,000 we raised, just blew us away."

Not all cabins were auctioned off, with a number being donated to other local charities and not-for-profit groups, many to be used as auction prizes for those organisations. The Skyline Queenstown team also wanted to recognise their 'best customer'.

Wayne says a local resident, Louise Wright, was well known within the business for having travelled up and down the Gondola every week since she was a toddler.

"Louise is now 21 and her family said it had been such an important part of her learning and a special place for the family to enjoy together.

"I gave her mother Joanne a call and said that we wanted to gift Louise a cabin. She was absolutely astounded by the gesture. Louise now spends much of her time in her favourite place, in the heart of the family garden."

PROJECTS

A commitment to delivering world-class experiences

Skyline has a long history of sharing our unique take on fun with the world, entering new markets and regions worldwide. This adventurous spirit is a key part of what Skyline is about, being brave enough to look at new opportunities, and then getting on with progressing and delivering them to a world-class standard.

Recent years have been no different with the successful delivery of the redeveloped O'Connells building and its revitalised office, retail and food and beverage offerings. We have also successfully opened a second Skyline Luge site in South Korea (in Busan). Both are even more remarkable for opening during a global pandemic. A real tribute to the Skyline "can do" attitude.

This attitude is now seeing the team focus on the delivery of three further developments, two in exciting new markets in Malaysia and the United Kingdom; the other the redevelopment of the iconic Skyline Queenstown property.

Like Skyline Queenstown and Skyline Rotorua operations, Skyline Swansea will feature a Gondola taking customers up to the top of the local Kilvey Hill that overlooks the beautiful Swansea Bay. From this elevated position they will be able to enjoy not only the traditional "cup of tea", but a host of other food and beverage offerings. Visitors will be able to also enjoy riding three Luge tracks, a Zipline, Skyswing, numerous mountain bike and walking trails. Children will get to enjoy an adventure playground with waterplay.

General Manager of International Developments Danny Luke, based in Swansea for part of this year, says the opportunity in Swansea is very exciting and local engagement has been crucial.

"During the public consultation around what we will bring to Kilvey Hill and Swansea it was great to see the engagement from the local people, the local Swansea Council and Welsh Government. We even had pupils from a local primary school present to us on what the proposed development means for the local community, and how much they are looking forward to being able to experience it for themselves.

"There is a genuine feeling of excitement and anticipation."

Depending on the outcome of the planning application, construction in Swansea is expected to begin in early 2024 with an opening targeting late 2025.

Further advanced is the Skyline Luge Kuala Lumpur site, located within the picturesque Gamuda Gardens development just outside Kuala Lumpur. This site is scheduled to open later this year and includes the latest in Luge innovations, a tunnel system comprising four separate tunnels with the longest being over 70 metres in length.

Danny Luke says this is a significant innovation. "We have tunnels in other sites, and these are typically only a matter of a few metres long. In designing the tracks for Kuala Lumpur, we challenged ourselves to think how we could make this experience even better.

"It has been great to have our technical engineering team take the design and turn it into a reality."

While offshore developments bring the Skyline experience to new customer bases, Skyline is committed to investing in existing businesses. The redevelopment of Skyline Queenstown is taking shape, with the introduction of the new 10-seater Gondola as the business starts to see increased visitation levels with returning international tourists.

General Manager of Developments Steve McLean, who has been overseeing the construction of the new Gondola and terminals, says one of the keys to the successful installation of the new Gondola line has been the collaboration and commitment to delivery from the various teams involved.

"What has been really pleasing is how all the teams, be it the Skyline Queenstown operations and engineering team, the technical experts from Doppelmayr who supplied and installed the Gondola system, or our main construction contractor Naylor Love, have come together with a common purpose to deliver an outstanding outcome for the business, and ultimately our customers.

"There has been a real attitude of getting on with things and even when faced with some of the challenges you get on a project of this size and location, no problem has been too big."

It is great to see the Skyline can-do attitude and commitment to be alive and well in delivering new sites and improving the existing ones. Carrying on the tradition that began with installing the Southern Hemisphere's first and steepest Gondola in 1967.

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Top Left
Construction of the new and larger bottom terminal at Skyline Queenstown is well underway.
Below
Skyline Swansea's food hall concept.
Bottom Right
Skyline Luge Kuala Lumpur's development is well underway.
Bottom Left
The new Gondola at Skyline Queenstown.

CUSTOMER EXPERIENCE

A commitment to delivering smiles

Customers, and the experiences they have with Skyline, are at the heart of Skyline's continued appeal. Be it the thrill of harnessing the natural "fuel" of gravity on the Luge or enjoying outstanding cuisine overlooking the outstanding vistas our locations offer.

Putting customers at the heart of our experiences has seen a drive to continuously improve the customer experience, both how they interact with us in an increasingly digital world, and what they actually experience when visiting a Skyline site.

For the new Skyline Luge site in Kuala Lumpur a concentrated effort has been put into innovating both the Luge experience and bringing in a new take on the traditional Zipline experience.

General Manager of International Operations James Thomas says the Kuala Lumpur site is an opportunity to deepen the Skyline Luge experience taking onboard customer feedback and delivering to customer needs.

"Feedback from customers has been they want more and more from the Luge experience and with the additional length in the tunnels and corkscrews we will offer in Kuala Lumpur we will certainly be delivering to this, showcasing just what we can do with innovative track design.

"And it is not just with the Luge. The new Zipline that allows customers to literally 'fly' around corners is an example of us looking at the standard Zipline experience and asking ourselves, 'how do we make this even more unique, more memorable?' And like the Luge, make it something people want to do again and again."

In recent years, the customer experience has been enhanced by having the ability to purchase a photo that customers can't take themselves when riding down the Luge. A photo taken by static cameras located on key sections on the side of the track.

This has proved very popular with customers and this year the Calgary business – now known as "Downhill Karting" to differentiate from the winter Olympic sport of "luging" in Canada – took this further by trialling a video capture system.

Calgary General Manager Logan Chandler says the video product has not only proved a huge success, but customers are also more inclined to share the videos and help spread the word of how much fun the activity is.

"We had a number of our team who are all over social media, like TikTok, saying we needed a video product, so we worked with our photography provider to trial it. The results speak for themselves as we have not only seen the videos prove to be very popular, but customers love to share them across their own social channels. It is the best form of advertising!"

New experiences have also been delivered in the Skyline Queenstown business where an insight developed off the back of CV19 lockdowns saw an idea turned into an opportunity.

Skyline Queenstown Operations Manager – Activities and Development Richard Ferguson says the increased desire for customers to experience the great outdoors saw the development and launch of a new Guided Walks experience taking customers up the nearby Ben Lomond saddle or to the summit itself.

"Ben Lomond above Bob's Peak has magical views and once we emerged from lockdown we saw an increasing number of hikers heading up to either the saddle or summit – and an increasing number of people wanting to know how to go about getting up there. This sparked the idea of providing a guided experience that opened up the walk to more people and told the story of the local environment.

"Skyline Guided Walks was born and booking numbers for the upcoming summer season are looking promising."

Over Page
Receiving instruction at Skyline Luge Singapore.
Below clockwise from Top Left
Family checking out their photos at Skyline Luge Tongyeong,
Skyline Queenstown's Guided Walks,
Ziplining at Skyline Rotorua.

> The new Zipline that allows customers to literally 'fly' around corners is an example of us looking at the standard Zipline experience and asking ourselves, 'how do we make this even more unique, more memorable?'

PEOPLE

A commitment to growing our Skyliners

This has been a busy year for our Skyliners, not only welcoming more and more customers back, but seeing a host of our great people leaders step up into new roles and take on new opportunities.

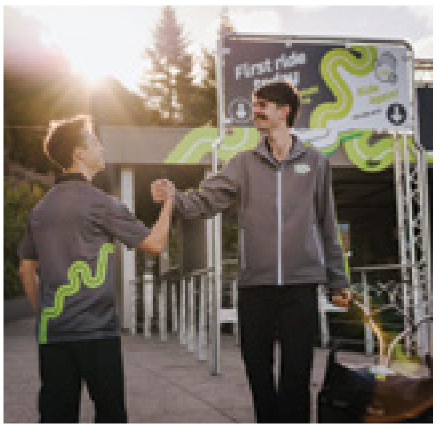
General Manager of People and Corporate Affairs Brooke Campbell says it has been extremely rewarding to see internal talent recognised and promoted into key senior leadership roles across the business.

"A strategic focus for the business has been in retaining and growing our Skyliners and organisational capabilities to support our growing business needs. It has been great to see this happening at all levels across the group, from new internal General Manager appointments in Tongyeong and Kuala Lumpur, to project management and into some of the specialist functional support areas."

Early in 2023 Sangil Jung – known as Jay started as the General Manager for Tongyeong. Jay was a crucial part of the team that opened the very successful Tongyeong operation and has most recently been leading sales and business development for the Skyline Luge Busan business.

In mid-2022, James Dudfeld was appointed Construction Project Manager, overseeing works at our new site in Kuala Lumpur, Malaysia. James has 15 years' experience at Skyline working in various operational and general management roles, including as the inaugural General Manager in Tongyeong.

Our team of Skyliners embodies our values and are key to our success, using their stories to showcase our organisation has been very well received in a tough employment market.



Images
Our Skyliners are an integral part to the success of our business.

Also, in Kuala Lumpur Gavin Barnes has been appointed as the inaugural General Manager for the business, bringing with him a wealth of operational expertise from his time with Skyline operations in South Korea. Gavin also brings invaluable external experience from his roles leading a Zipline adventure business in Singapore, his sales and marketing experience as well as from his time working with the British military.

Brooke says while it is great to grow capability from within, it has also been pleasing to be able to attract and bring in new talent from outside.

Our team of Skyliners embodies our values and are key to our success, using their stories to showcase our organisation has been very well received in a tough employment market.

The appointment of Juliana Souza as manager of operations at Blue Peaks accommodation is a case in point. Juliana brings with her 10 years hotel management experience and in a very short time her fresh perspective and leadership has bolstered the team and translated into improved business performance.

Brooke says Juliana's attitude and approach has resonated with both her direct team, and the wider Skyline business.

"During a period when cleaning staff within Queenstown were hard to come by, Juliana proactively approached the wider Skyline team to help fill cleaning shifts to provide relief for her staff.

"It was a testament to the Skyline can-do attitude of rolling-up sleeves and pitching in, that Juliana was flooded with volunteers, all of whom were delighted to be able to contribute in this way."

This continued commitment to investing in our people, getting on with telling the great Skyline story and showcasing what makes being a Skyliner special is certainly reaping rewards.

A unique hat-trick…

With a job with arguably the best view in the world, David Glanfield is about to chalk up a very rare feat, being a Gondola operator on all three different generations of Gondolas at Skyline Queenstown.

David started at Skyline Queenstown on January 9, 1987 and was part of the team that decommissioned the original multi-coloured bubble cabins and introduced the then modern Doppelmayr four-seater cabins. The original Gondola line and cabins were in place since the Gondola line opened in November 1967.

David says when he first heard that the four-seater cabins were going to be replaced he was determined to see in the next evolution of Gondola lift and cabin.

"I've been working on the Gondola for over 36 years now, so when then General Manager Lyndon Thomas announced we were going to bring in a new lift and these new 10-seater cabins, I was pretty keen to be around for that."

Aside from the technical elements of ensuring the smooth day-to-day operation of the Gondola, David says his favourite part of the job is the enjoyment he gets when people first get out of the cabin at the top of Bob's Peak.

"I still get a real buzz out of the look on people's faces when they look at the view from the top. They have these huge smiles, and that's a great part of the job."

JON DUMBLE

The passing of a pioneer

February 2023 saw the passing of Queenstown, and Skyline tourism pioneer Jon Dumble at the age of 86. Jon, along with Hylton Hensman and Cliff Broad founded Skyline Enterprises in 1966 with the vision to build the Skyline Queenstown Gondola Cableway.

Prior to this, Jon was the first Skyline Tours Limited tour guide, piloting the VW Combi bus up the winding access road and he later helped build the Skyline Chalet – a destination for, as the early marketing material stated, 'Magnificent Views,' morning tea, lunch and dinner, were all served in 'the most delightful surroundings.' On completion, Jon became the live-in manager of the Chalet and made it a family affair by bringing onboard his mother Norah to cook for visitors and sister Janet to also drive buses up the winding access road.

It was a road Jon says he drove more than 7,000 times until the increasing popularity necessitated an alternative, and ultimately more innovative, way to access the unique vistas high above Queenstown.

Raised in Auckland from humble beginnings, Jon's independent and adventurous spirit saw him work his way down the country for the then Tourist Hotel Corporation (THC) hotel chain. He was convinced to make the move to Queenstown by local character Ian "Hammy" Hamilton in 1961 to drive for his bus company, Wakatipu Tours Limited.

After a short stint as Skyline Enterprises' first Managing Director following the opening of the Gondola, Jon decided to pursue other interests outside Skyline including time as manager of the iconic Eichardt's Hotel when still under the Mount Cook Group's ownership.

Outside work, as a long-time Queenstown local, Jon was an innovator in off-grid sustainable living at his Dalefield property well before it was fashionable, feeding solar energy into the national grid.

Fiercely intelligent, Jon was a regular presence at both the Skyline Enterprises downtown offices and Skyline Annual General Meetings, bringing a well-thumbed copy of the annual report and armed with a bevy of pertinent questions for the Board.

Jon's presence will be greatly missed; however he will not be forgotten as his enterprising spirit, care for the local community and environment, and can-do attitude continues in the legacy he and his follow founders have left within the enduring DNA of Skyline. This is also physically showcased in the naming of one of the Board rooms at the new Skyline offices in O'Connells alongside his fellow founders Hylton Hensman and Cliff Broad.

Left
Jon Dumble giving an interview for Skyline Queenstown's 50th anniversary in 2017.

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Top
Jon Dumble, while building the original Skyline Chalet.
Right
Jon Dumble and Hylton Hensman looking at plans for the new Gondola system.

Corporate governance

Our Board

The members of the Board in July 2023.

Peter Treacy – Independent Chairman

Peter Treacy was appointed to the Skyline Enterprises Limited Board in December 2021, and as Chair in December 2022. He also sits on the Skyline Finance and Audit Committee and Skyline People and Culture Committee. Peter is a Director of Christchurch Casino and Dunedin Casino, as well as serving on the Council of Auckland University of Technology and Wai Wānaka.

Peter brings a wealth of experience from his extensive legal career with international law firm, Linklaters in London, Hong Kong and Bangkok, and his time as General Counsel and Chief Risk Officer at SkyCity.

Peter is pleased to be chairing the Skyline Board and contributing to the sustainable growth and exciting future of the organisation.

Donald Jackson – Director

Donald Jackson was appointed to the Skyline Enterprises Limited Board in April 2015 having previously acted as Secretary to the Board of Directors from 2001. He is also Chair of the Skyline Finance and Audit Committee.

Donald is the Managing Partner of McCulloch & Partners, Chartered Accountants, in Queenstown and is a Director on the Christchurch Casino Board.

Donald enjoys seeing the Skyline business continue to grow and helps contribute to this through his considerable financial governance experience.

Grant Hensman – Director

Grant Hensman was appointed to the Skyline Enterprises Limited Board in 1994. He is also Chair of the Skyline International Luge Board and sits on the Boards for Skyline's operating offshore subsidiaries in Canada. Grant has been involved with the company for most of his life, working in various roles for the Queenstown and Rotorua businesses and international operations.

Grant specialises in the management of Skyline's Luge track development and design and has been involved in all Skyline's Luge projects to date. Grant owns a successful civil engineering contracting company in Queenstown.

He has served on various community groups over the years and is currently Chair of the local Wilding Conifer Control Group, an organisation Grant has been involved with since its inception.

Grant feels privileged to contribute to Skyline's governance and enjoys being involved with the organisation as it grows from strength to strength.

Richard Thomas – Director

Richard Thomas was appointed to the Skyline Enterprises Board in May 2007 having spent three years as an Associate Director. He is Chair of the Skyline Health, Safety, Security and Environment Committee, Chair of Skyline's operating offshore subsidiaries and sits on the Skyline International Luge Board.

Richard is the current Chair of Destination Queenstown and The Queenstown Lakes Community Housing Trust, Director of Efficient Market Services trading as USX, Director of Bookme Limited and Director and Owner of his own business consultancy Redwulff Limited. Richard is a past Board Member and Chair of the Queenstown Chamber of Commerce, and the Tuatapere Hump Ridge Track.

He also served on the board of Snow Sports New Zealand, is a past President of the New Zealand Community Newspapers Association and is the former Publisher and General Manager of Queenstown's Mountain Scene newspaper.

Richard is excited about the post-CV19 opportunities in front us and he's looking forward to helping drive further success and growth internationally for Skyline.

Right
Peter Treacy and Donald Jackson riding the chairlift at Skyline Rotorua.

Sarah Ottrey – Independent Director

Sarah Ottrey was appointed to the Skyline Enterprises Limited Board in November 2016. She is the Chair of the People and Culture Committee and a member of the Finance and Audit Committee.

Sarah is Chair of Whitestone Cheese Limited, current Director and incoming Chair of Christchurch Airport Ltd (commencing October 25, 2023), a Director of EBOS Group Limited, Mount Cook Alpine Salmon Limited, Sarah Ottrey Marketing Limited and a committee member of the New Zealand Institute of Directors Otago Southland branch.

She is a past Board Member of The Public Trust, Blue Sky Meats Limited, Comvita Limited, Smiths City Group Limited and a member of the Inland Revenue Risk and Assurance Committee. Sarah has held senior marketing management positions both in New Zealand and internationally with Unilever and Heineken.

Sarah is passionate about the potential for the Skyline business and its people, and looks forward to ensuring Skyline remains both future and customer focused.

Bruce Thomasen – Independent Director

Bruce Thomasen was appointed to the Skyline Enterprises Limited Board in January 2023. Bruce also sits on the Skyline Health, Safety, Security and Environment Committee. Bruce has been connected to Skyline for many years, serving in various roles since first joining the Skyline Rotorua business in 2000.

Bruce was central to setting up the very successful Skyline Luge businesses in Mont Tremblant, Canada and Sentosa, Singapore and has also been the General Manager of the Skyline Rotorua operations. More recently, Bruce has served on the Skyline International Luge Board.

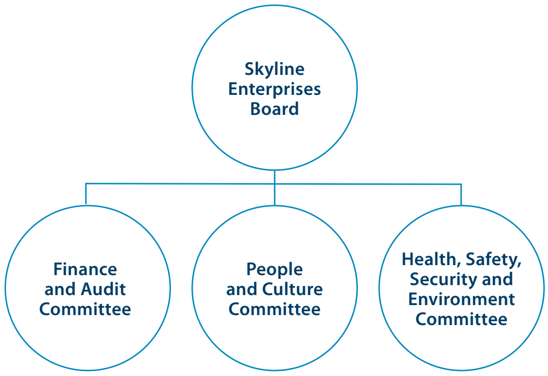
In 2015 Bruce co-founded the Redwoods Treewalk and Nightlights and the Redwoods Altitude in 2019. He is also the Executive Chairman of Redwoods Outdoor Activities NZ Limited.

Bruce is pleased to continue his long association with Skyline in a governance role, contributing to the ongoing development of the business.

Directors are not required to own shares.

Board Committees

The Board operates with the following Board sub-committees. The Chair of each committee reports to the Board on any significant matters, findings or recommendations and ensures the Board is properly and regularly informed on those matters.



Finance and Audit Committee

The purpose of the Finance and Audit Committee is to provide assistance to the Skyline Enterprises Board (including associated Boards) in fulfilling their oversight responsibility relating to the Company's financial management and related reporting processes including:

a. The integrity of financial reporting and the application of accounting policies;

b. The systems of internal accounting and financial control;

c. The annual independent auditing process and activities;

d. Related party transactions;

e. The company's process for monitoring compliance with applicable laws, regulations, standards, and best practice guidelines as they relate to financial disclosure.

Key committee policies:

- In line with Professional and Ethical Standards (PES1) code of ethics for assurance practitioners, audit partners are rotated at least every seven years.
- There is currently no policy to rotate audit firms.

The committee members are Donald Jackson (Chair), Sarah Ottrey (Director) and Peter Treacy (Director).

Over Page
Sarah Ottrey and Donald Jackson at a recent site visit at Skyline Queenstown.
Left
Luge at Skyline Queenstown.

People and Culture Committee

The purpose of the People and Culture Committee is to aid the Skyline Enterprises Board (including associated Boards) in overseeing remuneration, human resources, culture and performance related strategies, policies and reporting.

The Committee independently ensures that the company adopts and complies with policies that:

a. Attract, retain and motivate high calibre management and directors to enhance the performance of the company.

b. Motivate management and directors to pursue the long-term growth and success of the company within an appropriate control framework.

c. Demonstrate a clear relationship between key management performance and remuneration.

d. Encourage, support and assess staff engagement in line with the Skyline values and behaviours.

Key committee policy:

- A whistleblowing policy exists for all companies.

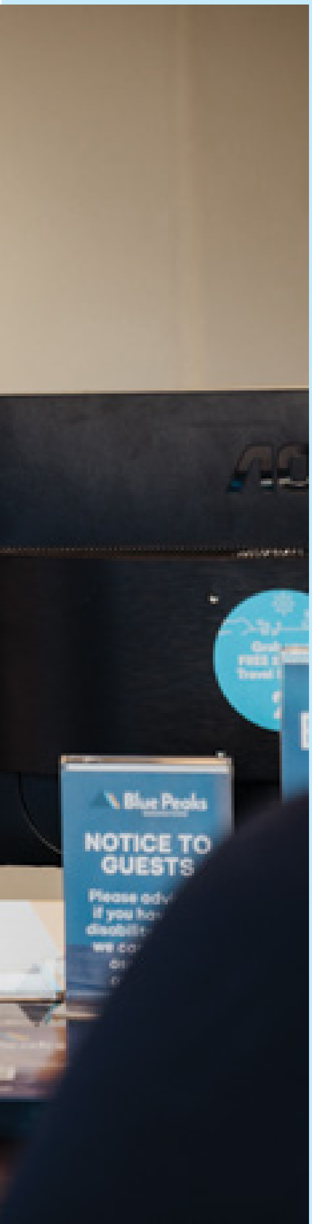
The committee members are Sarah Ottrey (Chair) and Peter Treacy (Director).

Health, Safety, Security and Environment Committee

The purpose of the Health, Safety, Security and Environment Committee is to assist the Skyline Enterprises Board (and associated Boards) in the oversight of organisational activities which could result in harm such as health and safety, cyber security and environment management. The committee ensures that the company operates in a manner which adequately identifies and addresses HSS&E risks and obligations.

The committee members are Richard Thomas (Chair) and Bruce Thomasen (Director).

The governance of sustainability at Skyline is the overarching responsibility of the Skyline Board. The more detailed oversight of elements within the sustainability framework is carried out through the Board's Finance and Audit Committee, People and Culture Committee and Health, Safety, Security and Environment Committee.



Our Leaders – Executive

Geoff McDonald
Chief Executive Officer, Skyline Enterprises

Geoff McDonald is Skyline Enterprise Limited's CEO joining Skyline in this role in June 2017.

Skyline Operational Leaders

Brett Anderson
Chief Executive Officer, Christchurch Casino

Brett Anderson is Christchurch Casino's CEO and was appointed to this role in July 2007.

Andrew Jensen
General Manager, Skyline Rotorua

Andrew Jensen is the General Manager of Skyline Rotorua. Andrew started with Skyline in 2001 and was appointed to this role in July 2017.

Wayne Rose
General Manager, Skyline Queenstown

Wayne Rose is the General Manager for Skyline Queenstown. Wayne started with Skyline Queenstown in 2005 and was appointed to this role in December 2017.

James Thomas
General Manager, International Luge Operations

James Thomas is the General Manager for Skyline's International Luge Operations joining Skyline in this role in March 2020.

Dean Johnson
General Manager, Skyline Luge Busan

Dean Johnson is the General Manager for Skyline Luge Busan in South Korea. Dean started with Skyline in 2007 and was appointed to this role in December 2020.

Sangil Jung
General Manager, Skyline Luge Tongyeong

Sangil Jung – known as Jay – commenced as the General Manager for Skyline Luge Tongyeong in South Korea in January 2023. He joined Skyline in 2016.

Stephanie Besse
General Manager, Skyline Luge Sentosa

Stephanie Besse is the General Manager of Skyline Luge Sentosa joining Skyline in this role in February 2021.

Top Left
The inaugural SIL leadership conference took place in Korea in October 2022.
Left
Juliana Souza, Manager of Operations for Blue Peaks Lodge and Apartments.

Logan Chandler
General Manager, Skyline Luge Calgary

Logan Chandler is the General Manager of Skyline Luge Calgary and was appointed to this role in April 2022. Logan joined Skyline in 2013.

Juliana Souza
Manager, Blue Peaks Lodge and Apartments

Juliana Souza is the Manager of Blue Peaks Lodge and Apartments joining Skyline in May 2022.

Skyline Senior Leadership

Danny Luke
General Manager, International Development

Danny Luke has been the General Manager for Skyline's International Developments since October 2015. Danny has worked with Skyline since 2003.

Brendon Lines
General Manager, Finance

Brendon Lines is the General Manager of Finance and was appointed to his current role in November 2022, having commenced with Skyline in July 2017.

Alastair Clifford
Group Manager, Property and Accommodation

Alastair Clifford is the Group Manager of Property and Accommodation and was appointed to his current role in August 2021. Alastair joined Skyline in 2016.

Steve McLean
General Manager, Developments

Steve McLean is the General Manager of Developments joining Skyline in this role in April 2019.

Matt Jenkinson
Group Manager, Health and Safety

Matt Jenkinson is the Group Manager of Health and Safety joining Skyline in October 2018 in this role.

Brooke Campbell
General Manager, People and Corporate Affairs

Brooke Campbell is the General Manager of People and Corporate Affairs joining Skyline in August 2019.

Matt Tucker
General Manager, IT and Special Projects

Matt Tucker is the General Manager of IT and Special Projects and was appointed to his current role in June 2021.

Mark Thompson
General Manager, CX and Digital

Mark Thompson is the General Manager of CX and Digital joining Skyline in this role in May 2023.

Directory

Board of Directors

Peter A Treacy (Chairman)
Grant H Hensman
Richard B Thomas
Donald N Jackson
Sarah C Ottrey
Bruce J Thomasen (Appointed 1 January 2023)
Jan N Hunt (Retired 31 December 2022)

Chief Executive Officer

Geoff McDonald

Subsidiary Boards of Directors and Senior Management

Please refer to
www.skylineenterprises.co.nz

Chartered Accountants

McCulloch & Partners
Level 2, 11-17 Church Street
Queenstown 9300

Auditors

Crowe New Zealand Audit Partnership

Share Registrar

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Enquiries: +64 9 488 8777

www.computershare.co.nz/investorcentre

Bankers

Bank of New Zealand Limited

Solicitors

Todd & Walker Law, Queenstown
Chapman Tripp, Christchurch
MacTodd, Queenstown
Russell McVeagh, Auckland

Registered Office

McCulloch & Partners
Level 2, 11-17 Church Street
Queenstown 9300

Share Trading & Price Information

Efficient Market Services Limited
Trading as Unlisted Securities Exchange
PO Box 3156, Wellington 6140

www.usx.co.nz

Notice of Annual Meeting

We look forward to welcoming you in person to our Annual Shareholders' Meeting to be held at Skyline Queenstown on Saturday 23rd September at 5pm (arrivals from 4pm), and afterwards as the company's guest for dinner. Further details will follow in the notice of meeting to be sent in August.

Agenda

Address

Our Chairman, Peter Treacy, and our Chief Executive Officer, Geoff McDonald, will provide an overview of the company's performance for the year ended 31 March 2023. There will also be an opportunity for shareholders to ask questions.

Resolutions

Shareholders will be asked to consider and, if thought appropriate, pass the following ordinary resolutions:

1. That Ms Sarah Ottrey, offering herself for re-election, be reappointed to the Company Board following her retirement by rotation at the Annual Meeting.
2. That Mr Richard Thomas, offering himself for re-election, be reappointed to the Company Board following his retirement by rotation at the Annual Meeting.
3. That Mr Bruce Thomasen, offering himself for election following his appointment since the last Annual Meeting, be appointed to the Company Board.
4. To approve Directors' Fees of $87,000 per Director, except for the annual fee of the Chair, which will be $183,000. These amounts include a $12,000 increase per Director, and $23,000 increase for the Chair, from the prior financial year. These fees will take effect from 1 April 2023.
5. That the Directors be authorised to fix the auditors remuneration.

Special Resolution

Amendment to Constitution – Clause 15.4.1(g) of the Company's Constitution states that a person will be disqualified from holding office of Director if he or she attains or is over the age of 65 years.

Shareholders will be asked to consider and, if in favour, pass the following resolution as a special resolution:

1. That Clauses 15.4.1(g), 15.4.2, 15.7.3 and 15.7.7 of the Company's Constitution be deleted.

General Business

To consider any other matter that may be brought properly before the meeting.

By Order Of The Board

B Campbell, Company Secretary, Queenstown, 28 July 2023.

Explanatory Notes:

Resolution 4: Directors' Fees

Directors Fees were last reviewed and subject to an increase in 2018. The Company has recently engaged an external remuneration consultancy to provide a review of its Director fees. The approach taken by the consultancy involves gaining an understanding of the organisation through documentation and interview, and then undertaking a thorough market analysis. The Board has considered the consultant's recommendation and the proposed Directors' fees reflect the mid-point of the recommended fees range.

Special Resolution: Amendment to Constitution

Skyline is committed to supporting diversity and inclusivity across our organisation. This includes embracing diversity in our workforce, innovating our products and supporting our communities. A provision that precludes participation in the governance of the organisation based solely on age, is incompatible with that ambition. It is the unanimous view of the Board that suitability and performance of each director should be evaluated on the basis of his or her individual contribution and experience, and that age should not be the sole factor in determining the value of a director to the company. Any issues regarding director capacity or capability can appropriately be addressed by the Board without including age as a factor.

The Board unanimously recommends the proposed deletion of this clause 15.4.1(g). A marked-up copy of the Company's Constitution will be tabled at the Annual Shareholders' Meeting.

Voting on this resolution will take place at the Annual Shareholders' Meeting in accordance with the Company's Constitution.

Voting

You may cast your vote either in person at the Annual Shareholders' Meeting or by proxy. Shareholders are not entitled to cast a postal vote.

Proxies

All Shareholders of the Company are entitled to attend and vote at the meeting or are entitled to appoint a proxy to attend and vote for them instead. A proxy need not be a member of the Company. A proxy form is enclosed and, if used, must be lodged at the Registered Office of the Company not less than 48 hours before the meeting begins.

2022 AGM Minutes

The minutes of the 2022 AGM are available for Shareholders to access via our website **www.skylineenterprises.co.nz**

Directors' Report

Your Directors have submitted their report together with the financial accounts of the Group for the year ended 31 March 2023.

Results and Distributions

Profit After Tax attributable to the Group for the 2023 financial year of $54,764,617, of which $6,827,475 has been deducted for the Directors interim dividend (20c), resulting in an increase in Group retained earnings to be carried forward to reserves of $47,937,142 for the year ended 31 March 2023.

Dividend

Subsequent to balance date, the Directors have declared a final cash dividend of $9,558,466, (28c), payable on 29 September 2023 to Shareholders on the register at 5pm on Monday 18 September 2023. Dividends are fully imputed to New Zealand resident Shareholders.

P A Treacy, Chairman
28 July 2023

D N Jackson, Director
28 July 2023

Group Income Statement

For the year ended 31 March 2023

	Note	2023	2022
		$'000	$'000
Continuing Operations			
Operating Revenue			
Revenue from Contracts with Customers	2.1	175,613	117,501
Revenue from Investment Properties	2.1	7,838	5,158
Revenue		**183,451**	**122,659**
Cost of Sales		(8,874)	(4,706)
Gross Profit		**174,577**	**117,953**
Operating Expenses	2.2	(47,705)	(37,928)
Employee Benefits		(51,921)	(43,150)
Depreciation and Amortisation	2.2	(15,425)	(13,623)
Impairment of Property, Plant & Equipment	3.1	(566)	-
Change in Fair Value of Investment Property	3.3	10,491	7,738
Operating Profit		**69,451**	**30,990**
Finance Income	2.2	545	184
Finance Costs	2.2	(954)	(926)
Other Income	2.2	2,678	4,503
Share of Profit/(Loss) of Equity Accounted Investees	4.1	(336)	231
Profit Before Tax from Continuing Operations		**71,384**	**34,982**
Income Tax Expense	2.3.1	(16,619)	(4,230)
Profit After Tax from Continuing Operations		**54,765**	**30,752**
Profit/(Loss) from Discontinued Operations	8.1	-	4,953
Profit After Tax Group Operations		**54,765**	**35,705**
Earnings Per Share – Basic & Diluted			
From Continuing Operations	2.5	$1.60	$0.90
From Discontinued Operations	2.5	-	$0.15

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them.

Group Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023	2022
		$'000	$'000
Profit for the Year after Tax		**54,765**	**35,705**
Other Comprehensive Income			
Items that may be subsequently reclassified to the income statement			
Foreign Currency Translation Reserve	5.2(b)	2,351	(2,595)
Total Comprehensive Income for the Year from Continued and Discontinued Operations		**57,116**	**33,110**

Group Statement of Changes in Equity

For the year ended 31 March 2023

	Note	Share Capital	Translation Reserve	Retained Earnings	Total Equity
		$'000	$'000	$'000	$'000
Equity as at 1 April 2021		**28,753**	**854**	**448,355**	**477,962**
Profit for the Year After Tax		-	-	35,705	35,705
Other Comprehensive Income		-	(2,595)	-	(2,595)
Total Comprehensive Income for the Year		-	(2,595)	35,705	33,110
Equity as at 31 March 2022		**28,753**	**(1,741)**	**484,060**	**511,072**
Profit for the Year After Tax		-	-	54,765	54,765
Other Comprehensive Income		-	2,351	-	2,351
Total Comprehensive Income for the Year		-	2,351	54,765	57,116
Transactions with Owners in their Capacity as Owners					
Dividend to Shareholders		-	-	(6,828)	(6,828)
Equity as at 31 March 2023	**5.2**	**28,753**	**610**	**531,997**	**561,360**

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them.

Group Balance Sheet

As at 31 March 2023

	Note	2023	2022
Current Assets		$'000	$'000
Cash and Cash Equivalents	3.4.1	38,541	47,869
Trade and Other Receivables	3.4.2	5,410	7,825
Inventory	3.4.4	2,623	1,826
Total Current Assets		46,574	57,520
Non-Current Assets			
Property, Plant & Equipment	3.1	259,276	211,954
Intangible Assets	3.2	57,158	56,158
Investment Property	3.3	233,100	207,420
Right-of-Use Assets	3.6	20,108	18,175
Equity Accounted Investments	4.1	6,017	6,749
Other Financial Assets	4.3.1	550	550
Deferred Tax Assets	2.3.2	2,943	3,259
Total Non-Current Assets		579,152	504,265
Total Assets		625,726	561,785
Current Liabilities			
Trade Payables	3.4.5	15,866	11,819
Contract Liabilities	3.4.3	2,359	1,708
Employee Entitlements	3.5	5,193	4,345
Lease Liabilities	3.6	1,376	1,121
Provisions	3.7	1,004	768
Current Tax Liabilities	2.3.2	5,276	1,991
Total Current Liabilities		31,074	21,752
Non-Current Liabilities			
Deferred Tax Liabilities	2.3.2	10,647	9,444
Lease Liabilities	3.6	19,474	16,792
Provisions	3.7	3,171	2,725
Total Non-Current Liabilities		33,292	28,961
Total Liabilities		64,366	50,713
Net Assets		561,360	511,072
Equity			
Share Capital	5.2	28,753	28,753
Retained Earnings and Reserves	5.2	532,607	482,319
Total Equity		561,360	511,072

On behalf of the Board

P A Treacy,
Chairman
28 July 2023

D N Jackson,
Director
28 July 2023

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them.

Group Statement of Cash Flows

For the year ended 31 March 2023

Cash Flows from Operating Activities	Note	2023	2022
Cash was provided from:		$'000	$'000
Receipts from Customers*		177,863	119,147
Interest Received		545	184
Rent Received		7,838	5,296
Government Subsidies	2.2	607	4,163
Insurance Proceeds Received	2.2	162	-
		187,015	128,790
Cash was applied to:			
Suppliers and Employees		(110,140)	(81,705)
Interest Paid on Debt		(84)	(151)
Taxation	2.3.2(b)	(11,816)	(8,339)
		(122,040)	(90,195)
Net Cash Flow from Operating Activities		64,975	38,595
Cash Flows from Investing Activities			
Cash was provided from:			
Receipts from Dividends		396	549
Proceeds from Sales of Assets		38	126
Proceeds from Assets Held for Sale		3,216	8,557
Term Deposits		-	8,000
Proceeds from Sale of Subsidiary		-	10,181
		3,650	27,413
Cash was applied to:			
Acquisition of Property, Plant & Equipment	3.1	(53,628)	(42,657)
Acquisition of Investment Property	3.3	(15,189)	(15,117)
Acquisition of Software Intangible Assets	3.2	(1,485)	(293)
		(70,302)	(58,067)
Net Cash Used in Investing Activities**		(66,652)	(30,654)
Cash Flows from Financing Activities			
Cash was applied to:			
Foreign Currency Related Movements		(140)	(24)
Interest Paid on Leases		(764)	(649)
Repayments of Leases		(681)	(628)
Dividends Paid		(6,828)	-
		(8,413)	(1,301)
Net Cash Flow Used in Financing Activities**		(8,413)	(1,301)

* Receipts from customers include gaming revenue from Christchurch Casino. Gaming revenue is recognised in the Group statement of cash flows as the net aggregate of gaming wins and losses.

** Net Cash used in financing and investing activities include non cash items that have been disclosed in other notes, such as Acquisition of Right-of-Use Assets and Lease Liabilities at note 3.6(a)(i).

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them.

Group Statement of Cash Flows (Continued)

For the year ended 31 March 2023

	Note	2023	2022
		$'000	$'000
Reconciliation of Cash Flow Movements			
Net Increase/(Decrease) in Cash Held		(10,090)	6,640
Add/(Deduct) Effect of Exchange Rate Fluctuations on Cash Held		762	(1,082)
Add Opening Cash		47,869	42,311
Ending Cash Carried Forward	**3.4.1**	**38,541**	**47,869**

Reconciliation of Profit for the Year to Net Cash Flows from Operating Activities

	2023	2022
	$'000	$'000
Profit for the Year after Tax	**54,765**	**35,705**
Add Non Cash Items		
Depreciation and Amortisation	15,425	13,639
(Gain)/Loss on Sale of Property, Plant & Equipment	103	(7,096)
Share of Profit of Equity Accounted Investees	336	(231)
Change in Fair Value of Investment Property	(10,491)	(7,738)
Foreign Currency Translation (Gains)/Losses	(1,411)	2,912
Interest – Provision for Reinstatement	106	126
Impairment of Property Plants and Equipment	566	-
Gain on Sale of Assets Held for Sale	-	(9)
	59,399	**37,308**
Movement in Operating Assets and Liabilities		
Increase/(Decrease) in Taxation Payable	3,285	(2,005)
Increase in Deferred Tax	1,518	192
Increase in Trade Payables and Other Current Liabilities	2,209	2,650
Increase in Inventory	(796)	(69)
(Increase)/Decrease in Trade and Other Receivables	(640)	519
	5,576	1,287
Net Cash Flow from Operating Activities	**64,975**	**38,595**

The notes to the accounts form an integral part of these accounts and are to be read in conjunction with them.

1.0 Basis of Preparation

1.1 Reporting Entity

Skyline Enterprises Limited (The Company) and associated entities (together the Group) own and operate tourism facilities (primarily cableway, Luge, restaurant and accommodation), commercial property and casino businesses. The Group has operations in New Zealand, Singapore, Canada, the Republic of Korea, Malaysia and the United Kingdom. The Company is a limited liability company incorporated and domiciled in New Zealand, registered under the Companies Act 1993.

1.2 Statement Of Compliance

The Group Financial Statements 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 reporting standards as appropriate for profit-oriented entities.

The financial statements also comply with International Financial Reporting Standards ("IFRS").

The Company is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013 and its financial statements comply with these Acts.

The Group Financial Statements were authorised for issue by the Board of Directors on 28 July 2023.

1.3 Basis of Preparation

(a) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for investment property assets and other financial instruments, which are measured at fair value.

(b) Estimation of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value. The Group classifies its fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **(i) Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **(ii) Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **(iii) Level 3** inputs are unobservable inputs for the asset or liability.

(c) Functional and Presentation Currency

These financial statements are presented in New Zealand Dollars (NZD) which is the Company's functional and presentation currency.

In addition, the financial statements are presented rounded to the nearest one thousand dollars. Due to rounding, the numbers presented may not add up precisely to the totals provided.

(d) Critical Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies, which have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2.3 – Taxation
- Note 3.1 – Property, Plant & Equipment
- Note 3.2(b) – Intangible Assets – Goodwill
- Note 3.3 – Investment Property
- Note 3.6 – Leases – Estimating the incremental borrowing rate
- Note 3.6 – Determining the lease term of contracts with renewal and termination options – Company as lessee
- Note 4.1 – Equity Accounted Investments
- Note 6.2(a)(i) – Quantitative Information – Expected Credit Loss

1.4 General Accounting Policies

(a) Consolidation

The Group Financial Statements are prepared by consolidating the financial statements of all the entities that comprise the Group, being the Company and its subsidiaries, where all intercompany transactions and balances are eliminated.

(i) Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the Group financials statements from the date that control commences until the date that control ceases. A list of subsidiaries appears in note 4.2 of the financial statements.

(ii) Business Combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

(iii) Investment in Equity Accounted Associates
Associates are those entities in which the Group has significant influence, but no control over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated income statement includes the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(b) Foreign Currency Translation

(i) Foreign Currency Transactions
Foreign currency transactions are translated into the functional currency using the average rates for the period. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Group Income Statement for the year.

(ii) Foreign Operations
On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average rates for the period. Exchange differences arising, if any, are recognised in the foreign currency translation reserve and recognised in the Group Income Statement on disposal of the foreign operation.

(c) Non-Derivative Financial Instruments

Financial assets and liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Non-derivative financial instruments comprise investments in equity securities, cash and cash equivalents, trade and other receivables, other debt instruments, loans and borrowings, and trade and other payables. The carrying value of the financial instruments approximates fair value. There are no financial instruments measured at fair value in the Balance Sheet.

(i) Financial Assets and Liabilities
Financial assets and liabilities are classified into the following specified categories:

The Group categorises Cash and Cash Equivalents (note 3.4.1), Trade Receivables and Other Assets (note 3.4.2), and Other Financial Assets (note 4.3.2) as financial assets. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

The Group categorise Trade and Other Payables (note 3.4.5) as financial liabilities. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

a) Financial Assets and Liabilities – at Fair Value Through Profit or Loss
Financial assets and liabilities are classified as Fair Value through Profit or Loss when they are either designated at fair value or are held for trading. The first classification includes any financial assets or liabilities that the Group designated on initial recognition as one to be measured at fair value, with fair value changes in the income statement. The second classification includes financial assets or liabilities that the Group holds for trading. The Group considers all financial assets or liabilities acquired or held for the purpose of selling in the short term or where there is a recent pattern of short-term profit taking as being held for trading.

These financial assets or liabilities are stated at fair value, with any gains or losses arising on re-measurement recognised in the income statement. The net gain or loss recognised in the income statement incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 1.3(b).

b) Financial Assets – at Amortised Cost
Financial assets (including short term deposits) are subsequently measured at amortised cost when they are held for collection of contractual cash flows where, those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.

c) Financial Liabilities – at Amortised Cost
Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and Right-of-Use Assets representing the right to use the underlying assets.

(ii) Right-of-Use Assets

The Group recognises Right-of-Use Assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-Use Assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of Right-of-Use Assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets [between 3 to 50 years]. The Right-of-Use Assets are also subject to impairment.

(iii) Lease Liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iv) Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and property (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

(v) The Group as Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent or variable rents are recognised as revenue in the period in which they are earned.

(e) Profit and Loss from Discontinued Operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held-for-sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation (see also note 8.0).

(f) New Standards and Interpretations Not Yet Adopted

There are no standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates.

2.0 Performance

2.1 Revenue from Contracts with Customers

(a) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services net of Goods and Services Tax (GST), rebates and discounts and after eliminating sales between Group entities.

Revenue from external customers comes from the sale of tourism activities, gaming, food and beverage, accommodation, and retail (see note 2.1(b)).

(i) Sale of Goods and Services

Sale of goods and services, including tourism activities, accommodation income, retail, and food and beverage, are recognised in accordance with NZ IFRS 15. Revenue is recognised when the Group's performance obligation is satisfied and control is transferred to the customer.

With respect to service type transactions such as a tourism activity or a night's accommodation, the Group has a performance obligation to make an asset available for use, which requires revenue to be recognised over a period of time. Generally, the Group's customer simultaneously receives and consumes the benefit of the service being provided, therefore practically revenue is recognised at the date of payment. For annual Gondola or mountain bike passes or mountain bike uplift passes, where the holder of the pass is entitled to unlimited use of the Gondola for the validity period of that pass, usually the earlier of twelve months or until all uplifts are used, revenue is recognised on a straight line basis over the validity period. The unfulfilled revenue is recorded as a contract liability at note 3.4.3.

With respect to sale of goods transactions such as food and beverage retail, merchandise and consumer goods retail and commission sales, the promised goods are transferred to the customer immediately. As such revenue is recognised at the point of sale.

Sale of goods and services are usually in cash, by credit card, ePayments or charged to an account.

(ii) Gaming Revenue

Gaming revenues are the net aggregate of gaming wins and losses as these cash flows are items in which turnover is quick, the amounts are large and the maturity is short. Gaming revenue is recognised on an accruals basis. Gaming revenue is recognised as the net gaming win/losses received less gaming revenue received that represents a commitment to future jackpot payouts. Contributions from casino patrons to future jackpot payouts are recognised as a contract liability.

Where there is a requirement to provide future goods and services as part of a sales transaction under the casino-specific loyalty programme, the revenue relating to the sales transaction is split between the original sale and the future provision of goods and services. A deferral is made for the future portion of the supply, which is recorded as a contract liability at note 3.4.3. The deferral is transferred to revenue as the goods and services are provided.

(iii) Financing Components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iv) Operating Lease – Investment Property

Income from operating leases – investment property is derived from the leasing of investment property as outlined in note 3.3 and is recorded net of any incentives given to lessees. Income is recognised on a straight-line basis over the period of the lease. The Group has determined that it retains all significant risks and rewards of ownership of these properties and assets and has therefore classified the leases as operating leases.

The contractual future minimum investment property operating lease income to be received on properties owned by the Group at balance date is as follows:

Within One Year	2023 $'000	2022 $'000
Within One Year	8,439	5,712
Between One and Two Years	7,131	5,359
Between Two and Three Years	6,673	4,640
Between Three and Four Years	5,427	4,462
Between Four and Five Years	4,889	3,838
Later than Five Years	25,784	23,822
Investment Property Operating Lease Income	**58,343**	**47,833**

(v) Other Rental Income

Other rental income is derived from the lease or sublease of operating areas that do not form part of the Group's core operations such as roof space for the installation of aerials and antennas, excess office space due to seasonal requirements, or surplus land for complementary third party products where there is no current business case for that land that meets internal rate of return requirements.

(b) Disaggregation of Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions (identified through Segment Reporting at note 2.4).

2023 $'000	Tourism				Gaming	Property Investment	Other	Total
	NZ	SNG	RoK	CAD	NZ	NZ	NZ	
Segment Revenue	76,016	18,161	20,042	7,208	51,117	-	22,415	194,959
Inter-Segment Revenue	-	-	-	-	-	-	(19,346)	(19,346)
Revenue from External Customers	76,016	18,161	20,042	7,208	51,117	-	3,069	175,613
Timing of Revenue Recognition:								
At a Point in Time	22,793	1,320	1,431	598	50,048	-	-	76,190
Over Time	53,223	16,841	18,611	6,610	1,069	-	3,069	99,423
	76,016	**18,161**	**20,042**	**7,208**	**51,117**	**-**	**3,069**	**175,613**
Revenue from Investment Properties:								
Rental – Commercial	-	-	-	-	-	7,493	-	7,493
Rental – Other	343	-	-	-	-	-	2	345
Total (note 2.4)	**76,359**	**18,161**	**20,042**	**7,208**	**51,117**	**7,493**	**3,071**	**183,451**

2022 $'000	Tourism				Gaming	Property Investment	Other	Total
Continuing Operations	NZ	SNG	RoK	CAD	NZ	NZ	NZ	
Segment Revenue	34,955	9,145	21,501	5,708	45,442	-	9,550	126,301
Inter-Segment Revenue	-	-	-	-	-	-	(8,800)	(8,800)
Revenue from External Customers	34,955	9,145	21,501	5,708	45,442	-	750	117,501
Timing of Revenue Recognition:								
At a Point in Time	10,419	559	1,442	235	44,581	-	-	57,236
Over Time	24,536	8,586	20,059	5,473	861	-	750	60,265
	34,955	**9,145**	**21,501**	**5,708**	**45,442**	**-**	**750**	**117,501**
Revenue from Investment Properties:								
Rental – Commercial	-	-	-	-	-	4,828	-	4,828
Rental – Other	283	-	-	-	-	-	47	330
Total (note 2.4)	**35,238**	**9,145**	**21,501**	**5,708**	**45,442**	**4,828**	**797**	**122,659**
Discontinued Operations								
Segment Revenue	-	-	-	-	-	-	783	783
Inter-Segment Revenue	-	-	-	-	-	-	-	-
Revenue from External Customers	-	-	-	-	-	-	783	783
Timing of Revenue Recognition:								
At a Point in Time	-	-	-	-	-	-	69	69
Over Time	-	-	-	-	-	-	714	714
	-	**-**	**-**	**-**	**-**	**-**	**783**	**783**
Revenue from Investment Properties:								
Rental – Other	-	-	-	-	-	-	138	138
Total	**-**	**-**	**-**	**-**	**-**	**-**	**921**	**921**

All other segments include the provision of accommodation, leasing of helicopter assets, and the ownership of shares for investment purposes as outlined in the segment note 2.4.

2.2 Other Income and Expense Items

This note provides a breakdown of the items included in Other Income, Finance Income and Costs and an analysis of expenses by nature. Information about specific Income Statement items (such as gains and losses in relation to financial instruments) are disclosed in the related Balance Sheet notes.

(a) Other Income

Other Income – Continuing Operations	Note	2023 $'000	2022 $'000
Government Subsidies	(i)	607	4,163
Insurance Proceeds Received		162	-
Foreign Currency Translation Gains		1,441	1
Other Income		468	339
Total Other Income		**2,678**	**4,503**

(i) Government Subsidies

Government subsidies were received as part of wage subsidy programmes (New Zealand, Singapore and Republic of Korea) and Strategic Tourism Asset Protection Programme (New Zealand). There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance.

(b) Finance Income

Interest Income – Continuing Operations	Note	2023 $'000	2022 $'000
Interest Income – Bank Deposits	(i)	533	95
Interest Income – Other	(i)	12	89
Total Interest Income		545	184

(i) Interest Income

Interest income is derived from financial assets held for cash management purposes and is recognised as income on a time-proportionate basis using the effective interest method.

(c) Expense Items

Profit before income tax includes the following specific expenses items:

Operating Expenses – Continuing Operations	Note	2023 $'000	2022 $'000
Operating Lease Costs	3.6 & 2.2(c)(i)	4,573	1,434
Bad Debts and Expected Credit Loss	3.4.2	2	(3)
Direct Operating Expenses from Investment Property		1,643	1,200
Foreign Exchange Losses		29	2,914
Loss on the Disposal of Property, Plant & Equipment		104	698
Remuneration of Auditors			
Audit Fees for Financial Statement Audit		183	182
Audit Fees Paid to Other Auditors of the Group		102	88
Total Remuneration of Auditor		285	270
Depreciation and Amortisation			
Depreciation	3.1	13,128	11,814
Depreciation of Right-of-Use Assets	3.6	1,813	1,624
Amortisation of Finite Life Intangibles	3.2	484	185
Total Depreciation and Amortisation		15,425	13,623
Interest and Finance Costs			
Interest Expense – Lease Liability		764	649
Interest Expense – Reinstatement Cost Provision		106	128
Interest Expense – Other		84	149
Total Interest and Finance Costs		954	926
Donations			
Donation Christchurch Casino Charitable Trust		567	354
Donations Other		74	83
Total Donations		641	437

(i) Rental and Operating Lease Expense

Short-term lease expenses, leases of low-value assets and variable lease expenses that are not included in the measurement of the lease liabilities are classified as operating expenses.

2.3 Taxation

(a) Current and Deferred Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income based on the income tax rate for each jurisdiction 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 Group financial statements.

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 these 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 liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose as a result of a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable income.

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.

Current and deferred tax balances attributable to amounts that have been recognised directly in equity, are also taken directly to equity.

(b) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Critical Estimates and Assumptions

The Group is subject to income taxes in six jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

2.3.1 Taxation – Group Income Statement

(a) Income Tax Expense

	2023 $'000	2022 $'000
Current Tax Expense		
Current Tax	15,101	6,669
Adjustments for Prior Year Estimates	-	(335)
	15,101	6,334
Deferred Tax Expense		
Origination and Reversal of Temporary Differences	1,518	168
Adjustments for Prior Year Estimates	-	24
	1,518	192
Total Income Tax Expense	16,619	6,526
Income Tax Expense is attributable to:		
Continuing Operations	16,619	4,230
Discontinued Operations	-	2,296
	16,619	6,526

(b) Reconciliation of Effective Tax Rate

	2023 $'000	2022 $'000
Profit for the Year after Tax Continuing Operations	54,765	30,752
Profit for the Year after Tax Discontinued Operations	-	4,953
Total Income Tax Expense	16,619	6,526
Profit Before Income Tax	71,384	42,231
Income Tax using Company's Domestic Tax Rate of 28% (2022: 28%)	19,988	11,825
Effect of tax rates in foreign jurisdictions	(1,537)	(1,097)
Tax assessable equity accounted investee income	248	(65)
Tax exempt income	(2,987)	(3,004)
Non-deductible expenses	1,229	1,349
Utilisation of tax losses not previously recognised in DTA	(180)	(375)
Imputation Credits Received on Dividend	(154)	-
Deferred tax impact on disposal of building assets	12	-
Non Assessable Capital Gain on Disposal of Subsidiary	-	(1,772)
Deductible loss on disposal of Investment property asset	-	(23)
Under/(over) provided in prior periods	-	(312)
Total Income Tax Expense	16,619	6,526

2.3.2 Taxation – Group Balance Sheet

(a) Deferred Taxation

(i) Deferred Tax Liabilities

$'000	PP&E	Investment Property	Intangible Assets	Provisions	Other	Total
Balance 1 April 2021	7,479	1,691	317	257	-	9,744
Charged/(credited) to income statement	(562)	195	(4)	71	-	(300)
Balance 31 March 2022	6,917	1,886	313	328	-	9,444
Charged/(credited) to income statement	339	702	(2)	164	-	1,203
Balance 31 March 2023	7,256	2,588	311	492	-	10,647

(ii) Deferred Tax Assets

$'000	PP&E	Investment Property	Intangible Assets	Provisions	Other	Total
Balance 1 April 2021	1,675	-	-	1,176	899	3,750
(Charged)/credited to income statement	(1,675)	-	-	212	972	(491)
Balance 31 March 2022	-	-	-	1,388	1,871	3,259
(Charged)/credited to income statement	-	-	-	785	(1,101)	(316)
Balance 31 March 2023	-	-	-	2,173	770	2,943

(b) Current Tax Liability

	2023 $'000	2022 $'000
Opening Balance	1,991	3,996
Current Tax	15,101	6,334
Tax Paid	(11,816)	(8,339)
Closing Balance	5,276	1,991

2.3.3 Taxation Imputation Credits

	2023 $'000	2022 $'000
Imputation credits available for use in subsequent accounting periods	134,433	126,480

2.4 Segment Reporting

A segment is a component of the Group that engages in business activities which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Board of Directors and the Chief Executive Officers.

The Group is organised into the following reportable operating segments, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies.

(i) Tourism Operations
Includes the Gondola, Luge, related food and beverage sales at all relevant operating sites.

(ii) Property Investment
Includes the ownership and rental of properties classified as investment property.

(iii) Casino Operations
Includes gaming, food, and beverage sales at the Christchurch Casino.

(iv) Other Operations
Includes the provision of accommodation, and the ownership of shares for investment purposes

None of these segments meet any of the quantitative thresholds for determining reportable segments in 2023 and 2022.

(a) Operational Segments – Continued Operations

	Tourism Operations		Property Investment Operations		Casino Operations		All Other Segments		Total	
$'000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from External Customers	121,770	71,592	7,493	4,828	51,117	45,442	3,071	797	183,451	122,659
Cost of Sales	6,802	3,291	-	-	2,069	1,414	2	1	8,874	4,706
Operating Expenses	33,493	28,023	1,643	1,200	13,222	10,295	(653)	(1,590)	47,705	37,928
Employee Benefits	28,956	22,945	-	-	16,024	14,063	6,941	6,142	51,921	43,150
Depreciation & Amortisation	11,662	9,826	48	49	2,902	3,189	813	559	15,425	13,623
Impairment of Property Plant & Equipment	566	-	-	-	-	-	-	-	566	-
Increase in Investment Property Revaluation	-	-	10,491	7,738	-	-	-	-	10,491	7,738
Operating Profit	40,291	7,506	16,293	11,318	16,899	16,480	(4,032)	(4,314)	69,451	30,990
Plus Other Income									2,678	4,503
Less Net Financing Costs									(409)	(742)
Plus Revenue from Associates									(336)	231
Less Tax									(16,619)	(4,230)
Profit for the Year									54,765	30,752
Capital Expenditure	55,028	39,600	15,145	15,117	4,006	2,613	226	729	74,405	58,059
Segment Assets	251,056	216,127	235,020	207,964	129,465	131,183	10,186	6,511	625,727	561,785
Segment Liabilities	44,849	33,193	3,949	1,431	13,556	14,898	2,012	1,191	64,366	50,713

Performance is measured based on segment operating profit before income tax. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other information provided is measured in a manner consistent with that in the financial statements.

Significant annual charges such as amortisation on licences have been excluded from the segment disclosures to reflect underlying segment operating performance.

(b) Geographical Segments

The Tourism Operations segment is managed on a worldwide basis, but operates business units in New Zealand, Singapore, Canada, the Republic of Korea, Malaysia, and the United Kingdom. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	New Zealand		Singapore		The Republic of Korea		United Kingdom		Canada		Malaysia	
$'000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total Segment Revenue	138,040	86,305	18,161	9,145	20,042	21,501	-	-	7,208	5,707	-	-
Segment Assets	501,516	445,613	18,824	18,611	88,629	86,751	97	702	8,046	7,075	8,615	3,033
Segment Liabilities	34,653	26,359	10,074	7,941	13,526	12,866	-	-	4,606	3,547	1,507	-

2.5 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to Shareholders of the company by the weighted average number of ordinary shares on issue during the year, excluding shares held as treasury stock. Diluted earnings per share assume conversion of all dilutive potential ordinary shares in determining the denominator.

	2023 $'000	2022 $'000
Total Net Profit Attributable to Ordinary Shareholders	54,765	35,705
Made up from:		
Net Profit from Continued Operations	54,765	30,752
Net Profit/(Loss) from Discontinued Operations	-	4,953
Weighted Average Number of Ordinary and Diluted Shares	34,137,379	34,137,379
	$	$
Total Earnings Per Share – Ordinary and Diluted	1.60	1.05
Made up from:		
Continued Operations	1.60	0.90
Discontinued Operations	-	0.15

3.0 Operating Assets and Liabilities

3.1 Property, Plant & Equipment

Items of Property, Plant & Equipment are measured at cost, less accumulated depreciation and impairment adjustments. Cost includes expenditure that is directly attributable to the acquisition of the Property, Plant & Equipment. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition, as well as the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant & Equipment.

The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant & Equipment are recognised in the Group Income Statement as incurred.

Under the loan facility agreement the carrying amounts of property, plant & equipment are pledged as security for any current or non current borrowings.

(a) Depreciation

Property, Plant & Equipment are depreciated on a straight line and diminishing value basis so to appropriately allocate the costs of assets over their estimated useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	2 - 50 Years	Gondolas & Cableways	0 - 20 Years
Motor Vehicles	6 - 8 Years	Plant & Equipment	4 - 25 Years
Furniture & Fittings	4 - 25 Years	Pooled Items of Plant & Equipment	3 - 4 Years
Gaming Tables, Machines & Equipment	5 - 25 Years		

(b) Impairment

Assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indication of impairment exists, then the asset's recoverable amount is estimated. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Group Income Statement.

Critical Estimates and Assumptions

Useful lives and residual values of Property, Plant & Equipment

At each balance date, the useful lives and residual values of Property, Plant & Equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of Property, Plant & Equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Group Income Statement and the carrying amount of the asset in the Group Balance Sheet. The Group minimises the risk of this estimation uncertainty by physical inspection of assets, asset replacement programs and analysis of Inland Revenue maximum allowable rates.

During the year, as a result of the final Director approval of the Skyline Queenstown Redevelopment project plan, the Group has aligned the useful life assumption of Skyline Queenstown building and gondola assets to the Skyline Queenstown Redevelopment project plan. Under the current project plan, various existing building assets will be demolished in a staged manner between the current year and the year ending 31 March 2026. Management have identified building assets, with a carrying value of $2,106,000, and gondola assets, with a carrying value of $874,000, which are planned to be demolished. The useful life of the building assets have been adjusted to 33 months, ending 31 October 2025. The Depreciation method for these assets have been changed to straight line. Given the demolition of the gondola assets is expected to commence shortly after balance date, these asset have been fully depreciated in the current year.

The Group has not made any other significant changes to past assumptions concerning useful lives and residual values.

Impairment of Property Plant and Equipment

The fair value of Property, Plant & Equipment on a business combination is determined using a combination of market comparisons and the depreciated replacement cost approach. These approaches include estimations and assumptions regarding useful lives, residual values, maintenance and technical obsolescence. The estimations and assumptions used are subjective in nature and can have a significant impact on their fair value determined.

In accordance with the Group's impairment policy, management conducted a review for events or changes in circumstances, which would indicate that the carrying amount of Property Plant and Equipment may not be recoverable. Management determined there were two events which required impairment testing, being the decision to pause the Skyline Luge Sheffield project and the on-going impacts of COVID-19 on the trading results of Skyline Luge Busan. Management determined there were no other events or change in circumstances which required impairment testing.

Skyline Luge Sheffield

The carrying value of the Skyline Luge Sheffield project is $566,000 and is recognised through Capital Work in Progress. As at balance date, it is not known when this project will be re-commenced and the portion, if any, of the initial work to be retained. As such, a full impairment of the project costs to date of $566,000 has been recognised.

Skyline Luge Busan

The Skyline Luge Busan site commenced trading in the year ended 31 March 2022. Due to the impacts of COVID-19 on the construction timelines, the site was not fully completed to the business case on opening, with the Zip Line and final beautification works expected to be be completed in the year ended 31 March 2024. Further, since opening, trading has been impacted by the restrictions placed on business activity and social interactions as part of the Republic of Korea's emergency response plans to COVID-19. These restrictions eased in the current year. As a result, the site has traded below the initial business case budget. Management has re-forecasted the budget, benchmarked against Skyline Luge Tongyeoung business unit, being a comparable site located in the Republic of Korea with pre-COVID-19 trading results.

Based on the revised forecast, the calculation completed in the current year to estimate the recoverable amount of the cash generating unit for the purpose of impairment testing showed no impairment was required. The recoverable amount of the cash generating unit is equal to the higher of the value in use or the market value. The review completed required estimations and assumptions about future uncertain events to be used.

The value in use calculation was based on a free cashflow projection over the remaining lease term of forty seven years, utilising Management's revised forecast. The assumed per annum growth rate in EBITDA for the first ten years ranged from 10.5% to 25%. The EBITDA growth rate from year eleven to forty seven is 2.5%. The growth rates used are not greater than other comparable growth rates achieved within the Group.

A pre-tax discount rate of 14.89% was used, which was based on Management's assessment. The discount rate reflects specific risks to the relevant operating segment within the Republic of Korea, such as a risk free rate of return of 3.6%, market risk premium 6.9%, and local corporate tax rate of 19%, as well as specific Group factors such as the asset beta, gearing and cost of debt assumptions.

These assumptions are consistent with past experience adjusted for economic indicators.

The calculation is determined based on a range of unobservable inputs, which meet the definition of Level 3 valuation techniques as outlined in note 1.3(b) as one of more of the significant inputs are not based on observable market data. Management conducted a sensitivity analysis from the base case, with a general increase or decrease of 10% for key unobservable inputs. The sensitivity analysis showed no impairment when key unobservable inputs were increased or decreased by 10%.

Prior Year Impairment of Property Plant and Equipment

In accordance with the Group's impairment policy, in the prior year, the Property Plant and Equipment assets of the Group were reviewed for impairment, given the impact of COVID-19. The review completed required estimations and assumptions about future uncertain events to be used. There were no assets requiring impairment as a result of the review.

Share Capital Investment – Osiria Thema Park PFV Co

Included in Korean Property, Plant and Equipment is a share capital investment in Osiria Thema Park PFV Co of $2,587,000. Under the terms of the investment agreement in Osiria Thema Park PFV Co, the Group determined the definition of an equity investment was not met, as the Group does not have a residual interest in the assets of the entity on wind up. The Group has classified the investment as Korean Property, Plant and Equipment. This classification is on the basis that the Group has the right under the investment agreement to direct the paid in share capital towards land improvements specifically related to the Group operations in Busan, in the Republic of Korea.

Total Group Property, Plant & Equipment are as follows:

$'000	Land & Improvements (at Cost)	Buildings (at Cost)	Furniture & Fittings (at Cost)	Plant & Equipment (at Cost)	Canadian Plant & Equipment (at Cost)	Singapore Plant & Equipment (at Cost)	Korea Plant & Equipment (at Cost)	UK Plant & Equipment (at Cost)	Malaysia Plant & Equipment (at Cost)	Capital Work in Progress (at Cost)	Total
2023											
Gross carrying amount Balance at 1 April 2022	26,510	68,841	6,215	52,846	13,958	27,656	60,604	22	-	53,342	309,994
Additions	1,993	786	283	1,555	1,028	868	417	-	2	50,872	57,801
Disposals	-	(53)	(7)	(1,708)	(90)	(77)	-	-	-	-	(1,934)
Net foreign currency exchanges	-	-	-	-	91	1,181	1,666	(1)	-	417	3,354
Transfers	7,298	(2,739)	1,082	(4,684)	-	-	-	-	-	(957)	-
Balance at 31 March 2023	35,801	66,836	7,573	48,009	14,987	29,628	62,686	21	2	103,674	369,218
Accumulated Depreciation & Impairment Balance at 1 April 2022	(574)	(16,371)	(4,934)	(38,022)	(12,259)	(18,111)	(7,769)	-	-	-	(98,040)
Depreciation	(630)	(2,457)	(391)	(3,798)	(575)	(2,220)	(3,057)	-	-	-	(13,128)
Impairment	-	-	-	-	-	-	-	-	-	(566)	(566)
Disposal	-	31	5	1,647	32	77	-	-	-	-	1,792
Transfers	(4,084)	1,251	(665)	3,498	-	-	-	-	-	-	-
Balance at 31 March 2023	(5,288)	(17,546)	(5,985)	(36,675)	(12,802)	(20,255)	(10,825)	-	-	(566)	109,942
Total Book Value	30,513	49,290	1,588	11,334	2,186	9,373	51,861	21	2	103,108	259,276

$'000	Land & Improvements (at Cost)	Buildings (at Cost)	Furniture & Fittings (at Cost)	Plant & Equipment (at Cost)	Canadian Plant & Equipment (at Cost)	Singapore Plant & Equipment (at Cost)	Korea Plant & Equipment (at Cost)	UK Plant & Equipment (at Cost)	Capital Work in Progress (at Cost)	Total
2022										
Gross carrying amount										
Balance at 1 April 2021	23,100	72,282	7,778	54,129	14,824	27,745	31,058	22	53,835	284,773
Additions	3,657	524	141	2,965	316	103	839	-	34,112	42,657
Disposals	(247)	(3,965)	(1,704)	(4,360)	(1,246)	(186)	(1,236)	-	(157)	(13,101)
Net foreign currency exchanges	-	-	-	-	64	(6)	(2,688)	-	(1,705)	(4,335)
Transfers	-	-	-	112	-	-	32,631	-	(32,743)	-
Balance at 31 March 2022	26,510	68,841	6,215	52,846	13,958	27,656	60,604	22	53,342	309,994
Accumulated Depreciation & Impairment										
Balance at 1 April 2021	(518)	(16,516)	(6,035)	(37,962)	(12,826)	(16,122)	(6,050)	-	-	(96,029)
Depreciation	(56)	(1,966)	(338)	(4,013)	(537)	(2,067)	(2,837)	-	-	(11,814)
Impairment	-	-	-	-	-	-	-	-	-	-
Disposal	-	2,111	1,439	3,953	1,104	78	1,118	-	-	9,803
Balance at 31 March 2022	(574)	(16,371)	(4,934)	(38,022)	(12,259)	(18,111)	(7,769)	-	-	(98,040)
Total Book Value	25,936	52,470	1,281	14,824	1,699	9,545	52,835	22	53,342	211,954

3.2 Intangible Assets

(a) Licences and Concessions

Licences and concessions that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Licences are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated remaining useful lives for the current period is as follows:

- **Christchurch Casinos Licence – Current Licence – 11.58 years**

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(b) 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 subsidiary at the date of acquisition. Goodwill on acquisitions of businesses is included in Intangible Assets. Goodwill acquired in business combinations is not amortised. Instead, 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.

Goodwill is allocated to Cash-Generating Units (CGU) for the purpose of impairment testing.

Critical Estimates and Assumptions

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated above. The recoverable amounts of CGU's have been determined based on value in use calculations as outlined in the commentary to intangibles asset table below. These calculations require the use of estimates.

The goodwill balances with indefinite lives are allocated to the Group's CGU's as follows:

- **Christchurch Casinos Ltd $53,948,000 (2022: $53,948,000).**

Christchurch Casinos Limited

The recoverable amount of the CGU is determined based on value in use calculations. These calculations apply a four year cash flow projection using management's budgets, approved by Directors, which reflect the current operating conditions and trading performance of Christchurch Casino. Based on current trading, no impairment is indicated. The assumed per annum terminal growth rate is 1% (2022: 1%). The growth rate does not exceed the long term average growth rate of the business in which the CGU operates.

The discount rate used in the current estimate of goodwill is 17.50% (2022: 16.53%) The discount rate is pre tax and reflects specific risks to the relevant operating segment and is determined annually based on management's assessments and independent advice. These assumptions are consistent with past experience adjusted for economic indicators. The increase in the discount rate compared to the prior year is due to an increase in the proxy risk free rate, and an increase in the debt to equity ratio and a higher risk profile to observable entities.

On allocation of goodwill to the CGU for the purpose of impairment testing of the Christchurch Casino, the Group applied the renewed licence period, granted 1 April 2019, of 15 years to November 2034.

Based on calculations completed to allocate goodwill to cash generating units for the purpose of impairment testing, there is sufficient headroom between the value in use calculation and the carrying value of the remaining assets therefore no impairment is required.

The value in use calculation is determined based on a range of unobservable inputs, which meet the definition of Level 3 valuation techniques as outlined in note 1.3(b) as more than one of the significant inputs are not based on observable market data. As a sensitivity analysis was completed, where significant changes in the underlying assumptions were made, which did not result in an impairment.

(c) Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software products so that they will be available for use,
- management intends to complete the software products and use or sell them,
- there is an ability to use or sell the software product,
- it can be demonstrated how the software product will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available, and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful life once the computer software is available for use. The estimated useful life of computer software is currently between 4 and 15 years.

(d) Work in Progress

The Group recognises costs associated with creating intangible assets that are not yet completed but are expected to be completed as work in progress.

Total Group Intangible Assets are as follows:

	Goodwill		Licences		Computer Software		Other		Work in Progress		Total Intangibles	
$'000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Cost on 1 April	78,728	78,728	29,728	29,728	3,287	3,052	30	30	-	-	111,773	111,539
Additions	-	-	-	-	110	294	-	-	1,375	-	1,485	294
Disposals	-	-	-	-	(27)	(59)	-	-	-	-	(27)	(59)
Balance 31 March	78,728	78,728	29,728	29,728	3,370	3,287	30	30	1,375	-	113,231	111,773
Amortisation/Impairment on 1 April	(24,780)	(24,780)	(29,728)	(29,728)	(1,107)	(981)	-	-	-	-	(55,615)	(55,489)
Amortisation for the period	-	-	-	-	(484)	(185)	-	-	-	-	(484)	(185)
Disposal	-	-	-	-	26	59	-	-	-	-	26	59
Balance 31 March	(24,780)	(24,780)	(29,728)	(29,728)	(1,565)	(1,107)	-	-	-	-	(56,073)	(55,615)
Carrying Amount Balance 31 March	53,948	53,948	-	-	1,805	2,180	30	30	1,375	-	57,158	56,158

3.3 Investment Property

Investment property, which is property held to earn commercial rental, is stated at its fair value at the balance sheet date. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model on an annual basis. Gains or losses arising from changes in the fair value of investment property are included in the Group Income Statement for the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount 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. The fair value of investment property reflects the Directors' assessment of the highest value of the best use of each property and amongst other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects the cash outflows that could be expected in respect of the property.

No depreciation or amortisation is provided for on investment properties.

Gains or losses on the disposal of investment properties are recognised in the Group Income Statement in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

Fair Value Measurement of Investment Property

The investment property assets total shown in the Group Balance Sheet and reconciled below have been valued at fair value, using Level 2 valuation techniques, totalling $233,100,000 (2022: $207,420,000). There were no transfers between Level 1 and Level 2 during the year.

Investment Property	2023 $'000	2022 $'000
Balance at 1 April	207,420	184,565
Additions from Subsequent Expenditure	15,189	-
Work in progress	-	15,117
Change in fair value	10,491	7,738
Total carrying amount	233,100	207,420

Critical Estimates and Assumptions

The valuation of investment property requires estimation and judgement. The fair value of investment properties are determined each year from valuations prepared by independent valuers using Level 2 valuation techniques in the absence of current prices in an active market. The Level 2 valuation technique uses the observable rental and market values of the properties. A market yield is applied to the rental value to arrive at the gross property valuation.

To determine the fair value of investment properties as at 31 March 2023 all properties were valued by the independent registered valuers Otago Valuations Limited trading as Colliers International. External valuers have been used, having appropriately recognised professional qualifications and experience in the location and category of the property being valued.

Impact of the COVID-19 global pandemic

In the current year, the valuers have benefited from greater market certainty as a result of changed protection frameworks. The prior year's market uncertainty created by COVID-19 global pandemic on property valuation has not impacted the current year's key inputs, assumptions and processes used in the Group's valuation of investment properties.

Valuation Inputs

A valuation is determined based on a range of inputs. These inputs are observable from transactional data that has taken place in similar market circumstances to that prevailing at the date of valuation. Refer to note 1.3(b) for further information on the fair value hierarchy.

The Group's investment property values contain observable inputs in determining fair value, where significant judgement is applied in determining the application of the input and a change to any one of these inputs could alter the fair value of an investment property.

The impacts of COVID-19 have diminished, with greater market certainty leading to the stabilisation of valuations between 2022 and 2023. This stabilisation can be seen in the table below through the general consistency in key observable inputs between 2022 and 2023. This stabilisation is mainly evident through the capitalisation rate metrics, which have decreased, having an effect of increasing the fair value.

The table below sets out these key observable inputs and the ranges adopted by the valuers across the various properties.

Retail and Offices	2023	2022
Queenstown New Zealand – Observable Rental Yields (%)	2.7% - 4.5%	2.95% - 5.9%
Queenstown New Zealand – Observable Market Rental Values ($/m^2)	$285 - $2,301	$285 - $2,301
Queenstown New Zealand – Market Capitalisation Rate	3.39% - 4.35%	3.75% - 4.35%

3.4 Working Capital

Working Capital represents the assets and liabilities the Group generates through its trading activity. The Group therefore defines working capital as cash, trade receivables and other assets, inventories and trade and other payables.

3.4.1 Cash and Cash Equivalents

Cash and cash equivalents of $38,541,270 (2022: $47,868,646) include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

3.4.2 Trade Receivables And Other Assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are initially recorded at the value of the invoice sent to the customer. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 6.2.(a).

	Note	2023 $'000	2022 $'000
Trade Receivables	(i)	2,040	952
Expected Credit Loss	6.2.1(a)(i)	-	-
Prepayments		2,611	2,120
Other Receivables	(ii)	759	4,753
Total Receivable		5,410	7,825

(i) Trade receivables are shown gross of an expected credit loss as required under NZ IFRS 9. Due to the short term nature of the current trade receivables, the carrying amount is considered to be the same as the fair value.

Bad debts totalled $2,184 for the year (2022: $(3,241)), of which none of the prior year's expected credit loss was utilised.

(ii) Other receivables are made up of various deposits paid, and in the previous year included an amount due for the disposal of held for sale helicopter assets of $3,216,000.

Impairment and Risk Exposure

Information about the impairment of trade receivables and other assets, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 6.0.

3.4.3 Assets and Liabilities Related to Contracts with Customers

Given the nature of the Group's operations, no contracts are entered into with customers where the Group's right to receive payment is conditional on the Group's future performance or delivery of items within the underlying contract. Therefore there are no contract assets with customers.

The Group has recognised total contract liabilities with customers of $2,359,000 (2022: $1,708,000) which includes customers loyalty programmes, annual and uplift passes, and payments made in advance.

The movement in contact liabilities is as follows:

	2023 $'000	2022 $'000
Opening Balance	1,708	1,347
Contact Liabilities recognised in revenue during the year	(1,708)	(1,347)
Contract Liabilities recognised during the year	2,359	1,708
Total Trade and Other Payables	2,359	1,708

3.4.4 Inventories

Total inventories of $2,622,875 (2022: $1,826,614) are stated at the lower of cost, determined on a first in, first out basis, or net realisable value. Inventories include food, liquor, souvenirs, and other retail merchandise for resale. Some inventories are subject to retention of title clauses.

3.4.5 Trade and Other Payables

Trade and other payable amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period, which are unpaid and include:

	2023 $'000	2022 $'000
Trade Payables	14,987	11,689
Other Payables	879	130
Total Trade and Other Payables	15,866	11,819

(a) Trade Payables

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of trade payables is considered to approximate fair value as the amounts are unsecured and are usually paid by the 20th of the following month.

(b) Other Payables

The Other Payables balance consists of value added taxes.

3.5 Employee Entitlements

Employee benefits represent liabilities for employee services provided to the Group prior to the end of a financial period, which are unpaid and include:

(a) Wage and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in employee benefits in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The liability for employee entitlements is carried at the present value of the estimated future cash flows.

Employee entitlements include:

	2023 $'000	2022 $'000
Liability for Annual Leave	3,614	2,884
Other Employee Entitlements	1,579	1,461
Total Employee Entitlements	5,193	4,345

3.6 Right-Of-Use of Assets and Lease Liabilities

This note provides information for leases where the Group is a lessee, further information about material lease contracts, including a maturity analysis is detailed in note 9.2.1. For leases where the group is a lessor, see note 2.2(a).

(a) Amounts Recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

(i) Right-of-Use Assets

$'000	Buildings	Equipment	Land	Total
2023				
Opening Balance	369	527	17,279	18,175
Plus Additions – New Leases	448	11	2,346	2,805
Less Depreciation	(276)	(231)	(1,306)	(1,813)
Net Foreign Currency Exchange Movement	3	-	938	941
Balance as at the end of the year	544	307	19,257	20,108

Right-of-Use Assets include:

- buildings rented for office space and staff accommodation in offshore locations,
- leased equipment where there is strategic benefit through leasing rather than direct ownership such as high turnover due to technological changes or servicing requirements, and
- the underlying land, which is used for Group operations.

$'000	Buildings	Equipment	Land	Total
2022				
Opening Balance	672	217	7,851	8,740
Plus Additions – New Leases	-	506	10,400	10,906
Additions – Make Good Provision	-	-	198	198
Less Remeasurement	(20)	-	-	(20)
Less Disposals on Sale	-	(43)	-	(43)
Less Depreciation	(270)	(153)	(1,217)	(1,640)
Net Foreign Currency Exchange Movement	(13)	-	47	34
Balance as at the end of the year	369	527	17,279	18,175

(ii) Lease Liabilities

Lease Liabilities	2023 $'000	2022 $'000
Current Liabilities	1,376	1,121
Non-Current Liabilities	19,474	16,792
Total Lease Liabilities	20,850	17,913

The maturity analysis is included in note 6.2(b) liquidity risk.

The movement in lease liabilities are as follows:

	2023 $'000	2022 $'000
Opening Balance	17,913	7,681
Lease Liability Additions for the Year	2,805	10,907
Interest Expense for the Year	764	649
Payments during the Year	(1,445)	(1,277)
Disposals on Sale	-	(63)
Net Foreign Currency Exchange Movement	813	16
Balance as at the end of the year	20,850	17,913

(b) Amounts Recognised in the Income Statement

The income statement shows the following amounts relating to leases:

Depreciation charge of Right-of-Use Assets	2023 $'000	2022 $'000
Buildings	276	270
Equipment	231	153
Land	1,306	1,217
	1,813	1,640
Continued Operations	1,813	1,624
Discontinued Operations	-	16
	1,813	1,640
Interest expense (included in finance cost)		
Continued Operations	764	649
Discontinued Operations	-	-
	764	649
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses)		
Continued Operations	4,433	1,340
Discontinued Operations	-	-
	4,433	1,340
Expense relating to low value assets not included in lease liabilities (included in operating expenses)		
Continued Operations	140	94
Discontinued Operations	-	46
	140	140

A small number of immaterial short term leases have not been included in the calculation of lease liabilities or right of use assets. Payments made in relation to these leases are recognised on a straight line basis over the term of the leases.

The total cash outflow for leases in 2023 was $6,017,947 (2022: $2,758,370).

(c) The Group's Leasing Activities and How These Are Accounted For

The Group's leases include land, which is used for Group operations, office space and staff accommodation in offshore locations, and a small amount of equipment, where there is strategic benefit through leasing rather than direct ownership. The operating lease for land and building assets are usually for an extended period and include extension options. The lease for staff accommodation are typically made for a fixed period of two years. Equipment leases vary but are usually for shorter period of less than four years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate used by the Group ranges from 2.68% to 6.42%.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use Assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-Use Assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment, furniture and fittings, kitchen equipment, and printers and photocopiers.

(d) Variable Lease Payments

All the Group's land leases contain variable payment terms that are linked to sales generated from those operations, which are detailed in note 9.2.1. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established operations. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(e) Extension and Termination Options

Extension and termination options are included in several land and building leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor. The lease liability and right-of-use calculation are based on all extension options being exercised by the Group.

Critical Estimates and Assumptions

Determining the lease term of contracts with renewal and termination options – Group as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of land and buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

All extension options have been included in the lease liability, because the Group is reasonably certain that these leases will be extended.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. No leases were revised to reflect the effect of exercising extension and termination options during the year.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR, which ranges from 2.68% to 6.42%, is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

(a) Current Provisions

	Note	2023 $'000	2022 $'000
Other Provisions	(i)	1,004	768
Total Current Provisions		1,004	768

(i) Other Provisions

The Provisions balance consists of jackpots and unredeemed chips in relation to casino games and other immaterial provisions. As outlined in note 3.4.3, the bonus points and dining points are recognised as contract liability – customer loyalty programme. The movements within the provisions are not considered significant.

(b) Non-Current Provisions

	Note	2023 $'000	2022 $'000
Reinstatement Cost Provision	(i)	3,171	2,725
Total Non-Current Provisions		3,171	2,725

(i) Reinstatement Costs

The Group recognises a provision for the reinstatement costs to return the land to its original condition as part of the lease requirements for the operations at Skyline Luge Mont Tremblant and Skyline Luge Sentosa on the basis that the Group considers that it is more likely than not, reinstatement costs will occur on termination of those leases and that these reinstatement costs can be reliably measured. It is expected that these outflows will occur at the end of the respective lease periods.

The provision is reviewed annually based on current information. Some uncertainty exists regarding the value of the provision as given the capital investment, the profitable operations and the good relationship with the lessor, it is likely that closer to the termination date of the existing lease, the Group will enter negotiations for a new operating lease, which could defer the reinstatement costs if a new operating lease is received.

The movement in Reinstatement Cost Provision is as follows:

	2023 $'000	2022 $'000
Opening Balance	2,725	2,403
Interest Expense for the Year	106	126
Increase/(Reduction) due to Remeasurement	-	198
Net Foreign Currency Exchanges	340	(2)
Balance as at the end of the year	3,171	2,725

Critical Estimates and Assumptions

When calculating the provision for reinstatement costs the Group has estimated the future cost based off current prices, expected general increase in construction rates and expected work. The future costs of SNG$3,076,500 (2022: SNG$3,076,500) and CA$100,000 (2022: CA$100,000) have been estimated. The future value has then been discounted back using a discount rate of 3.62% Skyline Luge Sentosa and 3.24% Skyline Luge Mont Tremblant to determine the present value. The discount rates used are equal to the incremental borrowing rate used in the Right-of-Use Asset calculation for each country. All inputs into the calculation require significant estimation and judgement about future events and therefore contain significant uncertainty. The critical estimates include the current estimated cost for the expected work, future inflation rate and the discount rate used.

4.0 Investments and Other Financial Assets

The Group is comprised of investments in associates that are equity accounted (note 4.1) and subsidiary companies (note 4.2). The Group also holds other financial assets (note 4.3).

4.1 Equity Accounted Investments

Equity accounted investments include:

	Note	2023 $'000	2022 $'000
Investment in Associates	4.1(d)	6,017	6,749
Total Equity Accounted Investments		6,017	6,749

(a) Investment in Associates

Investments in associates are accounted for using the equity method and are measured in the Group Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets, less dividends. Goodwill relating to associates is included in the carrying amount of the investment.

If the carrying amount of the equity accounted investment exceeds its recoverable amount, it is written down to the latter. When the Group's share of accumulated losses in an associate equals or exceeds its carrying value, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Critical Estimates and Assumptions

Associates are entities in which the Group has significant influence but not control. Judgement is required to determine if control exists. Generally, the Group determines that no control exists when the shareholding is between 20% and 50% of the voting rights.

Material Associates are entities in which the Group investment is considered significant in the context of overall Group activities. Material Associates require additional disclosures, which are set out in note 4.1 (e). Judgement is required to determine if an Associate is a Material Associate. Generally the Group determines that an Associate is a Material Associate if the investment in the associate is greater than $1 million. As such the only Material Associate is Dunedin Casinos Limited (2022: Dunedin Casinos Limited).

(b) Equity Accounted Associates

The following associate Companies have been equity accounted:

	Equity Accounted Percentage Held		Voting Rights Percentage Held		Balance Date	Principal Activity
Company	2023	2022	2023	2022		
Dunedin Casinos Limited	33.0%	33.0%	33.0%	33.0%	31 March	Casino

Dunedin Casinos Limited operates predominantly in the Casino Industry. It operates in Dunedin.

(c) Non Equity Accounted Associates

The following associate Company has not been equity accounted, there was no change in the ownership from the prior period.

Company	Voting Percentage Held	Balance Date
Mountain Bike Events Limited	25%	31 March

Mountain Bike Events Limited is a Special Purpose Entity. Its constitution removes the right for dividend or profit distributions to be made to the Group, for this reason it has not been equity accounted.

(d) Investment in Associates

Balance of Investments in Associates include:

	Note	2023 $'000	2022 $'000
Dunedin Casinos Limited	(i)	6,017	6,749
Total Investments in Associates		6,017	6,749

(i) Dunedin Casinos

The movement in the carrying value of Dunedin Casinos is made up of:

	2023 $'000	2022 $'000
Opening Balance	6,749	6,518
Share of Profit/(Loss)	596	814
Impairment of Fair Value Adjustment	(932)	(583)
Share of Profit/(Loss) of Equity Accounted Investees	(336)	231
Dividend Received	(396)	-
Balance as at the end of the year	6,017	6,749

Critical Estimates and Assumptions

The fair value was assessed for impairment to determine if the recoverable amount of the investment in Dunedin Casinos exceeded the carrying value. The recoverable amount is determined based on value in use calculations using a Future Maintainable Earnings approach. Future Maintainable Earnings are based on prior year results and budgets approved by Directors, which reflect the current operating conditions and trading performance of Dunedin Casino.

The discount rate used was 17.50%. The discount rate is pre-tax and reflects specific risks to the relevant operating segment and was determined based on management's assessments and independent advice. These assumptions are consistent with past experience adjusted for economic indicators.

Based on calculations completed to allocate goodwill to cash generating units for the purpose of impairment testing, the recoverable amount of the investment was determined to be $6,017,000 compared to the pre-impairment carrying value of the investment of $6,949,000. As such, an impairment of the fair value adjustment of $932,000 was recognised.

The fair value calculation is determined based on a range of unobservable inputs, which meet the definition of Level 3 valuation techniques as outlined in note 1.3(b) as more than one of the significant inputs are not based on observable market data.

Below sets out a sensitivity analysis on the movement in the impairment from the base case of $932,000 with a general increase or decrease of 10% for key unobservable inputs:

Unobservable Input	Movement Plus 10%	Less 10%	Adjusted Impairment Plus 10%	Less 10%
Discount Rate	$514,000	$(629,000)	$1,446,000	$303,000
FME EBIT	$(566,000)	$566,000	$366,000	$1,498,000

(e) Material Associates Summary Financial Information

The summary financial information in respect of the Group's material associates, being only Dunedin Casinos Limited as noted in the critical estimates and assumptions is set out below.

$'000	Ownership	Current Assets	Non-current Assets	Current Liabilities	Non-Current Liabilities	Equity	Revenues	Expenses	Total Comprehensive Income	Group Share of Profit
2023										
Dunedin Casinos Ltd	33%	6,229	15,127*	2,937	187	18,232*	16,071	14,266	1,805	596
2022										
Dunedin Casinos Ltd	33%	6,173	18,673*	3,924	470	20,452*	15,833	13,365	2,468	814

*Goodwill as part of the fair value adjustment recognised in Non-Current Assets and Equity totals $12,293,000 (2022: $13,225,000).

Dunedin Casinos Limited's summary financial information is not adjusted for the percentage ownership held by the Group. The summary financial information is adjusted for the fair value adjustment made at the date of the Groups 100% acquisition of Christchurch Casinos Limited. Christchurch Casino is the Group entity which holds the shares in Dunedin Casinos Limited. As outlined in the critical estimates and assumptions, the fair value adjustment was impaired by $932,000. This has been grossed up by the Groups portion of ownership to $2,824,000 and recorded through non-current assets in the above summary financial information. As a result, the Goodwill as part of the fair value adjustment recognised in Non-Current Assets and Equity decreased from $13,225,000 to $10,401,000.

Dunedin Casinos Limited has no capital commitments, contingent liabilities or restrictions at balance date (2022: Nil).

Below sets out the reconciliation of the summary financial information to the carrying amount of the interest in the material associate, Dunedin Casinos Limited, to the carrying amount recognised in the Group Financial Statements at note 4.1(d).

	2023 $'000	2022 $'000
Fair Value Dunedin Casinos Limited	18,232	20,452
Portion of the Group Ownership	33%	33%
Carrying Amount of the Group's Interest	6,017	6,749

4.2 Group Entities

All subsidiaries have been fully consolidated in the accounts. All subsidiaries have a 31 March balance date.

The following subsidiary Companies are 100% beneficially owned and are incorporated in New Zealand unless otherwise stated.

Skyline Management Limited	Skyline Luge Kuala Lumpur SDN BHD – incorporated in Malaysia
Skyline Skyrides Limited	Skyline Luge Swansea Limited – incorporated in the United Kingdom
Skyline International Luge Limited	North Sky Luge Limited
Skyline Properties Limited	North Sky Luge No 2 Limited
Skyline Tours Limited	North Sky Luge No 3 Limited
Skyline Luge Hong Kong Limited – incorporated in Hong Kong	North Sky Luge No 4 Limited
Skyline Luge Mount Tremblant Company Limited – incorporated in Canada	North Sky Luge No 5 Limited
Skyline Luge Calgary Company Limited – incorporated in Canada	North Sky Luge No 6 Limited
Skyline Luge Sentosa Company Pte Limited – incorporated in Singapore	Christchurch Casinos Limited
Skyline Luge Tongyeong Company Limited – Incorporated in the Republic of Korea	O'Connells Pavilion Limited
Skyline Luge Busan Company Limited – incorporated in the Republic of Korea	Fairy Springs Holdings Limited
Skyline Luge Sheffield Limited – incorporated in the United Kingdom	

4.3 Other Financial Assets

4.3.1 Other Financial Assets at Fair Value Through Profit or Loss

The Group classified the following non-current debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income as non-current financial assets at fair value through profit and loss.

Other Non-Current Financial Assets mandatorily measured at fair value through profit and loss include:

	2023 $'000	2022 $'000
Other Debt Instruments	513	513
Other	37	37
Total Other Current Financial Assets	550	550

Other debt instruments is made up of a strategic loan to a non-related entity to assist with the cost of site improvement and mitigation work as part of a Group development project. The loan is interest free and repayable in a lump sum in two years. The loan agreement includes the first right of refusal for the purchase of the non-related entity.

(a) Amounts Recognised in the Income Statement

During the year, there were no gains or losses recognised in the Income Statement.

(b) Fair Value Measurement and Risk Exposure

The other debt instruments have been valued at fair value, using Level 3 valuation techniques, as one or more of the significant inputs are not based on observable market date. Management is of the view that the carrying amount is a reasonable approximation of the fair value. Management assesses the market value of the other debt instruments each year.

5.0 Financing and Capital Structure

5.1 Borrowings

(a) Borrowing (Secured)

During the year, the Group increased its cash advance facility with the Bank of New Zealand to $70,000,000 (2022: $10,000,000). The cash advance facility is to be used for capital expenditure, general corporate purposes and to provide committed liquidity. The facility has not been drawn on and expires 31 March 2026. Subsequent to balance date, a further cash advance facility with the Bank of New Zealand of $30,000,000 was entered into. This facility is available to be drawn from 30 September 2023 and is to be used for capital expenditure, general corporate purposes and to provide committed liquidity. This cash advance facility expires on 30 September 2026.

The facility is secured by mortgage and debenture over the assets and undertakings of the Group.

(b) Credit Cards

At balance date the Group has a maximum liability of $499,000 (2022: $620,000) to the Bank of New Zealand Limited in respect of Visa Business credit cards held.

5.2 Equity

(a) Share Capital

At 31 March 2023 share capital comprised 34,137,379 ordinary shares (2022: 34,137,379 ordinary shares) which have no par value. The holders of ordinary shares have equal voting rights and share equally in dividends and any surplus on winding up of the Group. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

(b) Translation Reserve

The translation reserve represents the net difference that arises when foreign domiciled assets and liabilities are translated at the closing rate. At 31 March 2023 the net difference resulted in a foreign exchange translation gain of $2,351,281 (2022: loss of $2,595,556).

(c) Dividends Declared

The interim dividends paid in the year ended 31 March 2023, relating to the operating results in the period ended 31 March 2023, was $6,827,475, being 20c per share (2022: $nil (0c per share).

The board has determined a final cash dividend of $9,558,466, being 28c per share, will be paid for the year ended 31 March 2023.

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the company law in New Zealand, a distribution is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

6.0 Financial Risk Management

(a) Overview

Exposure to credit, liquidity and market risks arise in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Committee is designated to develop and monitor the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and processes, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

6.1 Qualitative Information

(a) Credit Risk

(i) Risk Management

Financial instruments which potentially subject the Group to credit risk principally consist of trade receivables, advances to associated companies and third parties, and bank balances. The Group continuously monitors the credit quality of its major receivables. As a result of close management, in the current year, the Group does not anticipate any non-performance of credit. The Group places its call and short-term deposits only with registered banks.

For wholesale customers, the Board has approved a credit policy under which new customers are analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a cash or prepayments basis. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards and ePayment channels, mitigating credit risk.

(ii) Security

The Group generally does not require collateral or security. However, for some lease receivables, the Group may obtain security in the form of personal guarantees, which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of Financial Assets

The Group regularly reviews financial assets for impairment indicators. Trade receivables is the only financial asset category that is subject to the expected credit loss model. Details of the application of the expected credit loss are included in note 6.2(a).

While cash and cash equivalents are also subject to the impairment requirements of NZ IFRS 9, any impairment loss would be immaterial.

(b) Liquidity Risk

Liquidity risk represents the Group's ability to meet its obligations as they fall due. The Group evaluates its liquidity requirements on an ongoing basis.

The Group continues to generate sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

At balance date the Group held no external borrowings (note 5.1), therefore there was no concentration of risk with respect to refinancing its debt. Access to sources of funds is sufficiently available. As at balance date the Group holds a facility with the Bank of New Zealand Limited of $70,000,000 which expires 31 March 2026. Subsequent to balance date, a further $30,000,000 facility was entered into, which expires 30 September 2026.

The Group assessed the concentration of risk with respect to payables as low on the basis that the Group is able to pay its debts as they fall due and has access to sufficient funding with its bankers. The table in note 6.2 (b) sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management by the Board of Directors is to manage and control market risk exposures within acceptable parameters while optimising return on risk.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the value of assets and liabilities will fluctuate due to changes in foreign exchange rates. The Group is exposed to the currency risks of Canadian Dollars, Singapore Dollars, United States Dollar, Malaysian Ringgit, British Pound Sterling and South Korean Won, which are the primary foreign currency operating cash inflows.

The Group assessed the concentration of risk with respect to foreign currency as medium, as whilst no formal hedging is in place any excess foreign currency funds are transferred to the Parent entity regularly thereby minimising foreign currency balances.

(ii) Interest Rate Risk

The Group is exposed to interest rate risk in respect of cash and cash equivalents and the cash advance facility as set out in note 5.1(a). The Directors consider that the interest rate risk is within acceptable thresholds for the Group.

The carrying amount of financial assets represents the Group's maximum credit exposure. The Group has not renegotiated the terms of any financial assets that would result in the carrying amount no longer being past due or avoid a possible past due status.

(iii) Capital Management

The Group's capital includes share capital, reserves and retained earnings. The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements.

There has been no change to the capital risk management policy during the year.

6.2 Quantitative Information

(a) Credit Risk

Credit risk refers to the risk of a counterparty failing to discharge an obligation. Principally any risk is in respect of cash and bank balances, trade and other receivables. No collateral is held on these accounts. There is no geographical concentration of credit risk with respect to trade receivables as the Group has a large number of customers internationally dispersed.

(i) Expected Credit Loss

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been Grouped based on shared credit risk characteristics and the days past due.

Management continually reviews the collectability of trade receivables based on several factors including conversations with customers, the days past due, the customer type, when last communication was made, previous payment history, general security held, and other non-specific economic factors. Management then assigned a collectability rating to each trade receivable. When determining the collectability rating, significant judgement was used by management, no set criteria of specific factors was used but rather a holistic approach was applied. Under this approach, different factors were given different weightings for different customers based on management's judgements.

As part of management's review, each trade receivable was assigned a rating, which is linked to management's assessment of the probability of collection based on the factors described above. Based on the probability assessment and rating, an expected credit loss rate was assigned to the specific trade receivable as set out in the table below.

Collectability Rating	Est Probability of Collection	Expected Credit Loss
Very High	100%	0%
High	80%	10%
Medium	50%	50%
Low	20%	75%
Not Likely	0%	100%

The analysis completed by management indicated that the payment profiles were different between tourism entities including the accommodation business units and the commercial property entities.

On that basis, the expected credit loss (including GST) as at 31 March 2023 was determined as follows for trade receivables:

31 March 2023	Current	Less than 30 days past due	Less than 60 days past due	Less than 90 days past due	90+ days past due	Total
Group (Excl Commercial Leases)						
Expected Loss Rate	0%	0%	0%	0%	0%	
Gross carrying amount – Trade Receivables	1,170	779	45	8	13	2,015
Expected Credit Loss	-	-	-	-	-	-
Commercial Leases						
Expected Loss Rate	0%	0%	0%	0%	0%	
Gross carrying amount – Trade Receivables	20	5	-	-	-	25
Expected Credit Loss	-	-	-	-	-	-
Total Expected Credit Loss	-	-	-	-	-	-

The expected credit loss (including GST) as at 31 March 2022 was determined as follows for trade receivables:

31 March 2022	Current	Less than 30 days past due	Less than 60 days past due	Less than 90 days past due	90+ days past due	Total
Group (Excl Commercial Leases)						
Expected Loss Rate	0%	0%	0%	0%	0%	
Gross carrying amount – Trade Receivables	251	369	279	-	-	899
Expected Credit Loss	-	-	-	-	-	-
Commercial Leases						
Expected Loss Rate	0%	0%	0%	0%	0%	
Gross carrying amount – Trade Receivables	53	-	-	-	-	53
Expected Credit Loss	-	-	-	-	-	-
Total Expected Credit Loss	-	-	-	-	-	-

The movement in expected credit loss for trade receivables is as follows:

	2023 $'000	2022 $'000
Opening expected credit loss	-	63
Receivables written off during the year as uncollectible	-	(63)
Closing expected credit loss	-	-

(ii) Bad Debts and Impairment of Trade Receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtors to engage or comply with a repayment plan with the Group, and management's understanding of the underlying performance of the entity.

Impairment losses on trade receivables are presented as bad debts within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Critical Estimates and Assumptions

The expected credit loss allowance and impairment for financial assets are based on assumptions about risk default and expected rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables above.

(iii) Trade Receivable Status

The status of trade receivables at the reporting date is as follows:

Gross receivable	2023 $'000	2022 $'000
Not past due	1,190	304
Past due 0-30 days	784	369
Past due 31-120 days	66	279
Total	2,040	952
Less Expected Credit Loss	-	-
Total Trade Receivables	2,040	952

(iv) Maximum Exposure to Credit Risk

The Group's maximum exposure to credit risk for trade and other receivables by geographic regions is as follows:

	2023 $'000	2022 $'000
New Zealand	1,509	293
Singapore	341	600
Canada	7	14
South Korea	183	45
Total	2,040	952

(b) Liquidity Risk

The following table sets out the contractual maturities of financial liabilities including interest payments.

$'000	Balance Sheet	Contractual cash flows	12 months or less	1-2 years	2-5 years	More than 5 years
2023						
Trade Payables	15,866	15,866	15,866	-	-	-
Provisions	4,175	4,175	1,004	-	93	3,078
Customer Contracts	2,359	2,359	2,359	-	-	-
Employee Entitlements	5,193	5,193	5,193	-	-	-
Lease Liabilities	20,850	20,850	1,376	1,227	2,784	15,463
Total Non-Derivative Liabilities	48,443	48,443	25,798	1,227	2,877	18,541

$'000	Balance Sheet	Contractual cash flows	12 months or less	1-2 years	2-5 years	More than 5 years
2022						
Trade Payables	11,819	11,819	11,819	-	-	-
Provisions	3,493	3,493	768	-	93	2,632
Customer Contracts	1,708	1,708	1,708	-	-	-
Employee Entitlements	4,345	4,345	4,345	-	-	-
Lease Liabilities	17,913	17,913	1,121	848	1,940	14,004
Total Non-Derivative Liabilities	39,278	39,278	19,761	848	2,033	16,636

(c) Foreign Currency Risk

The Group's exposure to foreign currency risk can be summarised as follows:

					2023					2022
$'000	$SGD	$CAD	$KRW	£GBP	$MYL	$SGD	$CAD	$KRW	£GBP	$MYL
Cash and Cash Equivalents	3,546	1,330	8,611,000	36	4,466	3,743	1,723	8,976,000	44	4,513
Trade Receivables	246	-	275,000	-	101	388	-	134,000	-	-
Trade Payables	(788)	(177)	(1,034,000)	-	(984)	(357)	(162)	(994,000)	-	-
Net Financial Position Exposure	3,004	1,153	7,852,000	36	3,583	3,774	1,561	8,116,000	44	4,513

(d) Sensitivity Analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, permanent changes in foreign exchange and interest rates will have an impact on profit.

(i) Interest Rate Risk

At 31 March it is estimated that a general increase of 1.0% in interest rates would have decreased the Group's profit before income tax by $nil (2022: $nil). This was calculated by reference to the average debt in the year and the average interest rate in the year.

The above estimate of change in profit has been calculated on bank loans, and has been estimated on a similar basis to the prior year.

(ii) Foreign Currency Risk

It is estimated that a general increase of 10% in the value of the New Zealand Dollar against other foreign currencies would have decreased the Group's profit before income tax by $1,488,464 (2022: $750,397). This was calculated by reference to the net income derived from offshore entities in the year and the average exchange rate in the year in the currencies that the Group trades in.

7.0 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

The were no new standards and interpretations that were applied for the first time in 2023.

8.0 Discontinued Operation

(a) Prior Period Discontinued Operation

(i) Heritage Dunedin Leisure Lodge Business

On 29 July 2021 the sale of the Heritage Dunedin Leisure Lodge business and associated land, buildings, plant and equipment and trading stock from the subsidiary entity Leisure Lodge Motor Inn Limited was settled for a combined value of $10,400,000.

(ii) Helicopter Leasing Business

During the 2022 year all helicopter assets, which were held for sale, were disposed of. All helicopter leasing activities ceased last year.

The disposal of the Heritage Dunedin Leisure Lodge business and the cessation of the Helicopter Leasing business on the disposal of the helicopter assets are reported in the prior period as discontinued operations.

8.1 Financial Performance

(a) Prior Period Discontinued Operation

The profit after tax for the prior period discontinued operation includes a Gain on Disposal of PP&E of $7,794,000 as set out below.

	Note	2022 $'000
Total Revenue	2.1	783
Gain on Disposal of PP&E		7,794
Total Expenses		(1,328)
Profit Before Tax		7,249
Income Tax Expense	2.3.1	(2,296)
Profit from Discontinued Operations		4,953

8.2 Cashflow

(a) Prior Period Discontinued Operation

The cashflow information presented for the prior period discontinued operation are for the year ended 31 March 2022.

	2022 $'000
Net Cash From Operating Activities	(233)
Net Cash From Investing Activities	18,730
Net Cash From Financing Activities	(18)
Net Increase In Cash Generated by the Discontinued Activity	18,479

9.0 Other Notes

9.1 Related Party Transactions

(a) Parent and Ultimate Controlling Party

The immediate parent of the Group is Skyline Enterprises Limited. By virtue of the fact the Company is owned by a large number of small investors; there is no ultimate controlling party.

(b) Subsidiaries

Skyline Enterprises Limited has a related party relationship with the subsidiaries and associates as listed in note 4.2.

Skyline Enterprises Limited has provided an unlimited intercompany guarantee to the Bank of New Zealand Limited in favour of all its New Zealand subsidiaries.

(c) Key Management Compensation

Key management personnel include the Directors, the Chief Executive Officers and the direct reports to the Chief Executive Officers.

Short Term Employee Benefits $6,481,210 (2022: $5,730,983).

Directors receive a retirement benefit for loss of office where a Director has served for more than five years. This is calculated based on the aggregate of the last 3 years Directors' fees prior to retirement, with 5% of this figure paid for each year of service as a Director to a maximum of 100% of the aggregate. By resolution, the Directors' retirement policy ceased as of 31 March 2015. A liability as at 31 March 2023 has been recorded for the amount accrued under this policy to 31 March 2015. The individual liability as accrued at 31 March 2023 is payable either upon the retirement of the current Directors at age 65 or at such earlier retirement date at the discretion of the Board of Directors.

The following liability exists for Director's retirement benefit at balance date: Group $199,900 (2022: $358,900).

(d) Transactions with Related Parties

(i) Directors

Businesses in which Directors have an interest and which provided services/supplies to the Group on an arms length commercial basis during the period were as follows:

Mr G Hensman is a Director and shareholder of Southern Beaver Limited which provided consulting, contracting and heavy machinery services to the value of $2,170,142 (2022: $nil), with $nil owing at balance date (2022: $nil).

Mr G Hensman is a Director and shareholder of Beaver 2020 Limited which provided consulting, contracting and heavy machinery services to the value of $2,681,658 (2022: $2,569,914), with $nil owing at balance date (2022: $nil).

Mr R Thomas is a Director and shareholder of Bookme Limited which acts as an online booking agency and purchased products and services to the value of $122,633 (2022: $242,342), with $14,413 owing at balance date (2022: $1,109).

Mr R Thomas is the Beneficiary and Trustee of The Crystal Trust, the shareholder of Crystal Resources Limited of which Mr R Thomas's father, Mr B Thomas is Director. The Group has an agreement to lease office space and carparks with Crystal Resources Limited. The Group made rental and operational expense payments to Crystal Resources Limited of $134,285 (2022: 134,285), with $nil owing at balance date (2022: $nil).

Mr R Thomas is a Director of Efficient Market Services Limited, which provided share trading and price information services to the value of $36,313 (2022: $37,734) with $8,750 owing at balance date (2022: $7,547).

Mr B Thomasen is a Director and Shareholder of Redwoods Outdoor Activities NZ Limited, which operates Redwoods Treewalk and provided tourism products to the Group with a value of $5,920 (2022: $nil), with $nil owing at balance date (2022: $nil). The Group also provided services to Redwoods Treewalk to the value of $nil (2022: $6,495) with $nil (2022: $nil) owing at balance date.

Ms S Ottrey is a director of Whitestone Cheese Limited, as well as a trustee of SGE and AA Berry Family Trust, shareholder of Whitestone Cheese Limited, which provided produce to the Group's restaurant in Queenstown with a value of $29,535 (2022: $8,334) with $5,775 (2022: $601) owing at balance date.

Mr B Robertson (Director of subsidiary entity) and Mr G Hensman are trustees of the Santa Fe Trust, the shareholder of Scope Resources Limited. Scope Resources Limited has rented storage space to the Group to the value of $81,200 (2022: $8,000), with $8,000 owing at balance date (2022: $8,000)

Mr D Jackson is a Partner of McCulloch and Partners Chartered Accountants which provided professional services to the value of $190,341 (2022: $178,814) and Directors fees of $115,000 (2022: $115,000) with $8,289 (2022: $nil) owing at balance date in respect of professional services and $30,250 (2022: $30,250) in respect of Directors fees.

(ii) Associates

	2023 $'000	2022 $'000
Goods and services provided to associated entities	33	-
Goods and services provided from associated entities	9	3

At 31 March 2023 outstanding balances of goods and services provided to associated entities were $nil (2022: $nil) and goods and services provided from associated entities were $nil (2022: $nil). Terms of trade are that payment is due by the 20th of the month following invoice, and trading is on normal commercial terms.

9.2 Commitments

9.2.1 Lease Commitments

(a) Skyline Enterprises Limited Lease

The Group has entered into an operating lease with the Queenstown Lakes District Council and Minister of Conservation for the cableway, Luge and restaurant complex on Bobs Peak, Queenstown. The lease is renewable 5 yearly with rights of renewal to 2070. In the current year, the Group satisfactorily completed arbitration with Queenstown Lakes District Council regarding the terms of the renewal for the five years ended 31 March 2025. Rental is based on a percentage of turnover. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms.

(b) Skyline Luge Tremblant Company Limited Lease

The Group has entered into an operating lease with Intrawest for the Luge operation at Mont Tremblant, Québec, Canada. The lease is in its final term and expires in 2023. A renewal of the lease for a further 5 year term has been agreed and will expire in 2028. Rental is calculated on a percentage of turnover, minimum rental payable each year which is set to increase from CA$200,000 to CA$300,000 in the year ended 31 March 2024. A maximum lift maintenance fee of CA$45,000 is also payable. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms. The lease has been accounted for as a Right-of-Use Asset and a lease liability as outlined in note 3.6 based on the minimum lease payments.

(c) Skyline Luge Sentosa Company Pte Ltd Lease

The Group has entered into an operating lease with the Sentosa Development Corporation for the Luge operation on Sentosa Island, Singapore. The current term expires in December 2025 with rights of renewal to 30 November 2030. Rental is calculated on a percentage of turnover, minimum rental payable each year being SGD $360,000. Prepayments in successive terms are increased by the higher of 15% of amounts prepaid in the preceding term or the percentage increase in the Singapore Consumer Price Index, whichever is higher. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms. The lease has been accounted for as a Right-of-Use asset and a lease liability as outlined in note 3.6 based on the minimum lease payments.

(d) Skyline Luge Calgary Company Limited Lease

The Group has entered into an operating lease with the Calgary Olympic Development Association for the period of 10 years commencing on 1st May 2013 and renewable for a further term of 10 years. Rentals have been calculated in advance for the first term of 10 years. The lease has been accounted for as a Right-of-Use asset and a lease liability as outlined in note 3.6.

(e) Skyline Luge Tongyeong Company Limited Lease

The Group has entered into an agreement to lease with Tongyeong-Si for the Luge operation at Tongyeong, in the Republic of Korea. The lease term is a maximum of 30 years from the date of commencement of operations with renewal options at each five yearly interval. The current term expires February 2027. Rental is based on a percentage of Luge ticket sales. As turnover figures are not known, actual future obligations under the lease cannot be determined in dollar terms.

(f) Skyline Luge Busan Company Limited Lease

The Group has entered into an agreement to lease with Osiria Thema Park PFV Co Ltd for the Luge operation at Busan, in the Republic of Korea. The lease term is a maximum of 50 years from the date of commencement of operations. Operations commenced in July 2021. Rental is based on a percentage of the underlying land value determined at project completion in April 2021. There is a rent-free period of 10 years from April 2021. The rent is payable annually in arrears, with the first rent payment due in April 2032. The lease has been accounted for as a Right-of-Use asset and a lease liability as outlined in note 3.6.

(g) Skyline Luge Kuala Lumpur Limited Lease

The Group has entered into an agreement to lease with Bandar Serai Development for the Luge operation at Kuala Lumpur in Malaysia. The lease term is a maximum of 30 years from the date of commencement of operations with renewal options at each three yearly interval. Operations are expected to commence in the year ended 31 March 2024. Rent is calculated on a percentage of turnover subject to a minimum rental payable each year. There is a rent-free period of 24 months prior to the commencement of operations. The lease has been accounted for as a Right-of-Use asset and a lease liability as outlined in note 3.6.

(h) Christchurch Casinos Limited Lease

The Group has entered into an agreement to lease with Crystal Resources Limited, a related party as disclosed in note 9.1(d)(i), for administration office space and carparks in Christchurch City. The lease is for the period of 7 years commencing on 5th of May 2017 with two rights of renewal for a further term of 5 years each. The Christchurch Casinos Limited Board expects that the lease will not be renewed when the current term expires on 4 May 2024. The lease has been accounted for as a Right-of-Use asset and a lease liability as outlined in note 3.6.

9.2.2 Contingent Liabilities

(a) Reinstatement Costs for Operating Lease

The following leases require satisfactory removal of all installations upon termination of the lease:

(i) Skyline Enterprise Limited with Queenstown Lakes District Council and Minister of Conservations for the cableway, Luge operations and restaurant complex on Bobs Peak, Queenstown

(ii) Skyline Luge Calgary Company Limited with Calgary Olympic Development Association for the lease of land for the Luge operation at Calgary, Canada.

(iii) Skyline Luge Tongyeong Company Limited with Tongyeong-SI for the lease of land for the Luge operation at Tongyeong, in the Republic of Korea.

(iv) Skyline Luge Busan Company Limited with Osiria Thema Park PFV Co Ltd for the lease of land for the Luge operation at Busan, in the Republic of Korea.

(v) Skyline Luge Kuala Lumpur Company Limited with Bandar Serai Development SDN BHD for the lease of land for the Luge operation at Kuala Lumpur, Malaysia.

Each year the requirement to recognise a provision for the above reinstatement costs in accordance with the accounting policy outlined in note 3.7 is assessed. As at 31 March 2023, based on current expectations, the definition of a provision for the above lease reinstatement costs has not been met on the basis that it is either not probable that the reinstatement costs would be required to be met, that these costs cannot be reliably estimated and it is not practical to do so, given the period to the termination of the leases, or managements current expectation of future renewals past the lease termination date.

A contingent liability is being disclosed as it cannot be ruled out completely that the reinstatement costs will not be incurred.

(b) Other

Otherwise the Group had no significant contingent liabilities as at 31 March 2023 (2022: $nil).

9.2.3 Capital Commitments

(a) Contracted but Not Provided For:

	2023 $'000	2022 $'000
Skyline Luge Busan Development	3,030	2,996
Skyline Queenstown Redevelopment	48,211	82,364
Skyline Luge Kuala Lumpur SDN BHD	15,851	6,488
Skyline Properties Limited	229	187
Christchurch Casinos Limited	178	544
Skyline Luge Tongyeong Limited	26	-
Skyline Luge Sentosa Limited	72	-
O'Connell's Pavilion Redevelopment	-	6,421
Skyline Rotorua Track Upgrade	-	2,078
Skyline Management Limited	-	73
Skyline Luge Mont-Tremblant Company Limited	-	98
Total	67,597	101,249

Any other material capital expenditure items contracted for at balance date are provided for in the financial statements.

9.3 Subsequent Events

(a) Dividend

Subsequent to balance date, the Directors have declared a final dividend of 28 cents per share ($9,558,466) payable on 29 September 2023 to Shareholders on the register at 5.00pm on 18 September 2023. Dividends are fully imputed to New Zealand resident Shareholders. As the dividend was declared after balance date it has not been recognised as a liability in these financial statements.

There were no other significant events between balance date and the date these financial statements were authorised for issue.

Disclosures Not Part of Audit Opinion

Statutory Disclosures

(a) Remuneration of Directors

Directors' remuneration and other benefits received, or due and receivable during the year is as follows:

	Group	Parent Company	Christchurch Casinos Limited	Skyline International Luge Ltd	Skyline Luge Sentosa Pte Ltd	Skyline Luge Tongyeong Ltd	Skyline Luge Kuala Lumpur Ltd
P A Treacy – Chairman[3]	143,333	103,333	40,000	-	-	-	-
J N Hunt[3]	112,917	112,917	-	-	-	-	-
G H Hensman	90,000	75,000	-	15,000	-	-	-
R B Thomas	105,000	75,000	-	30,000	-	-	-
D N Jackson[1]	115,000	75,000	40,000	-	-	-	-
S C Ottrey[2]	75,000	75,000	-	-	-	-	-
B J Thomasen[2]	63,420	48,420	-	15,000	-	-	-
P J Hensman[2]	30,000	-	30,000	-	-	-	-
B H Robertson[3]	80,000	-	80,000	-	-	-	-
G J Dockrill[2]	20,000	-	20,000	-	-	-	-
B S Hurndell[2]	9,684	-	-	9,684	-	-	-
A Teo[2]	29,165	-	-	-	29,165	-	-
L C Chuan[2]	29,165	-	-	-	29,165	-	-
L J Hyeong[2]	9,190	-	-	-	-	9,190	-
Y T Arianayagam[2]	7,922	-	-	-	-	-	7,922
	919,795	564,670	210,000	69,684	58,329	9,190	7,922

1 Directors fees are paid to McCulloch and Partners, Chartered Accountants
2 Independent Director
3 Independent Chair

J N Hunt retired from her position as director and chairperson as at 31 December 2022.
P A Treacy was subsequently appointed as Chairman.

(b) Directors' Indemnity and Insurance

The Company has indemnified its Directors for their actions in their capacity as Directors of the Company to the extent permitted by section 162 of the Companies Act 1993. The Company has also insured its Directors against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

(c) Remuneration of Employees

There were 72 employees who received remuneration and any other benefits in their capacity as employees, in excess of $100,000 for the year, as follows:

Number of Employees	Bracket
19	$100,000 - $110,000
11	$110,000 - $120,000
10	$120,000 - $130,000
1	$130,000 - $140,000
4	$140,000 - $150,000
4	$150,000 - $160,000
4	$160,000 - $170,000
1	$170,000 - $180,000
5	$190,000 - $200,000
2	$200,000 - $210,000
2	$210,000 - $220,000
1	$220,000 - $230,000
3	$230,000 - $240,000
1	$240,000 - $250,000
1	$280,000 - $290,000
1	$300,000 - $310,000
1	$520,000 - $530,000
1	$740,000 - $750,000

(d) Entries in Group Interest Register during Financial Year

(i) Directors' Interests

The following entries to the Group Directors Interest Register were made by the Directors of the Company during the year:

a) Directors' Transactions with the Group

- Paid Southern Beaver Contracting Limited for consulting, contracting and heavy Machinery services – a company in which Mr G H Hensman, a Director, has an interest.
- Paid Beaver 2020 Limited for consulting, contracting and heavy Machinery services – a company in which Mr G H Hensman, a Director, has an interest.
- Paid Redwoods Treewalk for services – a company in which Mr B Thomasen, a Director, has an interest.
- Sold Bookme Limited products and services – a company in which Mr R B Thomas, a Director, has an interest.
- Paid Crystal Resources Limited for rental of administration office space and carparks – a company in which Mr R B Thomas, a Director, has a beneficial interest.
- Paid efficient Market Services Limited for share trading and price information services – a company in which Mr R B Thomas, a Director, is a director of.
- Paid fees to McCulloch and Partners Chartered Accountants for professional services – Mr D N Jackson, a Director, is a partner in McCulloch and Partners.
- Paid Whitestone Cheese Limited for produce for use in its restaurants – a company in which S C Ottrey, a director, has an interest.
- Paid Scope Resources Limited rent for storage – a company in which Mr G H Hensman, a director, has an interest.

All of these transactions were provided on normal commercial terms.

b) New Directorships in other Entities

On appointment of Mr B J Thomasen (1 January 2023), the following Directorships in other entities were recorded in the interest register: Thomasen Investments Limited, Mountain Bike Events Limited, BJT Limited, Redwoods Outdoor Activities NZ Limited, Tree Quest NZ Limited.

(e) Share Dealing by Directors

There was no share dealing by Directors during the year.

(f) Use of Company Information

During the year the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

Shareholding Statistics

Distribution of Shareholders and Shareholdings.

Size of Holding	Holders	Shares	Percentage
0-19,999	639	4,343,801	12.72%
20,000-69,999	111	4,030,682	11.81%
70,000-199,999	36	3,824,939	11.21%
200,000-499,999	16	4,861,908	14.24%
500,000 +	13	17,076,049	50.02%
Total	815	34,137,379	100%

General Disclosures

(a) Auditors

The Company's Auditors, Crowe New Zealand Audit Partnership, are automatically reappointed in terms of Section 207T of the Companies Act 1993.

(b) Share Capital

The issued capital as at 31 March 2023 was 34,137,379 ordinary shares.

(c) Company's State of Affairs and Significant Changes

The Directors consider the state of the Company's affairs to be satisfactory.

Details of the year under review, including any material changes in the nature of the business of the Company or any of its subsidiaries or future prospects, are included in the Chairman's Report and the Financial Statements of the Company published herewith.

(d) Activities

The principal activities of the Company and its subsidiaries remained unchanged during the period. Associated company Dunedin Casinos Limited operates predominantly in the Casino Industry and has been equity accounted.

(e) Directors

Ms Sarah Ottrey and Mr Richard Thomas retire by rotation and, being eligible offer themselves for re-election. Mr Bruce Thomasen, appointed since the last AGM and being eligible, offers himself for election.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Skyline Enterprises Limited

Opinion

We have audited the consolidated financial statements of Skyline Enterprises Limited (the Company) and its controlled entities (the Group) on pages 26 to 75, which comprise the Group Balance Sheet as at 31 March 2023, and the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity and Group Statement of Cash Flows for the year then ended, and notes to the Group financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Partners and employees of our firm deal with the Group on normal terms within ordinary course of trading activities of the Group. Other than this, in our capacity as auditor we have no relationship with, or interests in, the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Crowe

Impairment Assessment of Property, Plant & Equipment (PPE) – Note 3.1

Key Audit Matter

The Group's property, plant and equipment (PPE) are valued at $259,276,000 (2022: $211,954,000).

PPE accounts for 41% of the total assets of the group (2022: 38%), making it a significant balance on the Group Balance Sheet.

An impairment of $566,000 was recognised in the Group Income Statement (2022: nil).

The Board:

- Determined the lowest grouping of assets that generate independent cash flows, known as a Cash Generating Unit (CGU).
- Allocated the Group's assets to the CGUs.
- Considered for each CGU, whether indicators of impairment existed.

Where an indicator of impairment existed, the asset or CGU's recoverable amount was determined.

We have concluded that the impairment assessment of PPE was a key audit matter due to the judgement and estimates involved in assessing these assets for impairment.

How we addressed the Key Audit Matter

We performed the following procedures over management's impairment assessment:

- We reviewed internal management reporting to assess the level at which the Group monitors performance.
- We reviewed Board's CGU assessment, to our knowledge and understanding of the Group's operations.

For each CGU, where an indicator of impairment was present, we assessed the appropriateness of the value in use calculation:

- We critiqued the assumptions used in the Board's impairment assessment.
- We critically assessed other market information to consider any impact on the value of the CGU.
- We considered the adequacy of the disclosures made in note 3.1 Property, Plant & Equipment, to the financial statements, which sets out the key judgements and estimates.

Valuation and Impairment Assessment of Goodwill – Note 3.2

Key Audit Matter

The Group's goodwill intangible assets in relation to Christchurch Casinos Limited, are valued at $53,948,000 (2022: $53,948,000).

We have included the valuation and impairment assessment of goodwill as a key audit matter due to:

- Goodwill intangible asset accounts for 8% of the total assets of the group (2022: 10%), making it a significant balance on the Group Balance Sheet.
- Management performs an annual impairment test in relation to the carrying value of goodwill using a model to determine the recoverable amount. This model relies on various estimates and assumptions such as forecast cash flows, discount rate assessments.

How we addressed the Key Audit Matter

We performed the following procedures over management's impairment calculation:

- We gained an understanding of the current and outlook for the industry and the strategic direction of the business and compared to actual results post balance date.
- We compared historical forecasts of revenue and profit and compared them against the actual results to assess the reliability of management's forecasting.
- We critically evaluated the reasonableness of the key forecasted revenue and expenditure by analysing the underlying assumptions and compared to actual results.

We have concluded that the impairment assessment of valuation and impairment assessment of goodwill was a key audit matter due to the judgement and estimates involved in assessing these assets.

- We challenged the long-term growth rate.
- We evaluated the competence, capabilities and objectivity of management's experts.
- Utilising the knowledge of our internal specialist, we critically reviewed the inputs and key assumptions used by management in determining the discount rate and performed a sensitivity analysis.
- We considered the adequacy of the disclosures made in note 3.2 Intangible Assets, to the financial statements, which sets out the key judgements and estimates.

Valuation of Investment Properties – Note 3.3

Key Audit Matter

The Group's investment properties are valued at $233,100,000 (2022: $207,420,000).

The change in fair value of investment property recognised in the Group Income Statement was $10,491,000 (2022: $7,738,000).

We have included the valuation of the investment property as a key audit matter due to:

- The investment properties account for 38% of the total assets of the group (2022: 37%), making it a significant balance on the Group Balance Sheet.
- The valuation of the Group's property portfolio is based on a model that is complex and relies on various estimates and assumptions such as capitalisation rates, comparable sales, current market rent anticipated growth rates based on available market data.

We have concluded that the valuation of investment properties was a key audit matter due to the judgement and estimates involved in assessing these assets.

How we addressed the Key Audit Matter

We performed the following procedures over the valuation of investment properties:

- We assessed the valuation reports prepared by management's expert, including the methodologies employed and key assumptions and estimates used.
- We assessed the valuers' qualifications, expertise competence, capabilities and objectivity to undertake the valuations.
- We evaluated that the valuation approach for each property was aligned with accounting standards and suitable for use in determining the fair value of investment properties at 31 March 2023.
- We engaged our own valuation specialist to critique and challenge the work performed by management's valuation experts, assumptions used by the experts, and the appropriateness of the valuation methodologies.
- We considered the adequacy of the disclosures made in note 3.3 Investment Property, to the financial statements, which sets out the key judgements and estimates.

Crowe

Information Other Than the Financial Statements and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual report on pages 4 to 25 and pages 76 to 78, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

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

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

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

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

Restriction on Use

This report is made solely to the Group's Shareholders, as a body. Our audit has been undertaken so that we might state to the Group's Shareholders those matters we are required to state to them in an auditor's 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 Group and the Group's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Michael Lee.

For and on behalf of:

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Invercargill this 28th day of July 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

56TH ANNUAL REPORT
AND STATEMENT OF ACCOUNTS
OF SKYLINE ENTERPRISES LIMITED
AND ITS SUBSIDIARY COMPANIES

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