

ACTTAB LIMITED

Purpose

ACTTAB Limited aims to achieve sustainable growth in turnover and market share across all products and distribution channels, positioning itself as the community's first choice provider of wagering and sports betting services.

2011-12 Priorities

Strategic and operational issues to be pursued in 2011-12 include:

- securing both pari-mutuel and fixed odds agreements beyond the 2012 expiration of the current agreements;
- providing innovative technology to facilitate sustainable growth in turnover and market share across all products and distribution channels;
- building on relationships with industry partners to promote and market ACTTAB's new products and enhanced delivery channels;
- continuing to ensure that the harmful effects of gambling are minimised through the provision of appropriate staff training and customer education, and by maintaining the availability of appropriate counselling services and information; and
- consolidating ACTTAB's position as a prominent and responsible contributor to local community activities through sponsorship and partnership arrangements.

Estimated Employment Level

2009-10 Actual Outcome	2010-11 Budget	2010-11 Est. Outcome	2011-12 Budget
68 Staffing (FTE)	72	63 ¹	65

Note:

1. The main reason for the decrease in the 2010-11 estimated outcome from the original budget is a suspension of recruitment to permanent positions and fluctuations of staffing within the casual staffing pool.

ACTTAB
Operating Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
Income							
Revenue							
32,644	User Charges - Non ACT Government	29,658	30,947	4	32,030	33,152	34,312
229	Interest	361	318	-12	327	336	345
209	Other Revenue	196	173	-12	178	183	188
33,082	Total Revenue	30,215	31,438	4	32,535	33,671	34,845
Gains							
0	Total Gains	0	0	-	0	0	0
33,082	Total Income	30,215	31,438	4	32,535	33,671	34,845
Expenses							
7,028	Employee Expenses	6,669	7,129	7	7,325	7,527	7,734
353	Superannuation Expenses	425	452	6	463	477	491
10,973	Supplies and Services	10,574	11,427	8	11,743	12,065	12,394
1,600	Depreciation and Amortisation	1,545	1,387	-10	1,318	1,252	1,190
5	Borrowing Costs	6	7	17	7	7	8
6,764	Other Expenses	6,600	6,579	..	6,759	6,946	7,136
26,723	Total Ordinary Expenses	25,819	26,981	5	27,615	28,274	28,953
6,359	Operating Result From Ordinary Activities	4,396	4,457	1	4,920	5,397	5,892
1,908	Income Tax Equivalent	1,319	1,337	1	1,476	1,619	1,767
4,451	Operating Result	3,077	3,120	1	3,444	3,778	4,125
-1	Inc/Dec in Asset Revaluation Reserve Surpluses	0	0	-	0	0	0
-1	Total Other Comprehensive Income	0	0	-	0	0	0
4,450	Total Comprehensive Income	3,077	3,120	1	3,444	3,778	4,125

ACTTAB
Balance Sheet

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Current Assets							
8,163	Cash and Cash Equivalents	8,367	8,831	6	10,393	11,957	13,529
528	Receivables	261	257	-2	256	261	258
126	Inventories	105	97	-8	88	92	86
0	Capital Work in Progress	1,321	0	-100	0	0	0
146	Other	190	192	1	189	187	186
8,963	Total Current Assets	10,244	9,377	-8	10,926	12,497	14,059
Non Current Assets							
14,216	Property, Plant and Equipment	12,621	12,906	2	12,664	12,491	12,386
2,289	Intangibles	1,691	3,077	82	2,860	2,665	2,487
1,294	Tax Assets	2,098	2,098	-	2,098	2,098	2,098
17,799	Total Non Current Assets	16,410	18,081	10	17,622	17,254	16,971
26,762	TOTAL ASSETS	26,654	27,458	3	28,548	29,751	31,030
Current Liabilities							
2,921	Payables	4,483	4,433	-1	4,413	4,393	4,374
886	Employee Benefits	1,080	1,124	4	1,129	1,158	1,167
3,339	Other Provisions	2,309	2,340	1	2,581	2,832	3,094
7,146	Total Current Liabilities	7,872	7,897	..	8,123	8,383	8,635
Non Current Liabilities							
215	Employee Benefits	61	58	-5	59	57	56
215	Total Non Current Liabilities	61	58	-5	59	57	56
7,361	TOTAL LIABILITIES	7,933	7,955	..	8,182	8,440	8,691
19,401	NET ASSETS	18,721	19,503	4	20,366	21,311	22,339
REPRESENTED BY FUNDS EMPLOYED							
17,881	Accumulated Funds	17,202	17,984	5	18,847	19,792	20,820
1,520	Reserves	1,519	1,519	-	1,519	1,519	1,519
19,401	TOTAL FUNDS EMPLOYED	18,721	19,503	4	20,366	21,311	22,339

ACTTAB
Cash Flow Statement

2010-11 Budget		2010-11 Est.Outcome	2011-12 Budget		2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
\$'000		\$'000	\$'000	Var %	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
32,644	User Charges	29,659	30,947	4	32,030	33,150	34,312
229	Interest Received	361	318	-12	327	336	345
209	Other Revenue	196	172	-12	178	183	188
33,082	Operating Receipts	30,216	31,437	4	32,535	33,669	34,845
Payments							
7,029	Related to Employees	6,669	7,129	7	7,326	7,527	7,733
353	Related to Superannuation	425	452	6	463	477	491
10,850	Related to Supplies and Services	10,450	11,424	9	11,744	12,064	12,396
0	Borrowing Costs	6	7	17	7	7	8
8,672	Other	7,920	7,916	..	8,236	8,564	8,904
26,904	Operating Payments	25,470	26,928	6	27,776	28,639	29,532
6,178	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	4,746	4,509	-5	4,759	5,030	5,313
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
2,247	Purchase of Property, Plant and Equipment and Capital Works	1,947	1,326	-32	745	766	787
2,220	Purchase of Land and Intangibles	1,920	411	-79	114	117	120
4,467	Investing Payments	3,867	1,737	-55	859	883	907
-4,467	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-3,867	-1,737	55	-859	-883	-907
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
0	Dividends to Government	0	2,308	#	2,338	2,583	2,834
0	Financing Payments	0	2,308	#	2,338	2,583	2,834
0	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	0	-2,308	#	-2,338	-2,583	-2,834
1,711	NET INCREASE/ (DECREASE) IN CASH HELD	879	464	-47	1,562	1,564	1,572
6,452	CASH AT BEGINNING OF REPORTING PERIOD	7,488	8,367	12	8,831	10,393	11,957
8,163	CASH AT THE END OF THE REPORTING PERIOD	8,367	8,831	6	10,393	11,957	13,529

ACTTAB
Statement of Changes in Equity

Budget as at 30/6/11 \$'000		Est. Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Opening Equity							
16,769	Opening Accumulated Funds	16,434	17,202	5	17,984	18,847	19,792
1,521	Opening Asset Revaluation Reserve	1,519	1,519	-	1,519	1,519	1,519
18,290	Balance at the Start of the Reporting Period	17,953	18,721	4	19,503	20,366	21,311
Comprehensive Income							
4,451	Operating Result for the Period	3,077	3,120	1	3,444	3,778	4,125
-1	Increase/(Decrease) in Asset Revaluation Reserve Surpluses	0	0	-	0	0	0
4,450	Total Comprehensive Income	3,077	3,120	1	3,444	3,778	4,125
0	Total Movement In Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
-3,339	Dividend Approved	-2,309	-2,338	-1	-2,581	-2,833	-3,097
-3,339	Total Transactions Involving Owners Affecting Accumulated Funds	-2,309	-2,338	-1	-2,581	-2,833	-3,097
Closing Equity							
17,881	Closing Accumulated Funds	17,202	17,984	5	18,847	19,792	20,820
1,520	Closing Asset Revaluation Reserve	1,519	1,519	-	1,519	1,519	1,519
19,401	Balance at the End of the Reporting Period	18,721	19,503	4	20,366	21,311	22,339

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$2.986 million in the 2010-11 estimated outcome from the original budget is due to a general decline in wagering turnover and an increase in abandoned race meetings due to significant weather events; and
 - the increase of \$1.289 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to a forecast increase in wagering turnover as a result of the introduction of new wagering products.

- interest:
 - the increase of \$0.132 million in the 2010-11 estimated outcome from the original budget is due to higher average levels of funds on deposit due to delays in capital works expenditure, largely on the new betting system; and
 - the decrease of \$0.043 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to lower average levels of funds on deposit as these are drawn down for capital works.
- employee expenses:
 - the decrease of \$0.359 million in the 2010-11 estimated outcome from the original budget is due to a suspension of recruitment to permanent positions together with fluctuations of staffing within the casual pool; and
 - the increase of \$0.460 million in the 2011-12 Budget from the 2010-11 estimated outcome is primarily due to the recruitment of staff to vacant positions and estimated salary increases associated with the Enterprise Bargaining Agreement.
- supplies and services:
 - the decrease of \$0.399 million in the 2010-11 estimated outcome from the original budget is primarily due to lower turnover-related costs as a result of lower than forecast wagering turnover; and
 - the increase of \$0.853 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to turnover-related costs increasing in line with the expected increase in wagering turnover.
- depreciation and amortisation: the decrease of \$0.158 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to delays in the completion of capital expenditure and the write-off of obsolete equipment.
- other expenses: the decrease of \$0.164 million in the 2010-11 estimated outcome from the original budget reflects a decrease in turnover-related expenditure flowing from reduced race betting turnover.
- income tax equivalent: the decrease of \$0.589 million in the 2011-10 estimated outcome from the original budget is due to a lower than forecast operating profit.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$0.204 million in the 2010-11 estimated outcome from the original budget is due to delays in expenditure on capital works; and
 - the increase of \$0.464 million in 2011-12 Budget from the 2010-11 estimated outcome is largely due to increased profits available for investment.
- capital works in progress:
 - the increase of \$1.321 million in the 2010-11 estimated outcome is due to delays in the capital works program.
 - the decrease of \$1.321 million in the 2011-12 Budget from the estimated outcome is due to the expected delivery of the capital works program during 2011-12.

- property, plant and equipment:
 - the decrease of \$1.595 million in the 2010-11 estimated outcome from the original budget is due to delays in implementing the new betting system; and
 - the increase of \$0.285 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the capitalisation of the betting system implementation.
- intangibles:
 - the decrease of \$0.598 million in the 2010-11 estimated outcome from the original budget is due to delays in capitalising software for the new betting system; and
 - the increase of \$1.386 million in the 2011-12 Budget from the 2010-11 estimated outcome reflects the capitalisation of software for the new betting system.
- tax assets: the increase of \$0.804 million in the 2010-11 estimated outcome from the original budget is mainly due to the creation of deferred tax assets arising from capital expenditure.
- payables: the increase of \$1.562 million in the 2010-11 estimated outcome from the original budget is due to payables associated with capital works expenditure.
- other provisions: the decrease of \$1.030 million in the 2010-11 estimated outcome from the original budget is due to a reduction in the dividend payment to the ACT Government as a result of a lower than forecast operating profit.

Cash Flow Statement

Variations in the statement are explained in the notes above.

