

ACTTAB LIMITED

Objectives

ACTTAB Limited's mission is to be recognised nationally, within the highly competitive gambling industry, as a leading provider of responsive, customer focused wagering and gaming services, offering state of the art products to profitable market segments resulting in the provision of sustainable returns to our shareholders, commensurate with their level of investment.

ACTTAB intends to meet the challenge of increased competition, in the ACT and the broader gambling market, by continuing to develop and maintain a network of readily accessible ACTTAB outlets providing a high level of presentation and customer service, and by improving the delivery of all ACTTAB products.

ACTTAB will continue to convey the need for responsible betting to its existing and potential customers, develop and market the entertainment and value of ACTTAB products to existing and potential customers, investigate mutually beneficial business relationships, and utilise the latest technology to deliver fast, reliable, secure and user friendly services.

2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 include:

- the commissioning of the newly acquired betting system, which will carry out a broad range of wagering and gaming activities, including access to new wagering products and the simultaneous linking to a number of different pools and betting products with a high level of security, efficiency and integrity;
- increasing the number of combined race meetings and combined race products;
- redeveloping/relocating of Head Office to meet current occupational health and safety standards and to improve operational efficiencies;
- commencing new product options for customers including sports betting and a fully functional internet site; and
- pursuing profitable growth in the core business from the continued take up of pay TV in the Territory.

ACTTAB Limited Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
19 033	User Charges - Non ACT Government	18 147	19 709	9	20 399	21 113	21 852
170	Interest	329	292	-11	292	292	292
2 082	Other Revenue	1 982	1 003	-49	1 028	1 054	1 080
21 285	Total Revenue	20 458	21 004	3	21 719	22 459	23 224
Expenses							
3 072	Employee Expenses	3 324	3 217	-3	3 302	3 384	3 468
158	Superannuation Expenses	243	282	16	285	293	300
5 551	Administrative Expenses	5 560	6 148	11	6 302	6 459	6 621
1 334	Depreciation and Amortisation	1 555	1 811	16	1 857	1 903	1 951
6	Interest	50	16	-68	17	17	17
9 749	Other Expenses	8 972	9 295	4	9 488	9 689	9 897
19 870	Total Expenses	19 704	20 769	5	21 251	21 745	22 254
1 415	Operating Result Before Extraordinary Items	754	235	-69	468	714	970
509	Income Tax Equivalent	250	80	-68	150	214	291
906	Operating Result	504	155	-69	318	500	679
11 059	Accumulated Funds - Start of Period	11 235	11 487	2	11 564	11 724	11 974
-453	Dividend Declared	-252	-78	69	-158	-250	-340
11 512	Accumulated Funds - End of Period	11 487	11 564	1	11 724	11 974	12 313

ACTTAB Limited
Statement Of Financial Position

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets							
8 060	Cash	6 966	6 660	-4	5 926	7 129	8 469
1 789	Receivables	268	268	-	268	268	268
88	Inventories	70	70	-	70	70	70
17	Other	133	133	-	133	133	133
9 954	Total Current Assets	7 437	7 131	-4	6 397	7 600	8 940
Non Current Assets							
7 354	Property, Plant and Equipment	7 366	7 824	6	8 761	7 855	6 906
343	Intangibles	331	256	-23	213	166	114
7 697	Total Non Current Assets	7 697	8 080	5	8 974	8 021	7 020
17 651	TOTAL ASSETS	15 134	15 211	1	15 371	15 621	15 960
Current Liabilities							
4 158	Creditors	2 204	2 204	-	2 204	2 204	2 204
588	Employee Entitlements	308	308	-	308	308	308
1 316	Other Provisions	861	861	-	861	861	861
6 062	Total Current Liabilities	3 373	3 373	-	3 373	3 373	3 373
Non Current Liabilities							
77	Employee Entitlements	174	174	-	174	174	174
77	Total Non Current Liabilities	174	174	-	174	174	174
6 140	TOTAL LIABILITIES	3 547	3 547	-	3 547	3 547	3 547
11 512	NET ASSETS	11 587	11 664	1	11 824	12 074	12 413
REPRESENTED BY FUNDS EMPLOYED							
11 512	Accumulated Funds	11 487	11 564	1	11 724	11 974	12 313
0	Reserves	100	100	-	100	100	100
11 512	TOTAL FUNDS EMPLOYED	11 587	11 664	1	11 824	12 074	12 413

**ACTTAB Limited
Cashflow Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
7 091	CASH AT BEGINNING OF REPORTING PERIOD	6 940	6 966	0	6 660	5 926	7 129
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
19 402	User Charges	18 255	19 709	8	20 399	21 113	21 851
170	Interest Received	329	292	-11	293	293	293
2 082	Other Revenue	1 982	1 003	-49	1 028	1 060	1 080
21 654	Operating Receipts	20 566	21 004	2	21 720	22 466	23 224
	Payments						
3 230	Related to Employees	3 471	3 499	1	3 587	3 675	3 768
5 553	Related to Administration	6 833	6 148	-10	6 302	6 468	6 621
6	Finance Costs	50	16	-68	17	17	18
10 643	Other	8 821	9 375	6	9 639	9 903	10 188
19 432	Operating Payments	19 175	19 038	-1	19 545	20 063	20 595
2 222	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1 391	1 966	41	2 175	2 403	2 629
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
800	Purchase of Property, Plant and Equipment	923	2 195	138	2 750	950	950
800	Investing Payments	923	2 195	138	2 750	950	950
-800	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-923	-2 195	-138	-2 750	-950	-950
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Financing Receipts	0	0	-	0	0	0
	Payments						
453	Dividends to Government	442	77	-83	159	250	339
453	Financing Payments	442	77	-83	159	250	339
-453	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-442	-77	83	-159	-250	-339
969	NET INCREASE/(DECREASE) IN CASH HELD	26	-306	#	-734	1 203	1 340
8 060	CASH AT THE END OF THE REPORTING PERIOD	6 966	6 660	-4	5 926	7 129	8 469

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges non-ACT Government: the increase of \$1.562m from the 1999-2000 estimated outcome to the 2000-01 Budget reflects growth in gambling revenue;
- other revenue: the decrease of \$0.979m from the 1999-00 estimated outcome to the 2000-01 Budget reflects the impact of the sale of the NTTAB and the resultant loss of service and consultancy revenue;
- administrative expenses: the increase of \$0.588m from the 1999-2000 estimated outcome to the 2000-01 Budget is consistent with the growth in gambling revenue; and
- other expenses: the decrease of \$0.077m from the original Budget to the 1999-2000 estimated outcome, and the increase of \$0.323m from the 1999-2000 estimated outcome to the 2000-01 Budget reflects the appropriate calculation of the following:
 - taxes paid to ACT Government: this represents the licence fees paid to the Government for the wagering licence. It is a flat fee for the wagering licence and a turnover fee for the ACTTAB Keno licence; and
 - payment to ACT Government: this represents the two turnover based payments made (indirectly) to the local racing industry via the Prescribed Racing Payment and the Racing Development Fund. These have both increased in line with increased sales.

Statement of Financial Position

- property, plant and equipment: the increase of \$0.458m from the 1999-2000 estimated outcome to the 2000-01 Budget reflects:
 - ACTTAB's planned Head Office redevelopment/ relocation;
 - the continuation of the refurbishment program; and
 - the (partial) payment for the new betting system, upgrading of ACTTAB's terminal network and the purchase of self-service terminals.

Cashflow Statement

- user charges: the increase of \$1.454m from the 1999-2000 estimated outcome to the 2000-01 Budget reflects growth in gambling revenue;
- other revenue: the decrease of \$0.979m from the 1999-2000 estimated outcome to the 2000-01 Budget reflects the impact of the sale of the NTTAB and the resultant loss of service and consultancy revenue;
- related to administration: the increase of \$1.280 from the original budget to the 1999-2000 estimated outcome is due to a proportion of expenses being recorded in the 1998-99 financial year but paid for in 1999-2000;
- other payments: the increase of \$0.554m in the 2000-01 Budget from the 1999-2000 estimated outcome is directly linked to the forecast increase in racing turnover; and

- purchase of property, plant and equipment: the increase reflects the (partial) payment of two major projects (i.e. new betting system and Head Office redevelopment/relocation) and the upgrade of the terminal network.