

ACTTAB LIMITED

Purpose

ACTTAB Limited is a Territory-owned Corporation which provides pari-mutuel and fixed odds betting services.

ACTTAB Limited aims to have wagering operations that are nationally competitive and are conducted with the highest standards of integrity and honesty, employing best practice and innovation.

2012-13 Priorities

Strategic and operational issues to be pursued in 2012-13 include:

- finalising and implementing new Supertab pari-mutuel and fixed odds wagering arrangements;
- completing technology infrastructure and web enhancements to optimise service and product delivery across all channels and communication mediums;
- minimising harmful effects of gambling through implementation and delivery of an effective preventative strategy involving employee training, consumer education and counselling delivered in partnership with Mission Australia and the ACT Gambling and Racing Commission; and
- building community support and respect through effective partnerships and contributions.

Estimated Employment Levels

| 2010-11 Actual Outcome | 2011-12 Budget | 2011-12 Est. Outcome | 2012-13 Budget |
|---------------------------|-------------------|-------------------------|-------------------|
| 62 Staffing (FTE) | 65 | 67 ¹ | 67 |

Note

1. The increase of 2 FTE in the 2011-12 estimated outcome from the original budget is mainly due to the lifting of the 2010-11 suspension of recruitment to permanent positions, succession planning strategies and staffing fluctuations within the casual staffing pool.

**ACTTAB
Operating Statement**

| 2011-12 Budget \$'000 | | 2011-12 Est. Outcome \$'000 | 2012-13 Budget \$'000 | Var % | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 |
|--------------------------------------|--|--|--------------------------------------|------------------|--|--|--|
| | Income | | | | | | |
| | Revenue | | | | | | |
| 30,947 | User Charges - Non ACT Government | 29,901 | 33,001 | 10 | 33,826 | 34,671 | 35,539 |
| 318 | Interest | 336 | 358 | 7 | 367 | 375 | 384 |
| 173 | Other Revenue | 638 | 152 | -76 | 156 | 160 | 164 |
| 31,438 | Total Revenue | 30,875 | 33,511 | 9 | 34,349 | 35,206 | 36,087 |
| 31,438 | Total Income | 30,875 | 33,511 | 9 | 34,349 | 35,206 | 36,087 |
| | Expenses | | | | | | |
| 7,129 | Employee Expenses | 7,078 | 7,473 | 6 | 7,660 | 7,852 | 8,048 |
| 452 | Superannuation Expenses | 449 | 580 | 29 | 596 | 611 | 627 |
| 11,427 | Supplies and Services | 11,622 | 12,761 | 10 | 13,079 | 13,403 | 13,737 |
| 1,387 | Depreciation and Amortisation | 1,420 | 1,779 | 25 | 1,796 | 1,815 | 1,862 |
| 7 | Borrowing Costs | 6 | 8 | 33 | 8 | 9 | 9 |
| 6,579 | Other Expenses | 6,674 | 6,816 | 2 | 6,987 | 7,162 | 7,341 |
| 26,981 | Total Ordinary Expenses | 27,249 | 29,417 | 8 | 30,126 | 30,852 | 31,624 |
| 4,457 | Operating Result from Ordinary Activities | 3,626 | 4,094 | 13 | 4,223 | 4,354 | 4,463 |
| 1,337 | Income Tax Equivalent | 1,088 | 1,228 | 13 | 1,267 | 1,306 | 1,339 |
| 3,120 | Operating Result | 2,538 | 2,866 | 13 | 2,956 | 3,048 | 3,124 |
| 3,120 | Total Comprehensive Income | 2,538 | 2,866 | 13 | 2,956 | 3,048 | 3,124 |

ACTTAB Balance Sheet

| Budget as at 30/6/12 \$'000 | Est. Outcome as at 30/6/12 \$'000 | Planned as at 30/6/13 \$'000 | Var % | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 | Planned as at 30/6/16 \$'000 |
|--|---|------------------------------------|------------|------------------------------------|------------------------------------|------------------------------------|
| Current Assets | | | | | | |
| 8,831 | 5,424 | 2,737 | -50 | 3,150 | 3,660 | 4,111 |
| | | | | | | |
| 257 | 157 | 156 | -1 | 161 | 158 | 155 |
| 97 | 150 | 141 | -6 | 145 | 139 | 133 |
| 0 | 229 | 0 | -100 | 0 | 0 | 0 |
| 192 | 137 | 134 | -2 | 132 | 131 | 130 |
| 9,377 | 6,097 | 3,168 | -48 | 3,588 | 4,088 | 4,529 |
| Non Current Assets | | | | | | |
| 12,906 | 13,412 | 13,112 | -2 | 12,541 | 11,777 | 11,012 |
| | | | | | | |
| 3,077 | 1,684 | 2,108 | 25 | 2,420 | 2,820 | 3,259 |
| 2,098 | 546 | 921 | 69 | 950 | 979 | 1,004 |
| 0 | 6,000 | 6,000 | - | 6,000 | 6,000 | 6,000 |
| 18,081 | 21,642 | 22,141 | 2 | 21,911 | 21,576 | 21,275 |
| 27,458 | 27,739 | 25,309 | -9 | 25,499 | 25,664 | 25,804 |
| Current Liabilities | | | | | | |
| 4,433 | 4,201 | 4,295 | 2 | 4,337 | 4,353 | 4,368 |
| 1,124 | 1,142 | 1,147 | .. | 1,165 | 1,180 | 1,196 |
| 2,340 | 5,538 | 2,866 | -48 | 2,956 | 3,048 | 3,124 |
| 0 | 1,381 | 1,521 | 10 | 1,559 | 1,599 | 1,630 |
| 7,897 | 12,262 | 9,829 | -20 | 10,017 | 10,180 | 10,318 |
| Non Current Liabilities | | | | | | |
| 58 | 49 | 52 | 6 | 54 | 56 | 58 |
| 58 | 49 | 52 | 6 | 54 | 56 | 58 |
| 7,955 | 12,311 | 9,881 | -20 | 10,071 | 10,236 | 10,376 |
| 19,503 | 15,428 | 15,428 | - | 15,428 | 15,428 | 15,428 |
| REPRESENTED BY FUNDS EMPLOYED | | | | | | |
| 17,984 | 13,925 | 13,925 | - | 13,925 | 13,925 | 13,925 |
| 1,519 | 1,503 | 1,503 | - | 1,503 | 1,503 | 1,503 |
| 19,503 | 15,428 | 15,428 | - | 15,428 | 15,428 | 15,428 |

ACTTAB
Statement of Changes in Equity

| Budget as at 30/6/12 \$'000 | | Est. Outcome as at 30/6/12 \$'000 | Planned as at 30/6/13 \$'000 | Var % | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 | Planned as at 30/6/16 \$'000 |
|--|--|---|------------------------------------|------------|------------------------------------|------------------------------------|------------------------------------|
| Opening Equity | | | | | | | |
| 17,202 | Opening Accumulated Funds | 16,925 | 13,925 | -18 | 13,925 | 13,925 | 13,925 |
| 1,519 | Opening Asset Revaluation Reserve | 1,503 | 1,503 | - | 1,503 | 1,503 | 1,503 |
| 18,721 | Balance at the Start of the Reporting Period | 18,428 | 15,428 | -16 | 15,428 | 15,428 | 15,428 |
| Comprehensive Income | | | | | | | |
| 3,120 | Operating Result for the Period | 2,538 | 2,866 | 13 | 2,956 | 3,048 | 3,124 |
| 3,120 | Total Comprehensive Income | 2,538 | 2,866 | 13 | 2,956 | 3,048 | 3,124 |
| 0 | Total Movement in Reserves | 0 | 0 | - | 0 | 0 | 0 |
| Transactions Involving Owners Affecting Accumulated Funds | | | | | | | |
| -2,338 | Dividend Approved | -5,538 | -2,866 | 48 | -2,956 | -3,048 | -3,124 |
| -2,338 | Total Transactions Involving Owners Affecting Accumulated Funds | -5,538 | -2,866 | 48 | -2,956 | -3,048 | -3,124 |
| Closing Equity | | | | | | | |
| 17,984 | Closing Accumulated Funds | 13,925 | 13,925 | - | 13,925 | 13,925 | 13,925 |
| 1,519 | Closing Asset Revaluation Reserve | 1,503 | 1,503 | - | 1,503 | 1,503 | 1,503 |
| 19,503 | Balance at the End of the Reporting Period | 15,428 | 15,428 | - | 15,428 | 15,428 | 15,428 |

ACTTAB
Cash Flow Statement

| 2011-12 Budget \$'000 | | 2011-12 Est. Outcome \$'000 | 2012-13 Budget \$'000 | Var % | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 |
|---|---|-----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 30,947 | User Charges | 29,901 | 33,001 | 10 | 33,824 | 34,672 | 35,538 |
| 318 | Interest Received | 336 | 357 | 6 | 367 | 376 | 385 |
| 172 | Other Receipts | 638 | 152 | -76 | 156 | 160 | 164 |
| 31,437 | Operating Receipts | 30,875 | 33,510 | 9 | 34,347 | 35,208 | 36,087 |
| Payments | | | | | | | |
| 7,129 | Related to Employees | 6,833 | 7,466 | 9 | 7,640 | 7,836 | 8,031 |
| 452 | Related to Superannuation | 449 | 581 | 29 | 596 | 611 | 627 |
| 11,424 | Related to Supplies and Services | 11,663 | 12,644 | 8 | 13,042 | 13,379 | 13,716 |
| 7 | Borrowing Costs | 6 | 8 | 33 | 8 | 9 | 9 |
| 7,916 | Other | 6,726 | 8,285 | 23 | 8,243 | 8,457 | 8,671 |
| 26,928 | Operating Payments | 25,677 | 28,984 | 13 | 29,529 | 30,292 | 31,054 |
| 4,509 | NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES | 5,198 | 4,526 | -13 | 4,818 | 4,916 | 5,033 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| 0 | Purchase of Investments | 6,000 | 0 | -100 | 0 | 0 | 0 |
| 1,326 | Purchase of Property, Plant and Equipment and Capital Works | 382 | 993 | 160 | 967 | 787 | 826 |
| 411 | Purchase of Land and Intangibles | 758 | 682 | -10 | 572 | 663 | 708 |
| 1,737 | Investing Payments | 7,140 | 1,675 | -77 | 1,539 | 1,450 | 1,534 |
| -1,737 | NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES | -7,140 | -1,675 | 77 | -1,539 | -1,450 | -1,534 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| 2,308 | Dividends to Government | 1,476 | 5,538 | 275 | 2,866 | 2,956 | 3,048 |
| 2,308 | Financing Payments | 1,476 | 5,538 | 275 | 2,866 | 2,956 | 3,048 |
| -2,308 | NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES | -1,476 | -5,538 | -275 | -2,866 | -2,956 | -3,048 |
| 464 | NET INCREASE / (DECREASE) IN CASH HELD | -3,418 | -2,687 | 21 | 413 | 510 | 451 |
| 8,367 | CASH AT THE BEGINNING OF REPORTING PERIOD | 8,842 | 5,424 | -39 | 2,737 | 3,150 | 3,660 |
| 8,831 | CASH AT THE END OF REPORTING PERIOD | 5,424 | 2,737 | -50 | 3,150 | 3,660 | 4,111 |

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government:
 - the decrease of \$1.046 million in the 2011-12 estimated outcome from the original budget is due to a decline in premium customer wagering; and
 - the increase of \$3.1 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to anticipated growth in both retail and premium customer business.
- other revenue: the increase of \$0.465 million in the 2011-12 estimated outcome from the original budget is due to a GST refund based on a successful claim for reassessment of the calculation of global wagering turnover.
- employee and superannuation expenses: the increase of \$0.526 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the recruitment of staff to vacant positions and the revised wage parameters.
- supplies and services:
 - the increase of \$0.195 million in the 2011-12 estimated outcome from the original budget is due to increased general expenses, including marketing; and
 - the increase of \$1.139 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to an increase in costs associated with growth in turnover levels.
- depreciation and amortisation: the increase of \$0.359 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the timing of capital expenditure.
- other expenses: the increase of \$0.142 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to racing product fees from increased wagering turnover.
- income tax equivalent:
 - the decrease of \$0.249 million in the 2011-12 estimated outcome from the original budget is due to a lower than forecast operating profit; and
 - the increase of \$0.140 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to an expected increase in operating profit.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$3.407 million in the 2011-12 estimated outcome from the original budget is mainly due to an investment of \$6 million in a fixed-term deposit, partially offset by delays in expenditure on capital work projects; and
 - the decrease of \$2.687 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to a special one-off dividend of \$3 million, as well as a change in dividend policy from 75 per cent of net profits after tax to 100 per cent, partially offset by an expected increase in profits.

- capital works in progress: the increase of \$0.229 million in the 2011-12 estimated outcome from the original budget and the decrease of \$0.229 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the delay of the completion of the capital works program until the 2012-13 financial year.
- property, plant and equipment:
 - the increase of \$0.506 million in the 2011-12 estimated outcome from the original budget is due to capitalisation of the new betting system; and
 - the decrease of \$0.3 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to an increase in depreciation expense as a result of the completion of the capital works program.
- intangibles:
 - the decrease of \$1.393 million in the 2011-12 estimated outcome from the original budget is due to the delay in the completion of the capital works program; and
 - the increase of \$0.424 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the capitalisation of software for the new betting system.
- tax assets:
 - the decrease of \$1.552 million in the 2011-12 estimated outcome from the original budget is due to decreased tax instalments and deferred tax assets; and
 - the increase of \$0.375 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the payment of tax instalments during the 2012-13 financial year.
- other non current assets: the increase of \$6 million in the 2011-12 estimated outcome from the original budget is due to an investment in a fixed-term deposit.
- payables: the decrease of \$0.232 million in the 2011-12 estimated outcome from the original budget is due to lower than expected payables associated with the delay in the capital works program.
- other provisions:
 - the increase of \$3.198 million in the 2011-12 estimated outcome from the original budget is due to a special one-off dividend of \$3 million and the increase in ACTTAB's dividend policy from 75 per cent of net profits after tax to 100 per cent; and
 - the decrease of \$2.672 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to a special one-off dividend of \$3 million in 2011-12, partially offset by an expected increase in operating profits in 2012-13.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

Variations in the statement are explained in the notes above.

