

ACTTAB LIMITED

Purpose

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

ACTTAB strives to provide a competitive wagering business that will maximise sustainable returns to its shareholders and maintain its commitment to the ACT community, particularly in relation to support of community organisations and sporting bodies.

2013-14 Priorities

Strategic and operational issues to be pursued in 2013-14 include:

- delivering innovative products, including maximising the full potential of the internet, self service wagering terminals and hand held technology;
- exploring the potential and scope for the introduction of new products or bet types to grow ACTTAB's turnover;
- partnering with Mission Australia and the ACT Gambling and Racing Commission to implement and deliver strategies to minimise the harmful of effects of gambling;
- assisting to implement the Government's response to the findings of the ACTTAB Future Options Feasibility Study; and
- continuing to enhance the capability, diversity and flexibility of the workforce.

Estimated Employment Level

| 2011-12 Actual Outcome | | 2012-13 Budget | 2012-13 Est. Outcome | 2013-14 Budget |
|---------------------------|----------------|-------------------|-------------------------|-------------------|
| 68 | Staffing (FTE) | 67 | 66 ¹ | 67 |

Note:

1. The increase of 1 FTE in the 2012-13 estimated outcome from the original budget is mainly due to staffing fluctuations within the casual staffing pool.

ACTTAB Limited Operating Statement

| 2012-13 Budget \$'000 | | 2012-13 Est. Outcome \$'000 | 2013-14 Budget \$'000 | Var % | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 | 2016-17 Estimate \$'000 |
|-----------------------------|--|-----------------------------------|-----------------------------|----------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | | | |
| Revenue | | | | | | | |
| 33,001 | User Charges — Non ACT Government | 29,779 | 30,505 | 2 | 30,657 | 30,810 | 30,965 |
| 358 | Interest | 372 | 99 | -73 | 100 | 100 | 103 |
| 152 | Other Revenue | 95 | 84 | -12 | 85 | 85 | 0 |
| 33,511 | Total Revenue | 30,246 | 30,688 | 1 | 30,842 | 30,995 | 31,068 |
| 33,511 | Total Income | 30,246 | 30,688 | 1 | 30,842 | 30,995 | 31,068 |
| Expenses | | | | | | | |
| 7,473 | Employee Expenses | 7,182 | 7,274 | 1 | 7,370 | 7,463 | 7,651 |
| 580 | Superannuation Expenses | 599 | 594 | -1 | 600 | 606 | 617 |
| 12,761 | Supplies and Services | 12,324 | 12,345 | .. | 12,500 | 12,661 | 12,978 |
| 1,779 | Depreciation and Amortisation | 1,715 | 1,730 | 1 | 1,747 | 1,768 | 1,785 |
| 8 | Borrowing Costs | 8 | 5 | -38 | 6 | 6 | 6 |
| 6,816 | Other Expenses | 6,219 | 6,481 | 4 | 6,566 | 6,652 | 6,818 |
| 29,417 | Total Ordinary Expenses | 28,047 | 28,429 | 1 | 28,789 | 29,156 | 29,855 |
| 4,094 | Operating Result from Ordinary Activities | 2,199 | 2,259 | 3 | 2,053 | 1,839 | 1,213 |
| 1,228 | Income Tax Equivalent | 659 | 677 | 3 | 616 | 551 | 364 |
| 2,866 | Operating Result | 1,540 | 1,582 | 3 | 1,437 | 1,288 | 849 |
| 2,866 | Total Comprehensive Income | 1,540 | 1,582 | 3 | 1,437 | 1,288 | 849 |

ACTTAB Limited Balance Sheet

| Budget as at 30/6/13 \$'000 | | Est. Outcome as at 30/6/13 \$'000 | Budget as at 30/6/14 \$'000 | Var % | Estimate as at 30/6/15 \$'000 | Estimate as at 30/6/16 \$'000 | Estimate as at 30/6/17 \$'000 |
|--------------------------------------|--------------------------------------|---|-----------------------------------|-----------|-------------------------------------|-------------------------------------|-------------------------------------|
| Current Assets | | | | | | | |
| 2,737 | Cash and Cash Equivalents | 7,184 | 7,835 | 9 | 7,980 | 8,073 | 7,862 |
| 156 | Receivables | 270 | 275 | 2 | 275 | 270 | 270 |
| 141 | Inventories | 159 | 163 | 3 | 157 | 151 | 145 |
| 134 | Other Current Assets | 300 | 280 | -7 | 280 | 280 | 280 |
| 3,168 | Total Current Assets | 7,913 | 8,553 | 8 | 8,692 | 8,774 | 8,557 |
| Non Current Assets | | | | | | | |
| 13,112 | Property, Plant and Equipment | 12,994 | 12,291 | -5 | 11,577 | 10,885 | 10,180 |
| 2,108 | Intangibles | 2,065 | 2,459 | 19 | 2,877 | 3,337 | 3,797 |
| 921 | Tax Assets | 800 | 509 | -36 | 462 | 414 | 273 |
| 6,000 | Other Non Current Assets | 0 | 0 | - | 0 | 0 | 0 |
| 22,141 | Total Non Current Assets | 15,859 | 15,259 | -4 | 14,916 | 14,636 | 14,250 |
| 25,309 | TOTAL ASSETS | 23,772 | 23,812 | .. | 23,608 | 23,410 | 22,807 |
| Current Liabilities | | | | | | | |
| 4,295 | Payables | 4,186 | 4,213 | 1 | 4,218 | 4,222 | 4,226 |
| 1,147 | Employee Benefits | 1,229 | 1,185 | -4 | 1,188 | 1,204 | 1,220 |
| 2,866 | Other Provisions | 1,540 | 1,582 | 3 | 1,437 | 1,288 | 849 |
| 1,521 | Income Tax Payable | 1,244 | 1,262 | 1 | 1,200 | 1,136 | 957 |
| 9,829 | Total Current Liabilities | 8,199 | 8,242 | 1 | 8,043 | 7,850 | 7,252 |
| Non Current Liabilities | | | | | | | |
| 52 | Employee Benefits | 143 | 140 | -2 | 135 | 130 | 125 |
| 52 | Total Non Current Liabilities | 143 | 140 | -2 | 135 | 130 | 125 |
| 9,881 | TOTAL LIABILITIES | 8,342 | 8,382 | .. | 8,178 | 7,980 | 7,377 |
| 15,428 | NET ASSETS | 15,430 | 15,430 | - | 15,430 | 15,430 | 15,430 |
| REPRESENTED BY FUNDS EMPLOYED | | | | | | | |
| 13,925 | Accumulated Funds | 10,926 | 10,926 | - | 10,926 | 10,926 | 10,926 |
| 1,503 | Reserves | 4,504 | 4,504 | - | 4,504 | 4,504 | 4,504 |
| 15,428 | TOTAL FUNDS EMPLOYED | 15,430 | 15,430 | - | 15,430 | 15,430 | 15,430 |

ACTTAB Limited
Statement of Changes in Equity

| Budget as at 30/6/13 \$'000 | | Est. Outcome as at 30/6/13 \$'000 | Budget as at 30/6/14 \$'000 | Var % | Estimate as at 30/6/15 \$'000 | Estimate as at 30/6/16 \$'000 | Estimate as at 30/6/17 \$'000 |
|--|--|---|-----------------------------------|-----------|-------------------------------------|-------------------------------------|-------------------------------------|
| Opening Equity | | | | | | | |
| 13,925 | Opening Accumulated Funds | 10,926 | 10,926 | - | 10,926 | 10,926 | 10,926 |
| 1,503 | Opening Asset Revaluation Reserve | 1,504 | 1,504 | - | 1,504 | 1,504 | 1,504 |
| 0 | Opening Other Reserve | 3,000 | 3,000 | - | 3,000 | 3,000 | 3,000 |
| 15,428 | Balance at the Start of the Reporting Period | 15,430 | 15,430 | - | 15,430 | 15,430 | 15,430 |
| Comprehensive Income | | | | | | | |
| 2,866 | Operating Result for the Period | 1,540 | 1,582 | 3 | 1,437 | 1,288 | 849 |
| 2,866 | Total Comprehensive Income | 1,540 | 1,582 | 3 | 1,437 | 1,288 | 849 |
| 0 | Total Movement in Reserves | 0 | 0 | - | 0 | 0 | 0 |
| Transactions Involving Owners Affecting Accumulated Funds | | | | | | | |
| -2,866 | Dividend Approved | -1,540 | -1,582 | -3 | -1,437 | -1,288 | -849 |
| -2,866 | Total Transactions Involving Owners Affecting Accumulated Funds | -1,540 | -1,582 | -3 | -1,437 | -1,288 | -849 |
| Closing Equity | | | | | | | |
| 13,925 | Closing Accumulated Funds | 10,926 | 10,926 | - | 10,926 | 10,926 | 10,926 |
| 1,503 | Closing Asset Revaluation Reserve | 1,504 | 1,504 | - | 1,504 | 1,504 | 1,504 |
| 0 | Closing Other Reserve | 3,000 | 3,000 | - | 3,000 | 3,000 | 3,000 |
| 15,428 | Balance at the End of the Reporting Period | 15,430 | 15,430 | - | 15,430 | 15,430 | 15,430 |

ACTTAB Limited Cash Flow Statement

| 2012-13 Budget \$'000 | | 2012-13 Est. Outcome \$'000 | 2013-14 Budget \$'000 | Var % | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 | 2016-17 Estimate \$'000 |
|---|---|-----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 33,001 | User Charges | 29,779 | 30,505 | 2 | 30,660 | 30,812 | 30,963 |
| 357 | Interest Received | 372 | 99 | -73 | 101 | 101 | 104 |
| 152 | Other Receipts | 95 | 84 | -12 | 85 | 85 | 0 |
| 33,510 | Operating Receipts | 30,246 | 30,688 | 1 | 30,846 | 30,998 | 31,067 |
| Payments | | | | | | | |
| 7,466 | Related to Employees | 7,103 | 7,322 | 3 | 7,370 | 7,453 | 7,639 |
| 581 | Related to Superannuation | 600 | 594 | -1 | 600 | 606 | 617 |
| 12,644 | Related to Supplies and Services | 12,139 | 12,305 | 1 | 12,492 | 12,645 | 12,971 |
| 8 | Borrowing Costs | 8 | 5 | -38 | 6 | 6 | 6 |
| 8,285 | Other | 7,169 | 6,850 | -4 | 7,201 | 7,224 | 7,223 |
| 28,984 | Operating Payments | 27,019 | 27,076 | .. | 27,669 | 27,934 | 28,456 |
| 4,526 | NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES | 3,227 | 3,612 | 12 | 3,177 | 3,064 | 2,611 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 0 | Proceeds from Sale/Maturity of Investments | 6,000 | 0 | -100 | 0 | 0 | 0 |
| 0 | Investing Receipts | 6,000 | 0 | -100 | 0 | 0 | 0 |
| Payments | | | | | | | |
| 993 | Purchase of Property, Plant and Equipment and Capital Works | 993 | 784 | -21 | 787 | 826 | 826 |
| 682 | Purchase of Land and Intangibles | 682 | 637 | -7 | 663 | 708 | 708 |
| 1,675 | Investing Payments | 1,675 | 1,421 | -15 | 1,450 | 1,534 | 1,534 |
| -1,675 | NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES | 4,325 | -1,421 | -133 | -1,450 | -1,534 | -1,534 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| 5,538 | Dividends to Government | 5,120 | 1,540 | -70 | 1,582 | 1,437 | 1,288 |
| 5,538 | Financing Payments | 5,120 | 1,540 | -70 | 1,582 | 1,437 | 1,288 |
| -5,538 | NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES | -5,120 | -1,540 | 70 | -1,582 | -1,437 | -1,288 |
| -2,687 | NET INCREASE / (DECREASE) IN CASH HELD | 2,432 | 651 | -73 | 145 | 93 | -211 |
| 5,424 | CASH AT THE BEGINNING OF REPORTING PERIOD | 4,752 | 7,184 | 51 | 7,835 | 7,980 | 8,073 |
| 2,737 | CASH AT THE END OF REPORTING PERIOD | 7,184 | 7,835 | 9 | 7,980 | 8,073 | 7,862 |

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$3.222 million in the 2012-13 estimated outcome from the original budget is due to a decline in retail turnover; and
 - the increase of \$0.726 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to anticipated growth in premium customer business.
- interest: the decrease of \$0.273 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to lower cash reserves.
- employee expenses: the decrease of \$0.291 million in the 2012-13 estimated outcome from the original budget is due to delays in recruitment to permanent positions, together with fluctuations of staffing within the casual pool.
- supplies and services: the decrease of \$0.437 million in the 2012-13 estimated outcome from the original budget is due to saving initiatives, including the reduction in marketing spend.
- other expenses:
 - the decrease of \$0.597 million in the 2012-13 estimated outcome from the original budget is due to a decrease in turnover related costs; and
 - the increase of \$0.262 million in the 2013-14 Budget from the 2012-13 estimated outcome is attributed to increased fixed costs, including turnover driven expenses.
- income tax equivalent: the decrease of \$0.569 million in the 2012-13 estimated outcome from budget is due to a lower than forecasted retail turnover.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$4.447 million in the 2012-13 estimated outcome from the original budget is due to the realisation of non current cash investments to finance the dividend payment; and
 - the increase of \$0.651 million in 2013-14 Budget from the 2012-13 estimated outcome is largely due to movement of the residual non current cash investments into short term investments.
- property, plant and equipment: the decrease of \$0.703 million in the 2013-14 Budget from the 2012-13 estimated outcome largely reflects depreciation.
- intangibles: the increase of \$0.394 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects the capitalisation of the new website development.
- other non current assets: the decrease of \$6 million in the 2012-13 estimated outcome from the original budget is due to realisation of cash investments.

- other provisions: the decrease of \$1.326 million in the 2012-13 estimated outcome from the original budget is due to the decrease in the dividend payment to the ACT Government as a result of lower operating profit.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statements are explained in the notes above.

