

ACTTAB LIMITED

Objectives

ACTTAB Limited's principal objective is to responsibly provide a comprehensive range of gaming and wagering products and services to the community.

ACTTAB will develop and market the entertainment value of its products and utilise the latest technology to deliver fast, reliable, secure, and user-friendly services.

2006-07 Priorities

Strategic and operational issues to be pursued in 2006-07 include:

- refurbishing traditional retail outlets and constructing 'super-shops' in targeted locations;
- continuing the assessment and rationalisation of the existing retail network;
- relocating the Head Office to Gungahlin in late 2006;
- maintaining excellence in customer services, including expanded 'value-add' information services;
- emphasising high standards of people, information and resource management;
- enhancing ACTTAB's community profile through targeted partnership and sponsorship arrangements; and
- ensuring that the harmful effects of gambling are minimised through consumer education and availability of counselling services.

**ACTTAB
Operating Statement**

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
25,520	User Charges - Non ACT Government	29,912	30,635	2	31,614	32,680	33,605
365	Interest	684	584	-15	555	496	624
549	Other Revenue	236	930	294	192	196	200
26,434	Total Revenue	30,832	32,149	4	32,361	33,372	34,429
Gains							
0	Total Gains	0	0	-	0	0	0
26,434	Total Income	30,832	32,149	4	32,361	33,372	34,429
Expenses							
4,118	Employee Expenses	4,348	4,644	7	4,830	5,023	5,223
407	Superannuation Expenses	384	421	10	438	456	474
8,457	Supplies and Services	9,115	10,234	12	10,029	10,330	10,640
772	Depreciation and Amortisation	867	1,116	29	1,312	1,260	1,189
7	Borrowing Costs	7	7	-	8	8	8
10,205	Other Expenses	11,322	11,563	2	11,819	12,083	12,354
23,966	Total Ordinary Expenses	26,043	27,985	7	28,436	29,160	29,888
2,468	Operating Result From Ordinary Activities	4,789	4,164	-13	3,925	4,212	4,541
740	Income Tax Equivalent	1,437	1,249	-13	1,177	1,264	1,362
1,728	Operating Result	3,352	2,915	-13	2,748	2,948	3,179

**ACTTAB
Balance Sheet**

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
Current Assets							
4,829	Cash	10,932	9,599	-12	9,515	8,653	10,814
544	Receivables	765	788	3	812	836	861
116	Inventories	98	101	3	104	107	110
508	Other	135	139	3	143	148	152
5,997	Total Current Assets	11,930	10,627	-11	10,574	9,744	11,937
Non Current Assets							
15,243	Property, Plant and Equipment	8,080	11,081	37	12,815	15,205	14,701
206	Intangibles	572	266	-53	0	0	0
15,449	Total Non Current Assets	8,652	11,347	31	12,815	15,205	14,701
21,446	TOTAL ASSETS	20,582	21,974	7	23,389	24,949	26,638
Current Liabilities							
6,943	Payables	1,672	1,507	-10	1,822	1,861	1,716
578	Employee Benefits	601	625	4	650	677	703
0	Other Provisions	1,655	1,676	1	1,457	1,373	1,475
740	Income Tax Payable	0	0	-	0	0	0
8,261	Total Current Liabilities	3,928	3,808	-3	3,929	3,911	3,894
Non Current Liabilities							
127	Employee Benefits	65	68	5	71	74	76
127	Total Non Current Liabilities	65	68	5	71	74	76
8,388	TOTAL LIABILITIES	3,993	3,876	-3	4,000	3,985	3,970
13,058	NET ASSETS	16,589	18,098	9	19,389	20,964	22,668
REPRESENTED BY FUNDS EMPLOYED							
12,958	Accumulated Funds	15,145	16,654	10	17,945	19,520	21,224
100	Reserves	1,444	1,444	-	1,444	1,444	1,444
13,058	TOTAL FUNDS EMPLOYED	16,589	18,098	9	19,389	20,964	22,668

ACTTAB
Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
25,520	User Charges	30,050	30,653	2	31,587	32,576	33,614
365	Interest Received	365	311	-15	285	149	153
546	Other Revenue	546	566	4	582	600	615
26,431	Operating Receipts	30,961	31,530	2	32,454	33,325	34,382
	Payments						
4,525	Related to Employees	4,732	5,065	7	5,268	5,479	5,697
8,457	Related to Supplies and Services	9,115	10,234	12	10,029	10,330	10,640
7	Borrowing Costs	7	7	-	8	8	8
10,945	Other	12,759	12,812	..	12,996	13,347	13,716
23,934	Operating Payments	26,613	28,118	6	28,301	29,164	30,061
2,497	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4,348	3,412	-22	4,153	4,161	4,321
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
3,315	Proceeds from Sale of Property, Plant & Equipment	0	3,500	#	0	0	0
3,315	Investing Receipts	0	3,500	#	0	0	0
	Payments						
8,136	Purchase of Property, Plant and Equipment	1,188	6,569	453	2,780	3,650	685
8,136	Investing Payments	1,188	6,569	453	2,780	3,650	685
-4,821	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-1,188	-3,069	-158	-2,780	-3,650	-685
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
2,793	Dividends to Government	3,175	1,676	-47	1,457	1,373	1,475
2,793	Financing Payments	3,175	1,676	-47	1,457	1,373	1,475
-2,793	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-3,175	-1,676	47	-1,457	-1,373	-1,475
-5,117	NET INCREASE/(DECREASE) IN CASH HELD	-15	-1,333	#	-84	-862	2,161
9,946	CASH AT BEGINNING OF REPORTING PERIOD	10,947	10,932	..	9,599	9,515	8,653
4,829	CASH AT THE END OF THE REPORTING PERIOD	10,932	9,599	-12	9,515	8,653	10,814

ACTTAB
Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
14,124	Opening Balance	15,016	16,589	10	18,098	19,389	20,964
	Accumulated Funds						
0	Net Effect of a Correction of an Error	52	270	419	0	0	0
1,728	Operating Result for the Period	3,352	2,915	-13	2,748	2,948	3,179
	Reserves						
0	Increase/(Decrease) in asset revaluation reserve	1,344	0	-100	0	0	0
1,728	Total Income And Expense For The Period	4,748	3,185	-33	2,748	2,948	3,179
	Transactions Involving Equity Holders Affecting Accumulated Funds						
-2,794	Dividend Approved	-3,175	-1,676	47	-1,457	-1,373	-1,475
13,058	Closing Balance	16,589	18,098	9	19,389	20,964	22,668

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government: the increase of \$4.392 million in the 2005-06 estimated outcome from the original budget and the increase of \$0.723 million in the 2006-07 Budget from the 2005-06 estimated outcome are primarily due to increased premium punter activity;
- interest revenue:
 - the increase of \$0.319 million in the 2005-06 estimated outcome from the original budget is largely due to delays in the capital expenditure program resulting in additional funds for investment; and
 - the decrease of \$0.1 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the capital expenditure program, including the new head office development and outlet refurbishments, resulting in less funds for investment;
- other revenue:
 - the decrease of \$0.313 million in the 2005-06 estimated outcome from the original budget is primarily due to changes in agency agreements; and
 - the increase of \$0.694 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the expected gain on sale of the Dickson premises;

- employee expenses: the increase of \$0.230 million in the 2005-06 estimated outcome from the original budget and the increase of \$0.296 million in the 2006-07 Budget from the 2005-06 estimated outcome are due to the increases provided for in the Enterprise Bargaining Agreement including annual increases in salaries;
- supplies and services:
 - the increase of \$0.658 million in the 2005-06 estimated outcome from the original budget is due to increased property costs due to rental associated with the new head office and one additional outlet; and
 - the increase of \$1.119 million in the 2006-07 Budget from the 2005-06 estimated outcome is the full year effect of increased property costs due to rental associated with the new head office and one additional outlet;
- depreciation and amortisation: the increase of \$0.249 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to increases in capital expenditure resulting in increased depreciation charges; and
- other expenses: the increase of \$1.117 million in the 2005-06 estimated outcome from the original budget and the increase of \$0.241 million in the 2006-07 Budget from the 2005-06 estimated outcome are due to increased racing turnover resulting in increased racing distribution charges.

Balance Sheet

- cash:
 - the increase of \$6.103 million in the 2005-06 estimated outcome from the original budget is due largely to delays in capital expenditure on the new head office and the decision not to purchase selling terminals; and
 - the decrease of \$1.333 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the capital expenditure associated with the head office development;
- property, plant and equipment:
 - the decrease of \$7.163 million in the 2005-06 estimated outcome from the original budget is due to delays in capital expenditure on the new head office; and
 - the increase of \$3.001 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to progress in the above mentioned capital expenditure program;
- intangibles:
 - the increase of \$0.366 million in the 2005-06 estimated outcome from the original budget is due to a reclassification of non-current assets; and
 - the decrease of \$0.306 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to amortisation of intangibles.

Cashflow Statement

- proceeds from sale of property, plant and equipment:
 - the decrease of \$3.315 million in the 2005-06 estimated outcome from the original budget is due to delays in the sale of the Dickson premises; and

- the increase of \$3.5 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the sale of the Dickson premises;
- purchase of property, plant and equipment:
 - the decrease of \$6.948 million in the 2005-06 estimated outcome from the original budget is due to delays in capital expenditure associated with the new head office and the decision not to buy selling terminals; and
 - the increase of \$5.381 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to realisation of the head office project expenditure and the outlet refurbishment program.

