

STATEMENT OF PERFORMANCE

FOR THE PERIOD

FROM 1 JULY 2014 TO 30 DECEMBER 2014

EXHIBITION PARK CORPORATION

REPORT OF FACTUAL FINDINGS

EXHIBITION PARK CORPORATION

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Exhibition Park Corporation (the Corporation) for the period from 1 July 2014 to 31 December 2014 has been reviewed.

Responsibility for the statement of performance

The Director-General, Economic Development is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures to measure the results of the performance indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the performance indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Corporation, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the performance indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from this statement of performance. If users of this statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicates that the results of the performance indicators, reported in the statement of performance of the Corporation for the period from 1 July 2014 to 31 December 2014, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



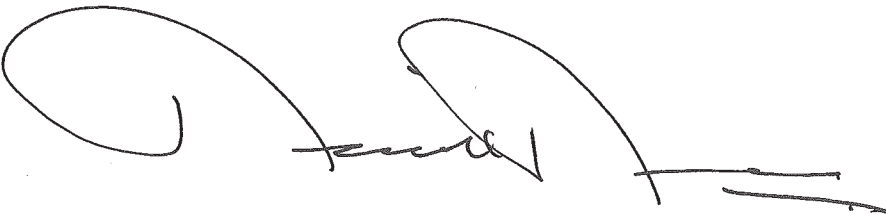
Bernie Sheville
Director, Financial Audits

13 March 2015

EXHIBITION PARK CORPORATION
Statement of Performance
For the Period from 1 July 2014 to 31 December 2014

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Exhibition Park Corporation's records and fairly reflects the service performance of the Corporation for the period from 1 July 2014 to 31 December 2014 and also fairly reflects the judgements exercised in preparing it.



David Dawes
Director-General
Economic Development

15 March 2015

EXHIBITION PARK CORPORATION

Statement of Performance for the Period from 1 July 2014 to 31 December 2014

Statement of Intent Objectives	Statement of Intent Performance Measures	Key Performance Indicators - Target	Actual Result	% Variance from Target
Optimise the efficient use of EPIC and improve financial outcomes.	Increase in camping revenue.	Achieve camping revenue of at least \$0.470m.	Camping revenue of \$0.268m was received during the six months to 31 December 2014.	<p>Camping revenue received to 31 December 2014 is 57% of the 12 month target. This was due to:</p> <ul style="list-style-type: none"> • continuation of strong patronage from campers staying as a result of direct marketing targeting caravan clubs around Australia for the staging of rallies and club members stays • strong patronage during the Floriade period • the inclusion of camping facilities on camping and caravanning websites • strong repeat business • ongoing upgrades to facilities within the camp grounds.

EXHIBITION PARK CORPORATION

Statement of Performance for the Period from 1 July 2014 to 31 December 2014

Statement of Intent Objectives	Statement of Intent Performance Measures	Key Performance Indicators - Target	Actual Result	% Variance from Target
Optimise the efficient use of EPIC and improve financial outcomes (continued)	Number of major events at EPIC ¹ .	Achieve at least target number of 82 major events.	57 major events were held during the six months to 31 December 2014.	<p>Major events held to 31 December 2014 is 70% of the full 12 month target.</p> <p>This is a result of a continued focus by the Sales and Marketing team to attract new events to Canberra and the venue through targeted marketing strategies.</p> <p>The majority of major events are held during the July to December period.</p>

¹Major events – a major event is defined as a function or conference booked for over 500 people, a public or trade exhibition or a festival.

EXHIBITION PARK CORPORATION
Statement of Performance for the Period from 1 July 2014 to 30 June 2014

Statement of Intent Objectives	Statement of Intent Performance Measures	Key Performance Indicators - Target	Actual Result	% Variance from Target
Improve operational efficiency to minimise costs.	Minimise costs through continued contract management with suppliers in the areas of painting and cleaning.	Painting expense not to exceed \$0.088m.	Painting expense of \$0.050m was incurred during the six months to 31 December 2014.	<p>Painting expense incurred to 31 December 2014 is 56% of the full 12 month target. This was due to:</p> <ul style="list-style-type: none"> • increase in contract rates • additional painting works required in the Kosciuszko Kiosk.

The above Statement of Performance should be read in conjunction with the below accompanying note.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

HOME LOAN PORTFOLIO

Management Discussion and Analysis for Home Loan Portfolio, for the Financial Year Ended 30 June 2015

General Overview

Objectives

The objective of the Home Loan Portfolio (the Portfolio) is to facilitate home ownership to assist low income households. The Portfolio achieves this by effectively administering existing home loan and deferral agreements between the Commissioner for Social Housing and borrowers, granted as a result of the Commonwealth State Housing Agreements. All home buyer lending ceased in 1996.

Executive Summary

From 1 July 2015, the Home Loan Portfolio will no longer be prescribed as a separate reporting entity under section 133 of the *Financial Management Act 1996* (FMA). The removal of the Portfolio as a separate reporting entity is due to the number of home loans in the Portfolio diminishing significantly over time from over 1,000 to less than 60. It is considered that this low number of loans no longer warrants the Portfolio being a separate reporting entity, with associated costs this entails.

From 1 July 2015, the activities of the Portfolio will be reflected in the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) financial statements and the Territory Banking Account (TBA).

As part of the cessation of the Portfolio, Commonwealth Loans of \$74.966 million, Equity of \$37.014 million and Cash of \$0.032 million were transferred to the TBA. Assets of \$0.279 million and Liabilities of \$0.001 million were transferred to the CMTEDD.

In 2015 the Portfolio returned surplus of \$0.2 million. This compares with surplus of \$0.5 million in 2014. The reduction mainly reflects lower own source revenue.

The Net Assets of the Portfolio was nil in 2015 (\$39.6 million in 2014). This is due to the cessation of the Portfolio as of 30 June 2015.

The number of loans receivable within the Portfolio was reduced by 18 per cent from 72 at 30 June 2014 to 59 at 30 June 2015.

A net gain on investment of \$1.6 million in 2015 compared to a net loss on investment of \$0.3 million in 2014 was due to an increase in market valuation of the investments with TBA.

In 2015, \$2.5 million was transferred from the Portfolio to the Territory to be used for the expansion of public housing as announced in the 2011-12 Budget (\$2.0 million in 2014).

Financial Performance

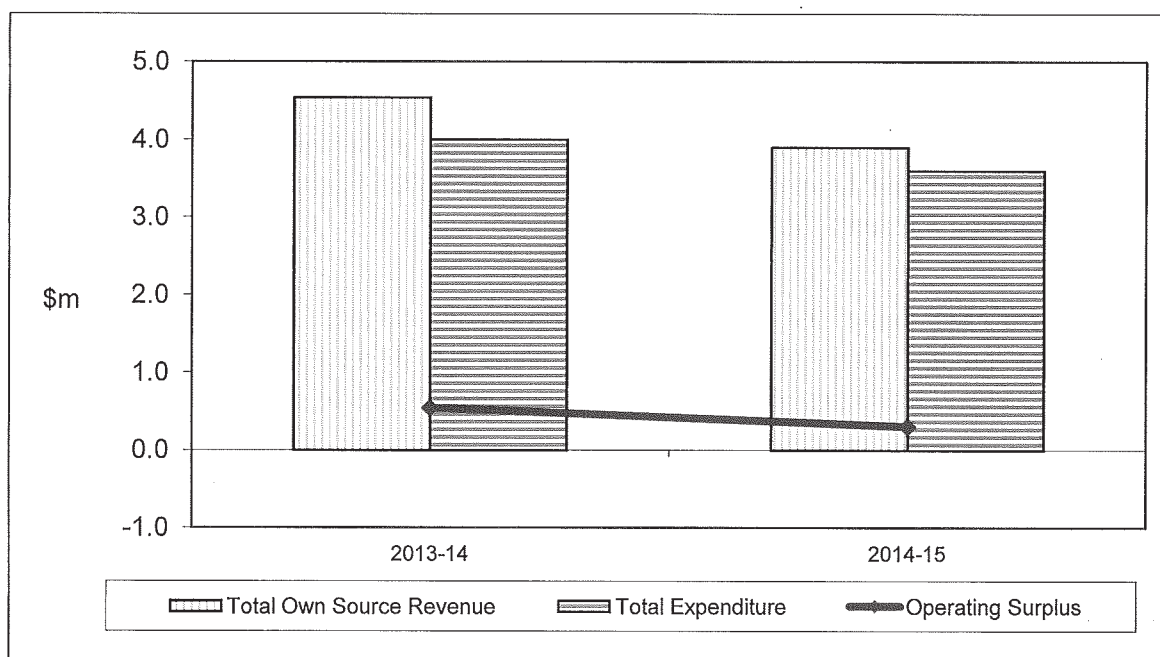
The following financial information is based on the audited Financial Statements for 2013-14 and 2014-15.

	Actual 2014-15 \$m	Original Budget 2014-15 \$m	Actual 2013-14 \$m
Total Expenditure	3.6	3.7	4.0
Total Own Source Revenue	3.9	3.3	4.5
Operating Surplus/(Deficit)	0.2	(0.4)	0.5

Numbers in the table may not add due to rounding.

Future Trends

Figure 1: Operating Surplus



The slight reduction in operating surplus in 2014-15 reflects lower interest received from investments with the TBA and from borrowers.

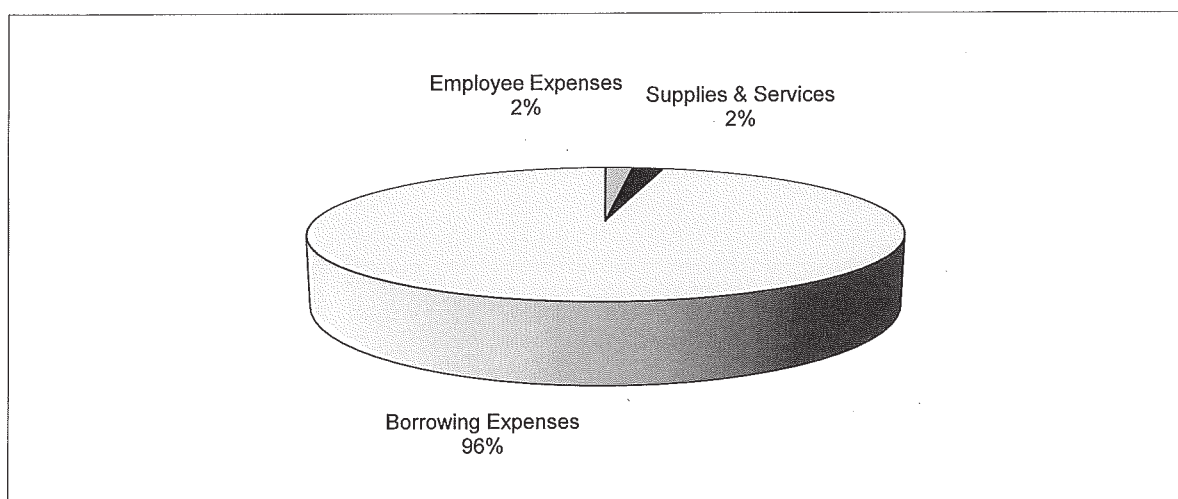
From 1 July 2015, the Portfolio will cease as a reporting entity.

Total Expenditure

1. Components of Expenditure

The largest component of the Portfolio's expenditure for 2014-15 is borrowing expenses, which represents 96 per cent of ordinary activities, or \$3.5 million.

Figure 2 – Components of Expenditure



2. Comparison to Budget

Total expenditure of \$3.6 million was \$0.05 million (1 per cent) lower than the 2014-15 Budget of \$3.7 million. This was due to lower than anticipated employee expenses resulting from personnel change in the Portfolio. (Refer to Attachment A).

3. Comparison to 2013-14 Actual Expenditure

Total expenditure of \$3.6 million was \$0.4 million (9 per cent) lower than the 2013-14 actual result. The variance was due to:

- a decrease in borrowing costs resulting from a reduction in the amount of the Commonwealth loan liability; and
- a decrease in other expenses.

4. Future Trends

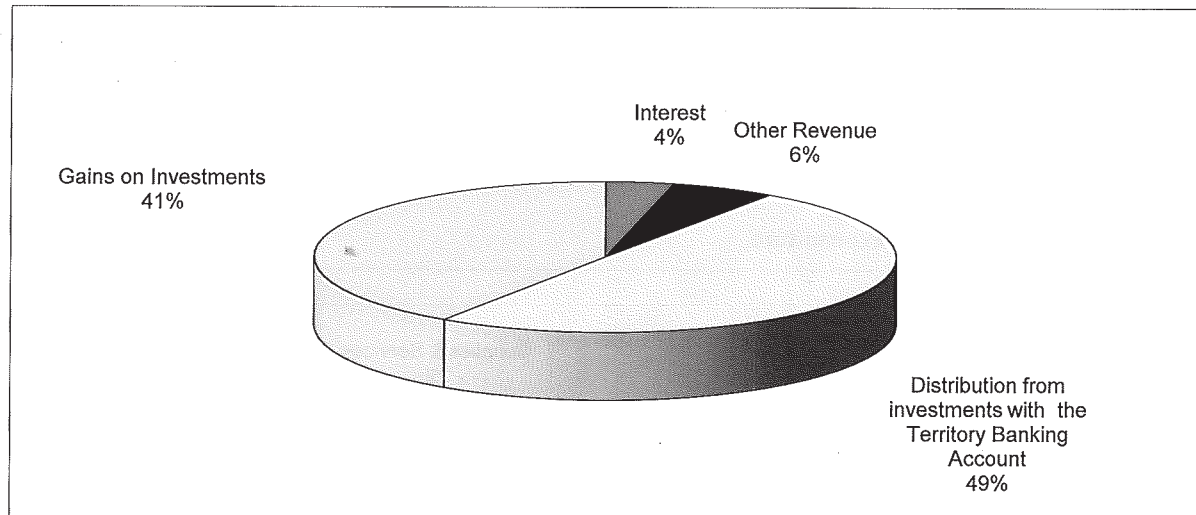
There are no future trends as the Portfolio will cease as a reporting entity from 1 July 2015.

Total Income

1. Components of Income

For the financial year ended 30 June 2015, the Portfolio's total own source revenue was \$3.9 million. This is comprised of the distribution from investments with the TBA (49 per cent), gains on investments (41 per cent), other revenue (6 per cent), and interest from home loans and cash at bank (4 per cent).

Figure 3 – Components of Income



2. Comparison to Budget

Revenue for the year ending 30 June 2015 was \$3.9 million, which was \$0.6 million (19 per cent) higher than the 2014-15 Budget of \$3.3 million (Refer to Attachment A).

The variance is mainly due to higher than expected gains on investments, offset by lower than expected distributions received from the investments with the TBA.

3. Comparison to 2013-14 Actual Revenue

Revenue was \$0.7 million (15 per cent) lower than the 2013-14 revenue of \$4.5 million.

The variance is mainly due to lower distribution received from the investments with the TBA; offset by a net gain on investments resulting from an increase in market valuation of the investments with the TBA.

4. Future Trends

There are no future trends as the Portfolio will cease as a reporting entity from 1 July 2015.

Financial Position

The Portfolio will cease as a reporting entity from 1 July 2015. From 1 July 2015, the loan receivables of the Portfolio will be reflected in the CMTEDD financial statements.

Comparison of Operating Results to Budget 2014-15

Description	Original Budget 2014-15 \$'000	Total Funding \$'000	Actual 2014-15 \$'000	Variance	
				\$'000	%
Expenditure					
Employee and Superannuation	136	136	66	-70	-51.47%
Supplies and Services	57	57	74	17	29.82%
Borrowing costs	3,509	3,509	3,509	-	0%
Total Expenditure	3,702	3,702	3,649	-53	-1.43%
Income					
Interest	92	92	146	54	58.70%
Distribution from Investments with the Territory Banking Account	2,816	2,816	1,931	-885	-31.43%
Other Revenue	356	356	224	-132	-37.08%
Gains on Investments	-	-	1,580	1,580	-
Total Own Source Revenue	3,264	3,264	3,881	617	18.90%
Operating Surplus	-438	-438	232	670	-152.97%

INDEPENDENT AUDIT REPORT

HOME LOAN PORTFOLIO

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Home Loan Portfolio for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Under Treasurer is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Home Loan Portfolio.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Home Loan Portfolio.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Home Loan Portfolio for the year ended 30 June 2015:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Home Loan Portfolio as at 30 June 2015 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with the other information disclosed in this report.

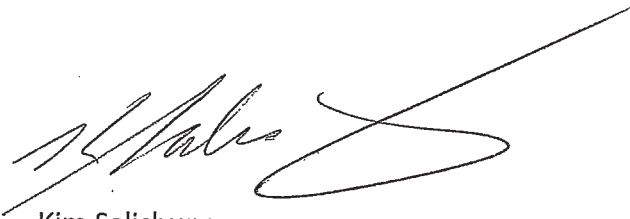


Malcolm Prentice
Acting Director, Financial Audits
20 August 2015

**Home Loan Portfolio
Financial Statements
For the Year Ended 30 June 2015**

Statement of Responsibility

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Home Loan Portfolio's accounts and records and fairly reflect the financial operations of the Home Loan Portfolio for the year ended 30 June 2015 and the financial position of the Home Loan Portfolio on that date.



Kim Salisbury
Director, Revenue Management Division
Chief Minister, Treasury and Economic Development Directorate

21 July 2015

**Home Loan Portfolio
Financial Statements
For the Year Ended 30 June 2015**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Home Loan Portfolio's accounts and records and fairly reflect the financial operations of the Home Loan Portfolio for the year ended 30 June 2015 and the financial position of the Home Loan Portfolio on that date.



David Nicol
Under Treasurer

Chief Minister, Treasury and Economic Development Directorate
Delegate for Housing Commissioner

24 July 2015

**Home Loan Portfolio
Operating Statement
For the Year Ended 30 June 2015**

	Note No.	Actual 2015 \$'000	Original Budget 2015 \$'000	Actual 2014 \$'000
Income				
<i>Revenue</i>				
Interest	4	146	92	218
Distribution from Investments	5	1,931	2,816	4,068
Other Revenue	6	224	356	254
<i>Total Revenue</i>		2,301	3,264	4,540
<i>Gains</i>				
Gains on Investments	7	1,580	-	-
<i>Total Gains</i>		1,580	-	-
Total Income		3,881	3,264	4,540
Expenses				
Employee Expenses	8	59	114	-
Superannuation Expenses	9	7	22	11
Supplies and Services	10	74	57	88
Borrowing Costs	11	3,509	3,509	3,640
Other Expenses	12	-	-	261
Total Expenses		3,649	3,702	4,000
Operating Surplus/(Deficit)		232	(438)	540
Total Comprehensive Income/(Deficit)		232	(438)	540

The above Operating Statement should be read in conjunction with the accompanying notes.

**Home Loan Portfolio
Balance Sheet
As at 30 June 2015**

	Note	Actual 2015 \$'000	Original Budget 2015 \$'000	Actual 2014 \$'000
Current Assets				
Cash and Cash Equivalents	16	-	222	524
Receivables	17	-	769	1,371
Investments	18	-	109,957	115,372
Total Current Assets		-	110,948	117,267
Non-Current Assets				
Receivables	17	-	407	346
Total Non-Current Assets		-	407	346
Total Assets		-	111,355	117,613
Current Liabilities				
Payables	19	-	5	26
Interest-Bearing Liabilities	20	-	3,157	3,021
Employee Benefits	21	-	83	8
Total Current Liabilities		-	3,245	3,055
Non-Current Liabilities				
Interest-Bearing Liabilities	20	-	71,809	74,966
Total Non-Current Liabilities		-	71,809	74,966
Total Liabilities		-	75,054	78,021
Net Assets		-	36,301	39,592
Equity				
Accumulated Funds		-	36,301	39,592
Total Equity		-	36,301	39,592

The above Balance Sheet should be read in conjunction with the accompanying notes.

**Home Loan Portfolio
Statement of Changes in Equity
For the Year Ended 30 June 2015**

	Accumulated Funds Actual 2015 \$'000	Total Equity Actual 2015 \$'000	Original Budget 2015 \$'000
Balance at 1 July 2014	39,592	39,592	39,239
Comprehensive Income			
Operating Surplus/(Deficit)	232	232	(438)
Total Comprehensive Income/(Deficit)	232	232	(438)
Transactions Involving Owners Affecting Accumulated Funds			
Capital (Distributions)*	(2,500)	(2,500)	(2,500)
(Decrease)/Increase in Net Assets due to Administrative Restructure **	(37,324)	(37,324)	-
Total Transactions Involving Owners Affecting Accumulated Funds	(39,824)	(39,824)	(2,500)
Balance at 30 June 2015	-	-	36,301

* \$2.5 million equity withdrawn from the Home Loan Portfolio (Portfolio) to expand public housing in the Territory as announced in the 2011-12 Budget (\$2.0 million in 2014).

**Due to the cessation of the Portfolio as at 30 June 2015, \$37.014 million equity and \$0.032 million cash were transferred to the Territory Banking Account (TBA); \$0.279 million total assets and \$0.001 million total liabilities were transferred to the Chief Minister, Treasury and Economic Development Directorate (CMTEDD).

	Accumulated Funds Actual 2014 \$'000	Total Equity Actual 2014 \$'000
Balance at 1 July 2013	41,052	41,052
Comprehensive Income		
Operating Surplus	540	540
Total Comprehensive Income	540	540
Transactions Involving Owners Affecting Accumulated Funds		
Capital (Distributions)	(2,000)	(2,000)
Total Transactions Involving Owners Affecting Accumulated Funds	(2,000)	(2,000)
Balance at 30 June 2014	39,592	39,592

**Home Loan Portfolio
Cash Flow Statement
For the Year Ended 30 June 2015**

	Note No.	Actual 2015 \$'000	Original Budget 2015 \$'000	Actual 2014 \$'000
Cash Flows from Operating Activities				
Receipts				
Interest Received		149	95	221
Distributions from Investments		3,233	2,976	4,502
Total Receipts from Operating Activities		3,382	3,071	4,723
Payments				
Employee		65	115	60
Superannuation		8	20	26
Supplies and Services		100	60	101
Borrowing Costs		3,509	3,509	3,640
Total Payments from Operating Activities		3,682	3,704	3,827
Net Cash (Outflows)/Inflows from Operating Activities	25	(300)	(633)	896
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale/Maturity of Investments		120,452	5,381	112,417
Loan Receivable Repayments Received		401	508	664
Total Receipts from Investing Activities		120,853	5,889	113,081
Payments				
Purchase of Investments		3,500	-	109,000
Total Payments from Investing Activities		3,500	-	109,000
Net Cash Inflows/(Outflows) from Investing Activities		117,353	5,889	4,081
Cash Flows from Financing Activities				
Payments				
Distributions to Government		2,500	2,500	2,000
Payment of Transferred Cash Balances*		112,056	-	-
Repayment of Commonwealth Borrowings		3,021	3,021	2,891
Total Payments from Financing Activities		117,577	5,521	4,891
Net Cash (Outflows)/Inflows from Financing Activities		(117,577)	(5,521)	(4,891)
Net (Decrease)/Increase in Cash and Cash Equivalents		(524)	(265)	86
Cash and Cash Equivalents at the Beginning of the Reporting Period		524	487	438
Cash and Cash Equivalents at the End of the Reporting Period	25	-	222	524

*comprise Commonwealth Loans of \$74.966 million, Equity of \$37.014 million and Cash of \$0.032 million to the TBA; and Cash of \$0.044 million to the CMTEDD.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Home Loan Portfolio

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For the Year Ended 30 June 2015

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Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 1 OBJECTIVES OF THE HOME LOAN PORTFOLIO

Operations and Principal Activities

The Home Loan Portfolio (Portfolio) is responsible for the administration of home loans granted as a result of the Commonwealth State Housing Agreement (CSHA), to assist low-income households in achieving home ownership.

The Home Loan Portfolio's objective is to deliver home ownership to current borrowers within the Home Loan Portfolio. It aims to achieve this by effectively:

- administering existing home loan and deferral agreements between the Commissioner for Social Housing and borrowers; and
- monitoring cash flows to ensure there are sufficient funds to cover the payment of the Commonwealth's loan interest and principal repayment.

Under the Commonwealth-State Housing Agreement, assets of the Home Loan Portfolio can only be used for the expansion of public housing or the provision of housing assistance.

All home buyers lending ceased in 1996. The number of loans outstanding as at 30 June 2015 is 59; as compared to 72 at 30 June 2014 (an 18% reduction).

The Commissioner for Social Housing has delegated the powers relating to the administration of the Home Purchase Assistance arrangements and the loans portfolio to the Under Treasurer, Chief Minister, Treasury and Economic Development Directorate (CMTEDD), and Director, Revenue Management Division.

Cessation of Operation

From 1 July 2015, the Home Loan Portfolio will no longer be prescribed as a separate reporting entity under section 133 of the *Financial Management Act 1996* (FMA). The removal of the Portfolio as a separate reporting entity is due to the number of home loans in the Portfolio diminishing significantly over time from over 1,000 to less than 60. From 1 July 2015, the activities of the Portfolio will be reflected in the CMTEDD financial statements and the Territory Banking Account (TBA).

Commonwealth Loans of \$74.966 million, Equity of \$37.014 million and Cash of \$0.032 million were transferred to the TBA. Assets of \$0.279 million and Liabilities of \$0.001 million were transferred to the CMTEDD effective 30 June 2015.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies.

The FMA and the *Financial Management Guidelines* issued under the Act, requires the Home Loan Portfolio's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) a summary of the significant accounting policies adopted for the year; and
- (vi) such other statements as are necessary to fairly reflect the financial operations of the Home Loan Portfolio during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for financial instruments which were valued at fair value in accordance with the (re)valuation policies applicable to the Home Loan Portfolio during the reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation techniques as appropriate. In estimating the fair value of an asset or liability, the Home Loan Portfolio takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

For disclosure purposes fair value measurements are categorised into Level 1, 2 or 3 based on the extent to which the inputs to the valuation techniques are observable and the significance of the inputs to the fair value measurement in its entirety. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Home Loan Portfolio can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(a) Basis of Accounting – Continued

These financial statements are presented in Australian dollars, which is the Home Loan Portfolio's functional currency.

The Home Loan Portfolio is an individual reporting entity.

(b) The Reporting Period

These financial statements state the financial performance, changes in equity, and cash flows of the Home Loan Portfolio for the year ended 30 June 2015, together with the financial position of the Home Loan Portfolio as at 30 June 2015.

(c) Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2014-15 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

(d) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

(e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Home Loan Portfolio and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised using the effective interest method.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(e) Revenue Recognition - Continued

Distributions

Distribution revenue is received from investments with the TBA. This is recognised on an accrual basis using data supplied by the TBA.

(f) Borrowing Costs

Borrowing costs are expensed in the period in which they are incurred.

(g) Waivers of Debt

Debts that are waived under section 131 of the FMA are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 13 Waivers, Impairment Losses and Write-offs.

(h) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Home Loan Portfolio does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

(i) Impairment of Assets

Home Loan Portfolio assesses at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(j) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(k) Receivables

Accounts receivable (including accrued revenue and loans receivable) held by the Home Loan Portfolio are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Loans receivable are home loans provided to low-income households to assist them in achieving home ownership. Loans receivable are at a variable rate of interest which is aligned with the Commonwealth Bank of Australia Standard Variable Rate. The monthly instalment amounts are made up of both principal and interest amounts. The terms of the loans vary between borrowers. Households with a Home Loan Portfolio loan are able to access financial assistance which enables them to pay a reduced amount of interest and/or pay the loan off over a longer loan term.

The allowance for impairment losses represents the amount of loans receivable the Home Loan Portfolio estimates will not be repaid. The Home Loan Portfolio determines the allowance for impairment losses based on a combination of the following factors:

- level of impairment of mortgages;
- loan to value ratio (LVR); and
- interest coverage; and
- rate of repayment.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses are written off against the allowance account when Home Loan Portfolio ceases action to collect the debt as it considers that it will not be cost effective to recover the debt.

(l) Investments

Short-term investments are held with the Territory Banking Account (TBA) in a unit trust called the Cash Enhanced Fund. The price of units in both these unit trusts fluctuates in value. The net gain or loss on investments consists of the fluctuation in price of the unit trust between the end of the last reporting period and the end of current reporting period as well as any profit on the sale of units in the unit trust (the profit being the difference between the price at the end of last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The short-term investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(m) Payables

Payables are a financial liability and are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

(n) Interest-Bearing Liabilities

Interest-bearing liabilities are financial liabilities and are measured at fair value when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

(o) Employee Benefits

Employee benefits include:

- short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services - wages and salaries, annual leave loading, and applicable on-costs;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

Home Loan Portfolio on-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(o) Employee Benefits – Continued

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employees take annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Home Loan Portfolio has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

(p) Superannuation

The Home Loan Portfolio makes payments on a fortnightly basis to the TBA to cover the Home Loan Portfolio's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The productivity component is paid directly to ComSuper by the Home Loan Portfolio. The CSS and PSS are defined benefit superannuation plan meaning that the defined benefits received by employees of the Home Loan Portfolio are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Superannuation employer contribution payments, for the CSS and PSS, are calculated by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS and PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

The Superannuation Provision Account (SPA) recognises the total Territory superannuation liability for the CSS and PSS, and ComSuper and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(p) Superannuation – Continued

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the SPA.

(q) Equity Contributed by the ACT Government

Contributions made by the ACT Government, through its role as owner of the Home Loan Portfolio, are treated as contributions of equity.

(r) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Home Loan Portfolio has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

- (i) *Allowance for Impairment Losses:* The Home Loan Portfolio has made a significant estimate in the calculation of the allowance for impairment losses for receivables. Due to the reduction in outstanding loans, the allowance for impairment losses was revised downward from \$1.6 million to \$1.4 million in 2014-15 prior to transferring the outstanding loans to CMTEDD during June 2015. The Home Loan Portfolio reviews the level of allowances for impairment losses yearly to ensure that the provisions are kept in line with changing circumstances to the borrowers.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 3 CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

Change in Accounting Estimates

The Home Loan Portfolio had no significant changes in accounting estimates during the reporting period.

Change in Accounting Policy

The Home Loan Portfolio had no changes in accounting policy during the reporting period.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 4 INTEREST

	2015 \$'000	2014 \$'000
Revenue from Non-ACT Government Entities		
Interest from Home Loan Borrowers*	72	101
Interest Received from Bank**	74	117
Total Interest Revenue from Non-ACT Government Entities	<u>146</u>	<u>218</u>
 Total Interest Revenue	 <u>146</u>	 <u>218</u>

* The decrease in 'Interest from Home Loan Borrowers' is due to a reduction in the number of home loan borrowers over the year (decreased from 72 loans to 59 loans). In addition, there was a reduction in the average interest rate received from home loan borrowers (from 5.94% in 2014 to 5.80% in 2015). The interest rate is aligned to the movement of the Commonwealth Bank of Australia Standard Variable Rate.

** The decrease in 2015 is due to a one off high interest amount received in 2014. The higher interest received in 2014 was due to the bank interest earned on the redemption of long term investments for a period before the fund was re-invested through the TBA.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 5 DISTRIBUTIONS FROM INVESTMENTS

	2015 \$'000	2014 \$'000
Revenue from ACT Government Entities		
Distribution from Investments - Fixed Interest Fund [*]	-	1,066
Distribution from Investments - Cash Enhanced Fund ^{**}	1,931	3,002
Total Distributions from Investments	<u><u>1,931</u></u>	<u><u>4,068</u></u>

* In early October 2013 the Portfolio shifted all its Fixed Interest Fund to Cash Enhanced Fund to reduce risk and optimise return. Hence, there were no distributions received from the Fixed Interest Fund during 2015.

** The decrease in 'Distribution from Investments - Cash Enhanced Fund' is the result of redemption of the Cash Enhanced Fund on 29 May 2015.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 6 OTHER REVENUE

	2015 \$'000	2014 \$'000
Revenue from Non-ACT Government Entities		
Reduction in the Allowance for Impairment Losses*	224	254
Total Other Revenue from Non-ACT Government Entities	<u>224</u>	<u>254</u>
Total Other Revenue	<u><u>224</u></u>	<u><u>254</u></u>

* The decrease in Other Revenue is due to a lower reduction in the allowance for impairment losses in 2015 (reduced from \$1.6m to \$1.4m) when compared to the reduction in 2014 (reduced from \$1.9m to \$1.6m).

NOTE 7 GAINS ON INVESTMENTS

Unrealised Gains on Investments with the Territory Banking Account		
- Cash Enhanced Fund*	1,580	-
Total Gains on Investments	<u>1,580</u>	<u>-</u>

* In 2015, there was an unrealised gain on investments with the TBA. This is due to an increase in market value of Cash Enhanced Fund in 2015. There was an unrealised loss on investments with the TBA in 2014. (See note 12 Other Expenses).

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 8 EMPLOYEE EXPENSES

	2015 \$'000	2014 \$'000
Employee Expenses	63	73
Annual Leave Expenses	(2)	(17)
Long Service Leave Expenses	(2)	(56)
Total Employee Expenses	59	-

The lower employee expense in 2014 was due to personnel change in the Portfolio. From 1 July 2015 the Portfolio will cease as a reporting entity. On-going activities of the Portfolio will be absorbed by the Revenue Management Division of the CMTEDD.

NOTE 9 SUPERANNUATION EXPENSES

Superannuation Contributions to the Territory Banking Account	7	10
Productivity Benefit	-	1
Total Superannuation Expenses	7	11

The decrease in Superannuation Expenses was due to personnel change in the Portfolio. From 1 July 2015 the Portfolio will cease as a reporting entity. On-going activities of the Portfolio will be absorbed by the Revenue Management Division of the CMTEDD.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 10 SUPPLIES AND SERVICES

There are several different expenses included within the expense category Supplies and Services. Agents and Bank Fees are expenses that are paid to Canberra Connect, Australia Post and Westpac Bank. Contractors and Consultants expenses comprise mainly of the payment for an external consultant for the review of the Home Loan Portfolio. Information and Communication Technology (ICT) expenses relate to the licence and maintenance support costs for the Information and Communication Technology (ICT) system used by the Home Loan Portfolio. It also includes voice charges and ICT equipment support provided by Shared Services ICT.

	2015 \$'000	2014 \$'000
Agents and Bank Fees	2	3
Audit Fees (refer to Note 15)	22	21
Contractors and Consultants *	7	22
Information and Communication Technology Services	23	18
Other	20	24
Total Supplies and Services	74	88

* Consultants were not engaged to review the Portfolio in 2015.

NOTE 11 BORROWING COSTS

Interest Expense on Commonwealth Borrowings	3,509	3,640
Total Borrowing Costs	3,509	3,640

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 12 OTHER EXPENSES

	2015 \$'000	2014 \$'000
Unrealised Loss on Investments with the Territory Banking Account		
- Cash Enhanced Portfolio*	-	12
Unrealised Loss on Investments with the Territory Banking Account		
- Fixed Interest Fund*	-	249
Total Loss on Investments	-	261

* In 2015 there was a net gain on investments with TBA (See note 7 Gains on Investments) whereas there was a net loss on investments with TBA in 2014.

NOTE 13 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. A waiver is the relinquishment of a legal claim to a debt over which the Home Loan Portfolio has control. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Home Loan Portfolio to recover the amount. The write-off of debts may occur for reasons other than waivers.

There were no waivers and impairment losses during the 2015 reporting period (nil in 2014). There was one write-off for a total amount less than \$5 during 2015 (two in 2014 for a total amount less than \$5).

NOTE 14 ACT OF GRACE PAYMENTS

Under Section 130 of the *Financial Management Act 1996* the Treasurer may, in writing, authorise Act of Grace Payments. Act of Grace payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the Government but have no legal claim to the payment.

There were no Act of Grace payments made during the 2015 reporting period pursuant to Section 130 of the *Financial Management Act 1996* (nil in 2014).

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 15 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Home Loan Portfolio by the ACT Audit Office.

	2015 \$'000	2014 \$'000
Audit Services		
Audit Fees Paid or Payable to the ACT Audit Office	22	21
Total Audit Fees	<u>22</u>	<u>21</u>

No other services were provided by the ACT Audit Office.

NOTE 16 CASH AND CASH EQUIVALENTS

The Home Loan Portfolio holds a bank account with the Wespac Banking Corporation as part of the whole-of-government banking arrangements. Interest is received on this account.

Cash at Bank	-	524
Total Cash and Cash Equivalents	<u>-</u>	<u>524</u>

From 1 July 2015 the Portfolio will cease as a reporting entity. All assets and liabilities were transferred to the TBA and the CMTEDD as of 30 June 2015.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 17 RECEIVABLES

	2015 \$'000	2014 \$'000
Current Receivables		
Accrued Revenue *	-	1,312
Loans Receivable **	-	299
Less: Allowance for Impairment Losses **	-	(240)
Total Current Receivables	<u>-</u>	<u>1,371</u>
Non-Current Receivables		
Loans Receivable **	-	1,755
Less: Allowance for Impairment Losses **	-	(1,409)
Total Non-Current Receivables	<u>-</u>	<u>346</u>
Total Receivables	<u><u>-</u></u>	<u><u>1,717</u></u>

* The decrease in 'Accrued Revenue' in 2015 is mainly due to the redemption of all investments with TBA in the last quarter 2015.

** From 1 July 2015 the Portfolio will cease as a reporting entity. All receivables were transferred to the CMTEDD as of 30 June 2015.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 17 RECEIVABLES - CONTINUED

Ageing of Receivables

	Not Overdue \$'000	Past Due			Total \$'000
		Less than 30 Days \$'000	30 to 60 Days \$'000	Greater than 60 Days \$'000	
2015	-	-	-	-	-
2014					
Not Impaired¹					
Receivables	1,655	-	-	62	1,717
Impaired					
Receivables	-	-	-	1,649	1,649

¹ 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

	2015 \$'000	2014 \$'000
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	1,649	1,903
Reduction in Allowance from Amounts Reassessed as Recoverable During the Reporting Period.	(224)	(254)
Reduction in Allowance from the transfer to the CMTEDD	(1,425)	-
Allowance for Impairment Losses at the End of the Reporting Period	-	1,649

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Accrued Revenue	-	1,303
Total Receivables with ACT Government Entities	-	1,303

Receivables with Non-ACT Government Entities

Accrued Revenue	-	9
Net Loan Receivables	-	405
Total Receivables with Non-ACT Government Entities	-	414
Total Receivables	-	1,717

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 18 INVESTMENTS

Short-term investments were held with the Territory Banking Account in the Cash Enhanced Fund. These funds are able to be withdrawn upon request.

From 1 July 2015 the Portfolio will cease as a reporting entity. As part of the cessation, the entire investment was redeemed in May 2015 and transferred to TBA.

	2015	2014
	\$'000	\$'000
Current Investments		
Investments with the Territory Banking Account - Cash Enhanced Fund	-	115,372
Total Current Investments	<u>-</u>	<u>115,372</u>

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 18 INVESTMENTS - CONTINUED

Reconciliation of Investments

The following table shows the movement of Investments during 2014-15

	Current Investments \$'000	Non-Current Investments \$'000
Carrying Amount at the Beginning of the Reporting Period	115,372	-
Unrealised Gains/(Losses) on Investments with Territory Banking Account	1,580	-
Transfer from Cash at Bank to Investments*	3,500	-
Transfer from Investments to Cash at Bank**	(120,452)	-
Carrying Amount at the End of the Reporting Period	-	-

* Excess funds in Cash at Bank were transferred to the Cash Enhanced Funds.

** \$2.5 million was transferred to the Territory for the expansion of public housing. \$117.952 million was transferred to the TBA.

The following table shows the movement of Investments during 2013-14

	Current Investments \$'000	Non-Current Investments \$'000
Carrying Amount at the Beginning of the Reporting Period	11,884	107,166
Unrealised (Losses)/Gains on Investments with the Territory Banking Account	(12)	(249)
Transfer from Cash at Bank to Investments*	109,000	-
Transfer from Investments to Cash at Bank**	(5,500)	(106,917)
Carrying Amount at the End of the Reporting Period	115,372	-

* Excess funds in Cash at Bank were transferred to Cash Enhanced Funds.

** The transfer from the Cash Enhanced Fund was used to make the instalment payment for the Commonwealth loan and to transfer to the Territory for the expansion of public housing.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 19 PAYABLES

	2015 \$'000	2014 \$'000
Current Payables		
Accrued Expenses	-	26
Total Current Payables	<u>-</u>	<u>26</u>
Total Payables	<u>-</u>	<u>26</u>
 Payables are aged as follows:		
Not Overdue	-	26
Total Payables	<u>-</u>	<u>26</u>
 Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Accrued Expenses	-	26
Total Payables with ACT Government Entities	<u>-</u>	<u>26</u>
 Payables with Non-ACT Government Entities		
Accrued Expenses	-	0
Total Payables with Non- ACT Government Entities	<u>-</u>	<u>0</u>
Total Payables	<u>-</u>	<u>26</u>

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 20 INTEREST-BEARING LIABILITIES

There are no formal credit facilities in place for the Home Loan Portfolio with the Territory's appointed transactional bank.

The Home Loan Portfolio has Commonwealth Government borrowings which were transferred to the ACT Government from the Commonwealth shortly after self-government. These borrowings are being repaid to the Commonwealth as principal and interest repayments. There are 13 separate loans from the Commonwealth all of which will be paid off on or before the end of 2040.

	2015 \$'000	2014 \$'000
Current Interest-Bearing Liabilities		
Unsecured		
Commonwealth Borrowings	-	3,021
Total Current Unsecured Interest-Bearing Liabilities	<u>-</u>	<u>3,021</u>
Total Current Interest-Bearing Liabilities	<u>-</u>	<u>3,021</u>
Non-Current Interest-Bearing Liabilities		
Unsecured		
Commonwealth Borrowings	-	74,966
Total Non-Current Unsecured Interest-Bearing Liabilities	<u>-</u>	<u>74,966</u>
Total Non-Current Interest-Bearing Liabilities	<u>-</u>	<u>74,966</u>
Total Interest-Bearing Liabilities	<u><u>-</u></u>	<u><u>77,987</u></u>

From 1 July 2015 the Portfolio will cease as a reporting entity. Total interest bearing liabilities were transferred to the TBA as of 30 June 2015.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 21 EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Current Employee Benefits		
Annual Leave	-	3
Long Service Leave	-	2
Accrued Salaries	-	3
Total Current Employee Benefits	<u>-</u>	<u>8</u>
Total Employee Benefits	<u>-</u>	<u>8</u>
The decrease of employee benefits are due to personnel change in the Portfolio.		
Estimate of when Leave is Payable (For Disclosure Purposes Only)		
Estimated Amount Payable within 12 Months		
Annual Leave	-	3
Accrued Salaries	-	3
Total Employee Benefits Payable within 12 Months	<u>-</u>	<u>6</u>
Estimated Amount Payable after 12 Months		
Long Service Leave	-	2
Total Employee Benefits Payable after 12 Months	<u>-</u>	<u>2</u>
Total Employee Benefits	<u>-</u>	<u>8</u>

From 1 July 2015 the Portfolio will cease as a reporting entity. On-going duties of the Portfolio will be absorbed by the Revenue Management Division of the CMTEDD.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 22 FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 *Summary of Significant Accounting Policies*.

From 1 July 2015 the Portfolio will no longer be prescribed as a separate reporting entity under the *Financial Management Act 1996* (FMA). The activities of the Portfolio will be reflected in the TBA and the CMTEDD.

All Assets and Liabilities of the Portfolio were transferred to the TBA and the CMTEDD as of June 2015.

30 June 2014	Profit/Loss Impact	Equity Impact	Profit/Loss Impact	Equity Impact
	\$'000	\$'000	\$'000	\$'000
UBSWA Bank Bill Index (\pm 0.3%)	(346)	(346)	346	346
Total (Decrease)/Increase	(346)	(346)	346	346

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2015 \$'000	Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Fair Value 2014 \$'000
Financial Assets				
Cash and Cash Equivalents	-	-	524	524
Investments	-	-	115,372	115,372
Receivables	-	-	1,717	1,717
Total Financial Assets	-	-	117,613	117,613
Financial Liabilities				
Payables	-	-	26	26
Commonwealth Borrowings	-	-	77,987	80,946
Total Financial Liabilities	-	-	78,013	80,972

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 22 FINANCIAL INSTRUMENTS - CONTINUED

Fair Value Hierarchy

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table below. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the table below.

All Assets and Liabilities of the Portfolio were transferred to the TBA and the CMTEDD as of June 2015.

2014	<u>Classification According to Fair Value Hierarchy</u>			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets				
Investment with the Territory Banking Account - Cash Enhanced Fund	-	115,372	-	115,372
Investment with the Territory Banking Account - Fixed Interest Fund	-	-	-	-
	-	115,372	-	115,372

Transfer Between Categories

There have been no transfers of financial assets or financial liabilities between Level 1 and Level 2 during the reporting period.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 22 FINANCIAL INSTRUMENTS - CONTINUED

From 1 July 2015 the Portfolio will cease as a reporting entity. All Assets and Liabilities were transferred to TBA and CMTEDD as of 30 June 2015.

The following table sets out the Home Loan Portfolio's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2014. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

		Fixed Interest Maturing In:							
Note	Weighted Average Interest Rate	Floating Interest Rate \$'000	Over 1 Year to 5 Years \$'000			Over 5 Years \$'000	Non-Interest Bearing \$'000		
			1 Year or Less \$'000					Total \$'000	
Financial Instruments									
Financial Assets									
16	3.17%	524	-	-	-	-	-	524	
18		-	-	-	-	-	115,372	115,372	
17	6.31%	405	-	-	-	-	1,312	1,717	
Total Financial Assets		929	-	-	-	-	116,684	117,613	
Financial Liabilities									
19		-	-	-	-	-	26	26	
20	4.50%	-	6,530	26,122	83,731	-	-	116,383	
Total Financial Liabilities		-	6,530	26,122	83,731	-	26	116,409	
Net Financial Assets/(Liabilities)		929	(6,530)	(26,122)	(83,731)	-	116,658	1,204	

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 22 FINANCIAL INSTRUMENTS - CONTINUED

	2015 \$'000	2014 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets at Fair Value through the Profit and Loss		
Designated upon Initial Recognition	-	115,372
Loans and Receivables measured at Amortised Cost	-	1,717

Financial Liabilities

Financial Liabilities Measured at Amortised Cost	-	78,013
--	---	--------

The Home Loan Portfolio does not have any financial assets in the 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above. Also, the Home Loan Portfolio does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

Net Gain/(Loss) on Each Category of Financial Asset and Financial Liability

Net Gains/(Loss) on Financial Assets

Financial Assets at Fair Value through the Profit and Loss		
Designated upon Initial Recognition	1,580	(261)

NOTE 23 COMMITMENTS

Other Commitments

Other commitments, for software licences, support and maintenance, contracted at reporting date that have not been recognised as liabilities as follows:

	2015 \$'000	2014 \$'000
Within one year	-	1
Later than one year but not later than five years	-	2
Total Other Commitments	<u>-</u>	<u>3</u>

NOTE 24 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no Contingent Liabilities and Contingent Assets as at 30 June 2015 (nil as at 30 June 2014).

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 25 CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.

	2015 \$'000	2014 \$'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	-	524
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	<u>-</u>	<u>524</u>

(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating (Deficit)/Surplus

Operating Surplus	232	540
Add/(Less) Non-Cash Items		
Decrease in Liabilities from Administrative Restructure	1	-
(Decrease) in Assets from Administrative Restructure	(235)	-
Add/(Less) Items Classified as Investing or Financing		
Unrealised (Gain)/Loss on Investments	(1,580)	261
Repayment of Loans Received	(401)	(664)
Cash Before Changes in Operating Assets and Liabilities	<u>(1,983)</u>	<u>137</u>
Changes in Operating Assets and Liabilities		
Decrease in Receivables	1,717	847
(Decrease)/Increase in Payables	(26)	(15)
(Decrease)/Increase in Employee Benefits	(8)	(73)
Net Changes in Operating Assets and Liabilities	<u>1,683</u>	<u>759</u>
Net Cash (Outflows)/Inflows from Operating Activities	<u>(300)</u>	<u>896</u>

NOTE 26 EVENTS OCCURRING AFTER BALANCE DATE

From 1 July 2015 the Portfolio will no longer be prescribed as a separate reporting entity under the FMA. From 1 July 2015 the activities of the Portfolio will be reflected in the CMTEDD financial statements and the TBA.

Home Loan Portfolio
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

NOTE 27 BUDGETARY REPORTING - EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL BUDGET AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

(a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and

(b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Operating Statement Line Items	Actual	Original	Variance	Variance Explanation
	2014-15 \$'000	Budget ¹ 2014-15 \$'000	\$'000 %	
Distribution from Investments with the Territory Banking Account	1,931	2,816	-885 -31%	Variance was a result of the redemption of Cash Enhanced Fund earlier than budgeted. Quarter four 2015 distribution was not received from the TBA.
Other Revenue	224	356	-132 -37%	Variance was due to lower than anticipated other revenue.

Cash Flow Statement Line Items	Actual	Original	Variance	Variance	Variance Explanation
	2014-15 \$'000	Budget ¹ 2014-15 \$'000	\$'000	%	
Proceeds from Sale/Maturity of Investments	120,452	5,381	115,071	2138%	Variance was due to the redemption of entire Cash Enhanced Fund (\$117.952m) with the TBA as a part of the cessation of the Portfolio.
Payment transferred Cash Balances	112,056	-	112,056	-	Variance was due to the transfer of cash to the TBA and the CMTEDD as a part of the cessation of the Portfolio.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED

30 JUNE 2015

HOME LOAN PORTFOLIO

REPORT OF FACTUAL FINDINGS

HOME LOAN PORTFOLIO

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Home Loan Portfolio has been reviewed.

Responsibility for the statement of performance

The Under Treasurer is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results of accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Home Loan Portfolio, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicator reported in the statement of performance or the related performance target.

No opinion is expressed on the accuracy of the explanation provided for the variation between actual and targeted performance due to the often subjective nature of the explanation.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the statement of performance. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicator, reported in the statement of performance of the Home Loan Portfolio for the year ended 30 June 2015, is not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Malcolm Prentice
Acting Director, Financial Audits
20 August 2015

**Home Loan Portfolio
Financial Statements
For the Year Ended 30 June 2015**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Home Loan Portfolio's records and fairly reflects the service performance of the Home Loan Portfolio for the year ended 30 June 2015 and also fairly reflects the judgements exercised in preparing them.



David Nicol

Under Treasurer, Chief Minister, Treasury and Economic Development Directorate
Delegate for the Housing Commissioner

24 July 2015

**HOME LOAN PORTFOLIO
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015**

Output Class 1:	HOME LOAN PORTFOLIO
Output 1.1:	HOME LOAN PORTFOLIO
Description:	<p>Home Loan Portfolio provides for the administration of the Home Loan Portfolio in line with the loan and deferral agreements between the Commissioner for Social Housing and the borrowers.</p> <p>In 2014-15 the Home Loan Portfolio will:</p> <ul style="list-style-type: none"> manage the remaining outstanding loans; and comply with the Commonwealth Government's loan repayment schedule.

	Target 2014-15	Actual Result 2014-15	% Variance	Explanation of Material Variances
Accountability Indicators				
a. Administration cost per home loan managed ¹	\$3,020	\$2,366	-22%	The reduction in the number of home loans requires fewer staff resources.

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Measures
1. The administration cost per home loan excludes cost of Commonwealth loans. The ratio of total expenses (employee expenses, superannuation expenses and supplies and services) to number of loans managed.

The above Accountability Indicator was examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

ACN 017 257 504 LIMITED

(Formerly known as ACTTAB Limited)

ABN 98 071 257 504

ANNUAL REPORT

2014-2015

A. Transmittal Certificate

ACN 071 257 504 Limited

Mr Andrew Barr MLA
Treasurer
ACT Legislative Assembly
London Circuit
Canberra ACT 2601

Dear Treasurer

Transmittal Certificate

I am pleased to present the Annual Report for ACN 071 257 504 Limited (formerly known as ACTTAB Limited) for 2014-15. This will be the final report for ACN 071 257 504 Limited.

The business of ACTTAB Limited was sold on 14 October 2014 and as a consequence of the transfer of the ACTTAB brand to the new owner the name of the company was changed to ACN 071 257 504 Limited on 11 November 2014.

An application to deregister the company was submitted to the Australian Securities and Investment Commission (ASIC) on 14 May 2015 and the deregistration is expected to be completed on 19 July 2015. This report covers the period from 1 July 2014 to 30 June 2015. The audited financial statements are for the seven months from 1 July 2014 to 31 January 2015.

This Report has been prepared under section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

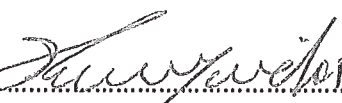
It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by ACN 071 257 504 Limited.

I certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of ACN 071 257 504 Limited during the period 1 July 2014 to 30 June 2015 has been included.

I hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standards, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within four months of the end of the financial year.

Yours sincerely,

Signed  and dated 7th July 2015.....

Chairman of the ACN 071 257 504 Limited Board

B. Organisation Overview and Reporting

B.1 Organisational Overview

Role, functions and services

Up to 14 October 2014 ACTTAB Limited was a Territory-owned Corporation, subject to the *Territory-owned Corporations Act 1990*. The Corporation's shareholders comprised the ACT Chief Minister and the Deputy Chief Minister.

On 14 October 2014 the business of ACTTAB Limited was sold to Tabcorp Holdings Limited and ACTTAB Limited was excluded from the application of the *Territory-owned Corporations Act 1990* on 10 November 2014. The company name of ACTTAB Limited was changed to 'ACN 071 257 504 Limited' on 11 November 2014 and the ACTTAB Constitution was amended to remove the link to the *Territory-owned Corporations Act 1990*.

When it was sold ACTTAB's principal function was to provide totalisator services, together with other gaming and wagering services. The Corporation was a licensed Sports Bookmaker and also provided Keno and Trackside products. The Corporation delivered its products and services through an extensive retail network of agencies, sub-agencies and branches. The Corporation delivered products and services to account customers by telephone and the internet. The Corporation's principal stakeholders were the ACT Community.

The Corporation was regulated by the *Totalisator Act 2014*, the *Gambling and Racing Control Act 1999* and the *Race and Sports Betting Act 2001*.

Although the business ceased undertaking was transferred to Tabcorp on 14 October 2014, it was necessary to retain the company form as a registered company under the *Corporations Act 2001*, until all outstanding residual obligations had been resolved.

An application to deregister the company was submitted to ASIC on 14 May 2015 which is expected to be completed on 19 July 2015.

Organisational structure

On the sale completion date all staff ceased to be employed by the company.

The Board agreed to remain with the company until it was deregistered. After the sale the Board was supported by a contracted person to assist with the completion of the accounts together with an officer of the Chief Minister, Treasury and Economic Development Directorate, who carried out the duties of the Company Secretary on a part time basis to manage the remaining residual obligations of the company.

Commercial Objectives

The principle commercial objective of the company in 2014-15, was to assist the ACT Government in achieving each of the sale objectives, including obtaining a fair and reasonable price while

continuing to manage the business affairs of the company during the sale process and any subsequent transition period.

This objective was met by observing the following:

- Working collaboratively with the Shareholders, Government officials and the preferred bidders to ensure a successful sale and a smooth transition of the business;
- Maintaining co-operative and productive relationships with the racing industry, sporting bodies, licensed clubs and hotels to promote the company's market, products and services;
- Exercising reasonable care and diligence in ensuring the company is wound down cost effectively;
- Ensuring that company staff are treated fairly and equitably;
- Ensuring the company did not trade insolvently; and
- Ensuring the Voting Shareholders were adequately informed about aspects of the sale and the timing for deregistration.

Internal Accountability

The company Executive Management team was comprised of the following positions up until 14 October 2014:

- Chief Executive – Mr Tony Curtis PSM;
- Executive Manager, Information & Communications Technology – Mr David Stewart;
- Executive Manager, Wagering & Sports Betting – (Nominal – Ms Riansa van der Westhuizen);
- Executive Manager, Finance & Business Services – Ms Kayelene Snowden; and
- Executive Manager, People & Business Support – Ms Riansa van der Westhuizen.

From 14 October 2014 the executive support team was made up of:

- Chief Operating Officer – Mr Anthony Johnston (under contract to the Board); and
- Company Secretary – Mr Phil Liddicoat (on part time secondment from ACT Government)

Executive remuneration was determined by the ACTTAB Board.

Board of Directors

As at 30 June 2015 the ACN 071 257 504 Limited Board consisted of three non-executive members including a Chairperson, a Deputy Chairperson and one other member. Directors of ACN 071 257 504 company were appointed by the Voting Shareholders under the provisions of section 12 of the *Territory-owned Corporations Act 1990*. Directors are appointed for a specified term.

The Directors of ACN 071 257 504 Limited at 30 June 2015 were:

Chair	Mr Con Kourpanidis
Deputy Chair	Mr Ted Quinlan AM
Director	Dr Robyn Hardy

The qualifications and experience of each Director of ACTTAB is detailed below:

Mr Con Kourpanidis (Chair)

(Appointed: 1 July 2002)

Qualifications: Bachelor of Arts, Bachelor of Law

Experience: Mr Kourpanidis is a lawyer and successful Canberra businessman. Prior to acquiring a number of franchises in the retail food industry in the Australian Capital Territory, Mr Kourpanidis was a partner in a local law firm specialising in commercial, banking and finance law. Mr Kourpanidis has held a number of board and committee positions.

Mr Ted Quinlan, AM (Deputy Chair)

(Appointed: 11 October 2006)

Qualifications: Bachelor of Arts (Accounting), FCPA,

Experience: Mr Quinlan is a former Member of the ACT Legislative Assembly, having filled the roles of Deputy Chief Minister, Treasurer, and Minister for Gambling and Racing, among others. Mr Quinlan is a former Deputy Chief Executive of ACTEW, rising through the ranks of that organisation over some sixteen years. Mr Quinlan has been active in the community as president of several licensed and sporting clubs and a board member of community organisations.

Dr Robyn Hardy (Director)

(Appointed: 1 September 2011)

Qualifications: Bachelor of Economics; Diploma of Education; Master of Public Policy; Doctorate of Philosophy; MCIPS; MAICD; MAIPM

Experience: Ms Hardy is currently a part-time Lecturer at the University of Canberra, Faculty of Business and Government and was formerly employed with the ACT Government as the Executive Director, Shared Services Procurement, Treasury Directorate. Dr Hardy has extensive experience in government procurement and was responsible for leading a Division of approximately 130 staff providing goods, services and works procurement and project management services to ACT Government agencies. Dr Hardy also held various positions in the ACT Government and Commonwealth Government, including the ACT Chief Minister's Department and Treasury, and the Commonwealth Treasury, Senate Committee Office and the Departments of Finance and Administration; Community Services and Health; Resources and Energy; and Industry and Commerce.

Up to the point of sale the Board of Directors met on a monthly basis and required a quorum of three Directors, one of whom must be the Chair or the Deputy Chair. Post sale the Board met as required. To meet operational requirements the Board also convened special meetings or teleconferences or circulated resolutions out of session.

Audit Committee

Up to 14 October 2014 the company retained an active Audit Committee. On the sale of the business it was decided that the remaining shell company did not require a separate Audit Committee and the Board as a whole undertook that role until deregistration.

B.2 Performance Analysis

The Company continued with business as usual for the three and a half months up to the point of transfer to Tabcorp on 14 October 2014. Whilst overall turnover for that period was up on the previous year, this was mainly attributed to the increased trend in sportsbookmaking. Racing turnover was down and the trend in pari-mutuel racing continued downwards.

B.3 Scrutiny

No specific Ombudsman enquiry was undertaken on ACN 071 257 504 Limited.

The Auditor-General provided a performance Audit report into the sale of ACTTAB to the Speaker on 26 June 2015 for tabling in the Legislative Assembly. The report is titled Performance Audit Report: Sale of ACTTAB, Report no 07/2015 June 2015.

No specific enquiry by the Legislative Assembly was undertaken on ACN 071 257 504 Limited during the reporting period.

B.4 Risk Management

A Strategic Risk Management Plan was used to identify and manage risk. PricewaterhouseCoopers (PwC) were appointed as the Corporation's Internal Auditors for three years in January 2013.

A number of significant risks were managed during the reporting period. Mitigation strategies were aimed at:

- Achieving a timely sale of the business;
- Minimising disruption of Business during the sale process including loss of key staff;
- Minimising any reduction in turnover due to softer retail trading conditions, VIP volatility and increased competition from corporate bookmakers;
- Managing any industrial unrest that could disrupt the sale process;
- Achieving specified sale objectives; and
- Reducing any compromise of Probity surrounding the sale.

B.5 Internal Audit

Under the Audit Committee Charter the Audit Committee was charged with the responsibility of setting the terms of reference for the internal audit function, approving an internal audit plan and supervising the implementation of the internal audit plan function more generally.

For the short period that the company was operating from 1 July to 14 October 2014 there were no new internal audit reviews undertaken.

B.6 Fraud Prevention

ACN 071 257 504 Limited company continued to operate under the Corporation's Fraud and Corruption Prevention Plan.

No reports or allegations of fraud or corruption had been received during the reporting period.

B.7 Work Health and Safety

The Corporation was committed to ensuring workplace health and safety. Up to 14 October 2014 there was a Health and Safety Committee which met regularly and offered consultative opportunities for all staff, staff inductions, workplace audits across Head Office and all retail outlets and First Aid training for Safety Representatives.

The Company facilitated a consultative working environment up until the transfer of the business to Tabcorp through weekly operational meetings (with representation from all Divisions); a joint union, staff and management consultative committee; and continued standing of designated representatives for work safety, harassment and bullying.

There were trained Health and Safety Representatives across the Corporation, covering all corporate, shift work, retail, and facilities management areas.

The company is not aware of any notices issued under Part 10 or Part 11 of the *Work Safety Act 2011* or of any findings of a failure to comply with a safety duty under Part 2 of the Act.

There had been one open compensation claim during the year, in respect of an employee whose rehabilitation is ongoing. This employee took up an employment offer with Tabcorp who has assumed responsibility for the management of this Comcare case.

B.8 Human Resources Management

With only three and a half months of trading the focus was on transitioning the staff and assets to Tabcorp and continuing to provide assistance to staff with their future employment options. All staff ceased employment with the company on 14 October 2014 and with the exception of several staff who resigned or were made redundant, the rest were offered and accepted employment with Tabcorp.

Learning and Development

With only three and a half months of company activity the focus was on transitioning the staff and assets to Tabcorp with further training as necessary in relation to the ongoing running of the business. During this period staff were provided with advice and support in relation to their future employment options.

Workplace Relations

The company's workplace relations were based on a negotiated Enterprise Agreement which governed terms and conditions for all staff, other than Branch (retail outlet) Managers, Executive Officers and the Chief Executive Officer, all of whom are engaged under common law employment contracts.

Workforce Staffing Profile

As at the last pay date in June (28 June 2014) the paid headcount of ACTTAB was 101 and the Full Time Equivalent (FTE) was 68.42 as shown in the following tables. At 14 October 2014 there were nil staff. With the exception of four Executives and eight Branch Managers who were employed under individual common law contracts, the company staff were employed in accordance with the ACTTAB Limited Enterprise Agreement 2011-2014, which was approved by the Commonwealth Government Fair Work Australia in October 2011.

The staffing profile of ACTTAB as at 30 June 2014 was:

FTE and headcount by gender

	Female	Male	Total
Full Time Equivalent	32.6	35.8	68.4
Headcount	48	53	101
Percentage of workforce (based on headcount)	47.52%	52.48%	100%

Headcount by classification and gender

Classification groups	Female	Male	Total
Administration Officers	7	0	7
Customer Service Officer	28	28	56
Executives	2	2	4
Supply & Maintenance Officer	0	1	1
Managers	2	6	8
Branch Managers	5	3	8

Programmers	1	4	5
Raceday control Officers	3	6	9
Service Technicians	0	3	3
TOTAL	48	53	101

Headcount by employment category and gender

Employment category	Female	Male	Total
Casual	19	29	48
Permanent Full-time	16	21	37
Permanent Part-time	12	3	15
Temporary Full-time	1	0	1
Temporary Part-time	0	0	0
TOTAL	48	53	101

FTE and headcount by division/branch

Division/branch	FTE	Headcount
Chief Executives Office	1.5	2
Wagering & Sports Betting	46.2	78
Information & Communications Technology	11.9	12
Finance & Business Support	3.7	4
People & Business Support	5	5
Total	68.4	101

Headcount by division/branch and employment type

Division/branch	Permanent	Temporary	Casual
Chief Executives Office	1	0	1
Wagering & Sports Betting	32	0	46
Information & Communications Technology	11	0	1
Finance & Business Support	3	1	0
People & Business Support	5	0	0
Total	52	1	48

Headcount by age group and gender

Age Group	Female	Male	Total
Under 25	11	17	28
25-34	4	13	17
35-44	10	10	20
45-54	13	8	21
55 and over	5	10	15

Headcount by length of service, generation and gender

Length of service (years)	Pre-Baby Boomers		Baby Boomers		Generation X		Generation Y		Total	
	F	M	F	M	F	M	F	M	F	M
0-2	0	0	0	2	3	2	10	8	13	12
2-4	0	0	0	0	1	3	3	9	4	12
4-6	0	0	2	1	2	0	0	5	4	6
6-8	0	0	0	1	4	7	1	4	5	12
8-10	0	0	1	1	2	1	1	3	4	5
10-12	0	0	1	2	0	0	0	1	1	3
12-14	0	0	0	0	3	0	0	0	3	0
14 plus	0	0	11	1	2	3	0	0	13	4

Note: the following information can be presented as notes to the foregoing table

Headcount by diversity group

	Headcount	Percentage of agency workforce
Aboriginal and Torres Strait Islander	0	0
Culturally and Linguistically Diverse	0	0
People with disability	0	0

Note: Employees may identify with more than one of the diversity groups.

B.9 Ecologically Sustainable Development

Due to the short time of operations up the point of sale on 14 October 2014 this information not recorded.

C. Financial Management Reporting

C.1 Financial Management Analysis

Due to the wind down of the company and the transfer of the main business undertaking to Tabcorp after three and a half months of normal operations, direct comparisons of agency and financial performance between the current and the previous financial year have limited relevance.

The audited Financial Statements at C.2 are for the period 1 July 2014 to 31 January 2015 and the financial result for the period to 31 January 2015 was an operating profit of \$700,417 (not including the sale proceeds) compared to an operating profit of \$700,338 for 2013-14.

The sale proceeds of \$105,500,000 have been accounted for by a portion being attributed to the assets and liabilities of the company valued at \$58,709,758 with the remaining proceeds of \$46,790,242 being treated as a payable to the ACT Government attributable to the sale of the various wagering licences and associated undertakings (refer pages 3, 4, 11, Note 1.T (v) and Note 17 of the Financial Statements).

The remaining shell company was subsequently wound up with the sale proceeds and remaining surplus cash from ACTTAB operations distributed to the Territory and an application made to ASIC on 14 May 2015 to have the company deregistered, which is expected to be completed on 19 July 2015.

Subsequent to the Financial Statements to 31 January 2015, cash transactions occurring between 1 February and 21 July 2015 are summarised as follows:

	\$ (rounded)
Cash at Bank as at 31 January 2015 (as per page 11 of the Financial Statements)	110,640,425
Add Receipts-1 February to 21 July 2015	
Bank Interest	496,201
Miscellaneous Receipts	104,028
Total Receipts	600,229
Less Expenses-1 February to 21 July 2015	287,723
Net Revenues available for distribution to the ACT Government	110,952,931
Paid to ACT Government as follows:	
Sale Proceeds	105,500,000
Interest on Sale Proceeds	1,354,015
2013-14 and 2014-15 Dividends on ordinary operations	1,400,755
Remaining Surplus Cash from ACTTAB Operations	2,698,161
TOTAL DISTRIBUTIONS TO ACT GOVERNMENT	110,952,931

ACN: 071 257 504 LIMITED
(formerly known as ACTTAB LIMITED)
ABN: 98 071 257 504

FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 JANUARY 2015

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INDEPENDENT AUDITOR'S REPORT

These financial statements cover the separate financial statements of ACN: 071 257 504 Limited (formerly known as ACTTAB Limited). The financial statements are presented in the Australian currency.

ACN: 071 257 504 Limited is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Company's operations and its principal activities is included in the Directors' report on pages 2 to 7, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 7 April 2015. The Directors have the power to amend and re-issue the financial statements.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504
DIRECTORS' REPORT

The Directors present their report on ACN: 071 257 504 Limited (formerly known as ACTTAB Limited) for the financial period from 1 July 2014 to 31 January 2015 (the financial period).

Directors

The following persons were Directors of ACN: 071 257 504 Limited during the financial period or up to the date of this report:

Title	Name
Mr	C Kourpanidis
Mr	T Quinlan AM
Dr	R Hardy
Mr	A Curtis PSM
Mrs	K Snowden

The above named directors held office during the whole of the financial period and since the end of this period except for: Mr A Curtis who ceased being a director on 19 August 2014 and Mrs K Snowden was a director for the period from 20 August 2014 to 14 October 2014.

Company Secretary

The Company Secretary is Mr P Liddicoat. Mr Liddicoat commenced as Secretary on 14 October 2014.

Principal Activities

The principal activities of ACN: 071 257 504 Limited during the financial period were the provision of Totalisator Betting services, ACTTAB Sportsbet, ACTTAB Keno and ACTTAB Trackside.

The business of the Company, together with licences and approvals to provide Totalisator Betting and Sportbet, Keno and Trackside services issued by the ACT Government, were sold on 14 October 2014 and the Company ceased operating as a Totalisator Betting service on that date.

Following the sale of the assets the Company changed its name from ACTTAB Limited to ACN: 071 257 504 Limited.

Operating Results

ACN: 071 257 504 Limited's net profit for the financial period, after providing for income tax expense, was \$47,967,000. (2014: \$701,000).

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504
DIRECTORS' REPORT

Review of Operations

A summary of the revenue and results is set out below:

	From 1 July 2014 to 31 January 2015 \$000	Year ended 30 June 2014 \$000
Revenue	9 666	29 063
Gain recognised on disposal of business	47,266	-
Total revenue	<u>56 932</u>	<u>29 063</u>
Profit before income tax credit/(expense)	47 685	1 105
Income tax credit/(expense)	282	(404)
Profit for the financial period/year	<u>47 967</u>	<u>701</u>
Payments made and provided for to the ACT Government		
Final Dividend 2014-15 net profit provided for	700	701
Payable to ACT Government from payment received on sale of the business attributable to the licences and associated undertakings	46 790	-
Tax equivalent (credit received)/payments made and provided for	<u>(282)</u>	<u>404</u>
Total payments made and provided for to the ACT Government	<u>47 208</u>	<u>1 105</u>

Profit for the year increased from prior year due mainly to the gain on sale of assets and liabilities from discontinued operations.

Significant Changes in the State of Affairs

A process for the sale of the assets and liabilities of ACN: 071 257 504 Limited commenced during the 2014 financial year resulting in the completion of the sale of the business on 14 October 2014.

Land and buildings, other assets and liabilities together with licences to provide Totalisator Betting services issued by the ACT Government acquired by Tabcorp, are disclosed in Note 17 as Assets and Liabilities sold (\$11,443,619).

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504
DIRECTORS' REPORT

The gain of \$47,266,139 on the sale of the business has been calculated based on the fair value of assets and liabilities purchased on 14 October 2014 with the remaining proceeds of \$46,790,242 being treated as a payable to ACT Government from payment received on sale of the business attributable to the licences and associated undertakings. The payable is due to the ACT Government because ACN: 071 257 504 Limited received this portion of the sale proceeds on behalf of the ACT Government. Please see Note 17 Assets and Liabilities Sold of the financial statements for details.

All ACN: 071 257 504 Limited employees have either transferred to Tabcorp or ceased employment on 14 October 2014. At the date of this report ACN: 071 257 504 Limited has no employees.

Matters Subsequent to the 31 January 2015

The Company is to be wound up through the process of a voluntary deregistration. The process is expected to be completed by 30 June 2015.

All remaining assets and liabilities remaining will be distributed to the ACT Government prior to winding up.

Dividends

The directors have recommended the payment of a final dividend of \$700,417 out of profit as at 31 January 2015 (2014: \$701,000).

Environmental Regulation

ACN: 071 257 504 Limited's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)

ABN: 98 071 257 504

DIRECTORS' REPORT

Information on Directors

Mr C Kourpanidis	
Qualifications	Bachelor of Arts, Bachelor of Law
Experience and Expertise	Chairman from 1 July 2002, Businessman
Special Responsibilities	Non-Executive Chairman (1 July 2002 – current)
Mr T Quinlan, AM	
Qualifications	Bachelor of Arts (Accounting), FCPA
Experience and Expertise	Deputy Chairman from 11 July 2006, Company Director
Special Responsibilities	Non-Executive Deputy Chairman,
	Chair, Audit Committee, (25 May 2010 – 1 August 2010), Member Audit Committee (20 June 2013 – current)
Dr R Hardy	
Qualifications	Bachelor of Economics, Diploma of Education, Master of Public Policy, Doctorate of Philosophy, MCIPS, MAICD, MAIPM
Experience and Expertise	Director from 1 September 2011, University Lecturer
Special Responsibilities	Chair, Audit Committee, (20 December 2011 – current)
Mr A Curtis PSM	
Qualifications	Graduate Certificate In Applied Management
Experience and Expertise	Director from 20 August 2013 – 19 August 2014, Chief Executive Officer
Special Responsibilities	Executive Director (until 19 August 2014)
Mrs K Snowden	
Qualifications	BComm, FIPA, MAICD, GIA (Cert)
Experience and Expertise	Director from 20 August 2014 – 14 October 2014, Executive Manager, Finance and Business Services, a qualified accountant and worked for ACTTAB for over 7 years.
Special Responsibilities	Executive Director

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)

ABN: 98 071 257 504

DIRECTORS' REPORT

Meetings of Directors

The number of meetings of the Company's Board of Directors and each board committee held during the period ended 31 January 2015 and the number of meetings attended by each Director were:

	Board Meetings		Audit Committee Meetings	
	A	B	A	B
Mr C Kourpanidis	6	6	*	*
Mr T Quinlan AM	5	6	1	1
Dr R Hardy	6	6	1	1
Mr A Curtis PSM	3	3	*	*
Mrs K Snowden	1	1	1	1

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

* = Not a member of the relevant committee

Insurance of Officers

During the financial period, ACN: 071 257 504 Limited paid a premium of \$7,754 (2014: \$9,235) to insure the Directors and officeholders of the Company. In addition a premium of \$33,253 was paid for a seven year Directors and Officers Liability Run Off Insurance policy to insure the Directors and officeholders of the Company from 30 September 2014 to 30 September 2021.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers and any other payments arising from liabilities incurred by officers in connection with such proceedings.

Indemnity of Officers

ACN: 071 257 504 Limited has indemnified directors and officers of the corporation against liabilities and legal costs arising in the course of their duties to the extent permitted by the *Corporations Act 2001*.

No liability has arisen under these indemnities as at the date of this report.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504
DIRECTORS' REPORT

Proceedings on Behalf of ACN: 071 257 504 Limited

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.


Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 44.

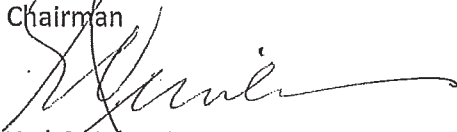
Rounding of Amounts

ACN: 071 257 504 Limited is an entity to which the Australian Securities and Investment Commission (ASIC) Class Order 98/100 applies and accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars.

This report is made in accordance with a resolution of the Directors.



Con Kourpanidis
Chairman



Ted Quinlan AM
Deputy Chair

Dated this ____7th__ day of ____April____ 2015.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2015

	Note No.	31 January 2015 \$ '000	30 June 2014 \$ '000
Revenue from continuing operations	3	-	200
Expenses	4	-	-
Profit from continuing operations before income tax		-	200
Income tax expense	5	-	(60)
Profit for the year from continuing operations after income tax		-	140
Revenue from discontinued operations	3	9 666	28 863
Gain recognised on sale of assets and liabilities	17	47 266	-
Expenses	4	(9 247)	(27 958)
Profit from discontinued operations before income tax		47 685	905
Income tax credit/(expense)	5	282	(344)
Profit for the year from discontinued operations after income tax		47 967	561
Total comprehensive income attributable to the members of ACN: 071 257 504 Limited		47 967	701

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2015

	Note	31 January 2015	30 June 2014
	No.	\$ '000	\$ '000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	110 641	7 530
Trade receivables and other assets	7	22	946
Inventories	8	-	-
Current tax assets	9	123	-
Assets held for sale	17	-	12 988
TOTAL CURRENT ASSETS		110 786	21 464
NON-CURRENT ASSETS			
Property, plant and equipment	10	-	-
Intangible assets	11	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		110 786	21 464
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	46 941	3 163
Income tax payable	9	-	836
Liabilities held for sale	17	-	1 461
Other provisions	14	700	701
TOTAL CURRENT LIABILITIES		47 641	6 161
NON-CURRENT LIABILITIES			
Employee benefits	13	-	-
Deferred tax liabilities	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		47 641	6 161
NET ASSETS		63 145	15 303
EQUITY			
Share capital	16	-	-
Asset revaluation surplus		1 953	1 378
Reserves		10 757	10 757
Retained earnings		50 435	3 168
TOTAL EQUITY		63 145	15 303

The above Statement of Financial Position should be read in conjunction with the accompanying notes

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2015

	Retained Earnings	Asset Revaluation Surplus	Contributed Capital Reserve	ICT Capital Reserve	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 July 2013	3 168	1 503	7 757	3 000	15 428
Profit attributable to the owners of ACN: 071 257 504 Limited	701	-	-	-	701
Revaluation adjustment	-	(125)	-	-	(125)
Total equity at the beginning of the financial year	3 869	1 378	7 757	3 000	16 004
Transactions with owners in their capacity as owners:					
Capital transfer	-	-	-	-	-
Dividends provided for or paid	(701)	-	-	-	(701)
Balance at 30 June 2014	3 168	1 378	7 757	3 000	15 303
Profit attributable to the owners of ACN: 071 257 504 Limited	47 967	-	-	-	47 967
Revaluation adjustment	-	575	-	-	575
Total comprehensive income for the year	47 967	575	-	-	48 542
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	(700)	-	-	-	(700)
Balance at 31 January 2015	50 435	1 953	7 757	3 000	63 145

The above Statement of Changes In Equity should be read in conjunction with the accompanying notes

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2015

	Note No.	31 January 2015 \$'000	30 June 2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		9 388	28 413
Interest received		970	200
Payments to suppliers and employees		(11 951)	(26 394)
Income tax equivalents (paid)/received		(95)	206
Net cash (outflows)/inflows from operating activities	23(b)	(1 688)	2 425
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	(598)
Proceeds from sale of business assets		58 710	-
Proceeds payable to the ACT Government from cash received on sale of the business attributable to the licences and associated undertakings		46 790	-
Net cash inflows/(outflows) from investing activities		105 500	(598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the members of ACN: 071 257 504 Limited		(701)	(1 072)
Net cash outflows from financing activities		(701)	(1 072)
Net increase in cash and cash equivalents		103 111	755
Cash and cash equivalents at the beginning of the financial period/year		7 530	6 775
Cash and cash equivalents at the end of the financial period/year	23(a)	110 641	7 530

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited) is a limited company incorporated in the Australian Capital Territory. The addresses of its registered office and principal place of business are disclosed at Note 25. The principal activities of ACN: 071 257 504 Limited are described in the Directors' Report. The financial statements are for ACN: 071 257 504 Limited, a company domiciled in Australia.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

A. Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements which contain relevant and reliable information about transactions, events and conditions.

The financial statements comply with International Financial Reporting Standards (IFRS's) and Interpretations adopted by the International Accounting Standards Board (IASB). The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared taking into account that ACN: 071 257 504 Limited, has sold its assets and liabilities to Tabcorp and is proposing to wind up the Company prior to 30 June 2015.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Non-Going Concern Basis

ACN: 071 257 504 Limited is to be wound up through the process of a voluntary deregistration. The process is expected to be completed by 30 June 2015 and as such the going concern basis not been adopted in the preparation of these financial statements. Accordingly, the Company's assets have been recorded at their net realisable values and liabilities have been recorded at their contractual settlement amounts.

In addition, all assets and liabilities have been classified as current since assets are expected to be consumed or converted into cash and liabilities will be settled within 6 months after 31 January 2015.

C. Revenue Recognition

ACN: 071 257 504 Limited recognises revenue when the amount of revenue can be reliably measured, it is probable the future economic benefits will flow to ACN: 071 257 504 Limited and specific criteria have been met for each of ACN: 071 257 504 Limited's activities as described below.

ACN: 071 257 504 Limited bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

- (i) Commissions on wagering turnover are recognised when the dividends of an event are declared.
- (ii) Revenue from unclaimed dividends is recognised six months following the resulting of an event and the wagering ticket not being claimed.
- (iii) Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.
- (iv) Revenue from the rendering of service is recognised upon the delivery of the service to the customers.
- (v) Revenue from gain on sale of the business was recognised on completion of the contract. The gain was calculated as the net result of the proceeds received less the fair value of the assets and liabilities sold.

D. Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, accumulated depreciation and impairment losses.

(i) Land and Buildings

Land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

As land and buildings are included in the same asset class, increases in the carrying amount arising on revaluation of land and buildings is recognised in the land asset sub category as

ACN: 071 257 504 Limited adopts the view that the increase is related to the value of the land and not the buildings. The corresponding adjustment is recorded in the asset revaluation surplus in equity.

Decreases that offset previously recorded surpluses for the same asset are first recognised in other comprehensive income to the extent they reverse the asset revaluation surplus attributable to the asset. Where the decrease exceeds the available asset revaluation surplus for the asset or where there is no previously recorded surplus for the asset, the decrease will be recognised as an expense in the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Land and buildings that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

(ii) Plant and Equipment

Plant and equipment are measured at cost less depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by ACN: 071 257 504 Limited to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Property, Plant and Equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to ACN: 071 257 504 Limited and the cost can be measured reliably. All repairs and maintenance are expensed to the statement of comprehensive income during the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

(iii) Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Class of Fixed Asset	Useful Life
Buildings	40 years
Plant and equipment	5-12 years
Fixtures and fittings	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset carrying amounts are written down immediately to their recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds of the sale with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

G. Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when ACN: 071 257 504 Limited becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that ACN: 071 257 504 Limited commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed immediately.

Following initial recognition, financial assets/liabilities that are not within the fair value through profit or loss category are measured using amortised cost. Amortised cost is calculated as: (a) the amount at which the financial asset or financial liability is measured at initial recognition; (b) less principal repayments; (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Financial Instruments (continued)

(ii) Impairment

At each reporting date, ACN: 071 257 504 Limited assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby ACN: 071 257 504 Limited no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

H. Investments and Other Financial Assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. Held-to-maturity financial assets will become due and receivable within 12 months of the reporting period and are classified as current assets. The weighted average interest rate on these investments in 2014-15 was 2.25% (2013-14: 4.21%).

I. Impairment of Assets

At each reporting date, ACN: 071 257 504 Limited reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Impairment of Assets (continued)

recoverable amount is expensed to the statement of comprehensive income unless the asset is carried at a revalued amount where the impairment loss will be reversed against any available asset revaluation surplus for that asset.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, ACN: 071 257 504 Limited estimates the recoverable amount of the cash-generating unit to which the asset belongs.

J. Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that the employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs. The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Employee Benefits (continued)

ACN: 071 257 504 Limited had no employees as at 31 January 2015, and since the date of sale, and therefore no liability for long service leave and annual leave has been recorded.

(iii) Superannuation

Contributions are made by ACN: 071 257 504 Limited to an employee superannuation fund and are charged as expenses when incurred. For employees within the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) superannuation payments are made to the Territory Banking Account fortnightly. This payment covers the CSS/PSS employer contribution but does not include the productivity component. The productivity component is paid directly to Comsuper (Commonwealth Superannuation Administration). The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary. Any liability for a net asset deficiency in either the CSS or PSS rests with the Commonwealth and is not recognised in the financial statements of ACN: 071 257 504 Limited.

Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay period and multiplying it by the appropriate employer contribution rate.

K. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are disclosed as current liabilities in the statement of financial position.

L. Goods and Services Tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Licence Fee

The licence to provide totalisator betting services to the public issued by the ACT Government was transferred to Tabcorp upon sale of the business assets and liabilities on 14 October 2014. Before 14 October 2014, ACTTAB took the view not to capitalise the licence fee based on applicable Accounting Standards and accordingly, the licence fee had been treated as an expense.

N. Intangibles

Intangibles consist of externally acquired and internally generated software and systems. The assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight line basis over its anticipated useful life. The useful life of software and systems is from 3 to 10 years (2014: 3 to 10 years).

O. Income Tax

ACN: 071 257 504 Limited is exempt from Federal Income tax. However, ACN: 071 257 504 Limited is required to make an equivalent payment to the ACT Government as required by the *Territory Owned Corporations Act 1990*.

ACN: 071 257 504 Limited falls within the "National Tax Equivalents Regime" and is required to calculate income tax in accordance with the *Income Tax Assessment Act 1997* and to account for the resulting amounts under the requirements of Australian Accounting Standards 112 *Income Taxes*.

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to Items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Income Tax (continued)

No deferred Income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to Income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Proceeds from the sale of assets and liabilities to Tabcorp are being treated as a non taxable transaction under the National Tax Equivalents Regime.

P. Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The amount of any impairment loss is recognised in profit or loss within other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the statement of financial position and in the relevant notes.

Assets are classified as current where they are expected to be realised within 12 months after the reporting date.

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or ACN: 071 257 504 Limited does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

R. Provisions

Provisions are recognised when ACN: 071 257 504 Limited has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions also relate to dividends payable to the ACT Government.

S. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

T. Significant Accounting Estimates and Judgments

ACN: 071 257 504 Limited evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. These estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within ACN: 071 257 504 Limited.

(i) Impairment

ACN: 071 257 504 Limited assesses impairment at each reporting date by evaluating conditions specific to ACN: 071 257 504 Limited that may lead to impairment of assets. Where an impairment indicator exists, the recoverable amount of the asset is determined. Estimates are also used in determining the fair value less costs to sell or current replacement costs when assessing recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Significant Accounting Estimates and Judgments (continued)

(ii) Depreciation

Depreciation is based on the estimated useful life of each part of any item of property, plant and equipment. *Refer Note 1 E Property, Plant and Equipment.*

(iii) Employee Benefits

ACN: 071 257 504 Limited assesses the probability of leave being taken and the estimated salaries incurred based on a number of key assumptions. *Refer Note 13 Employee Benefits.*

(iv) Classification of assets and liabilities that are held for sale

In the financial statements for the year ended 30 June 2014, ACN: 071 257 504 Limited classified the assets and liabilities to be transferred on sale as "held for sale". Assets held for sale were measured at the lower of their carrying amount and fair value less costs to sell at 30 June 2014. These assets have now been sold to the new owner (Tabcorp).

(v) Valuation of assets and liabilities sold

A Directors' valuation of the Totalisator Licence, the Sports Bookmaking Licence and right to conduct Keno and Trackside was undertaken to assess the fair value of the amount payable to the ACT Government. The fair value of the assets and liabilities of ACN: 071 257 504 Limited acquired by Tabcorp was determined as difference between the purchase price and the value of the licences and associated undertakings. The valuation included the following assumptions:

- Contracted value of cash flows from the Totalisator Licence, the Sports Bookmaking Licence and right to conduct Keno and Trackside payable to the Government
- Risk Free Rate of 5%
- Discount Rate of 10%
- Inflation Rate of 2.5%
- Growth Rate of 3%
- Licences to operate pari-mutuel wagering for a period of 50 years, fixed odds wagering and sports betting for a period of at least 15 years and to conduct trackside and Keno.

U. New Accounting Standards and Interpretations

New and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. These standards and interpretations are

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. New Accounting Standards and Interpretations (continued)

applicable to future reporting periods. As ACN: 071 257 504 Limited is expected to be wound up prior to 30 June 2015 the impact of those standards has not been disclosed in these financial statements.

NOTE 2: FINANCIAL RISK MANAGEMENT

ACN: 071 257 504 Limited's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

ACN: 071 257 504 Limited does not have any derivative instruments at 31 January 2015.

ACN: 071 257 504 Limited holds the following financial instruments:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	31	30	31	30	31	30	31	30
	January	June	January	June	January	June	January	June
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash at bank	2.10	2.30	4 543	5 759	-	-	4 543	5 759
Deposit at call	2.25	2.45	106 098	1 771	-	-	106 098	1 771
Trade and other receivables			-	-	22	714	22	714
Total financial assets			110 641	7 530	22	714	110 663	8 244
Financial liabilities								
Trade and other payables			-	-	46 941	3 163	46 941	3 163
Total financial liabilities			-	-	46 941	3 163	46 941	3 163

Financial Risk Management Policies

Treasury Risk Management

The Audit Committee consisting of directors of the board and senior management, met on a regular basis to analyse the Interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 2: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Management Policies (continued)

Net Fair Values

The carrying amount of financial assets and financial liabilities approximates their fair value.

Financial Risk Exposure and Management

The main risks ACN: 071 257 504 Limited is exposed to through its financial instruments are market risk, liquidity risk and credit risk.

(a) Market risk

Exposure to interest rate risk arises when a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. ACN: 071 257 504 Limited's exposure to interest rate risk is limited to interest earned on cash and cash equivalents and is reviewed and evaluated by the Audit Committee through information provided by ACN: 071 257 504 Limited's bank and market knowledge.

Sensitivity Analysis

Interest rate risk

ACN: 071 257 504 Limited has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

ACN: 071 257 504 Limited has determined that a 0.75% movement in interest rates to be reasonably foreseeable. (2014: 0.75% movement)

As at 31 January 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	31 Jan 2015	30 Jun 2014
	\$ '000	\$ '000
Change in profit/equity		
- Increase in interest rate by 0.75%	830	56
- Decrease in interest rate by 0.75%	(830)	(56)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 2: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Risk Exposure and Management (continued)

(b) Liquidity risk

Liquidity risk arises from the possibility that ACN: 071 257 504 Limited might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

ACN: 071 257 504 Limited manages this risk by:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile; and
- only investing surplus cash with major financial institutions.

(c) Credit risk

The maximum exposure to credit risk at balance date for recognised financial assets is the carrying amount of the financial assets, net of any allowance for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. ACN: 071 257 504 Limited does not have any material credit risk exposure to any single receivable or group of receivables.

Credit risk is managed by ACN: 071 257 504 Limited and reviewed regularly by the Audit Committee. It arises from exposures to debtors ACN: 071 257 504 Limited does business with as well as through deposits with financial institutions. The trade receivable balances at 31 January 2015 and 30 June 2014 do not include any counterparties with external credit ratings. Credit risk is managed through maintaining procedures ensuring that customers are of sound credit worthiness and includes the use of systems for the approval, granting and renewal of credit limits. Credit terms are generally 14 to 30 days from the date of invoice.

(d) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. ACN: 071 257 504 Limited does not hold any financial assets or liabilities which are subject to price risk.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 3: REVENUE FROM OPERATIONS		31 January 2015	30 June 2014
		\$ '000	\$ '000
Revenue from continuing operations			
Interest income		-	200
Total Revenue from continuing operations		-	200
Revenue from discontinued operations			
Commission on wagering turnover		8 245	28 134
Unclaimed dividends		419	691
Interest income		992	-
Other revenue		10	38
Total Revenue from discontinued operations		9 666	28 863
NOTE 4: EXPENSES	Note No.	31 January 2015	30 June 2014
		\$ '000	\$ '000
Profit before income tax from discontinued operations includes the following specific expenses:			
Depreciation and amortisation		-	1 804
Employee expenses		3 559	7 641
External audit fee	22	51	55
Licence fees		2 143	6 709
Professional fees		355	640
Agents/sub-agents fees		487	1 940
Processing fees		1 085	3 497
Operating lease expense - minimum lease payments		84	1 153
Telecommunications charges		539	1 591
Insurance		163	144
Marketing		165	984
Other		616	1 800
Total expenses from discontinued operations		9 247	27 958

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 5: INCOME TAX (CREDIT)/EXPENSE	31 January 2015 \$ '000	30 June 2014 \$ '000
Income tax (credit)/expense		
Current income tax expense	-	300
Deferred income tax (credit)/expense	(282)	104
Income tax (credit)/expense	(282)	404
Reconciliation between income tax (credit)/expense and profit before income tax (credit)/expense:		
Profit from continuing operations before income tax (credit)/expense	419	1 105
At the statutory income tax rate of 30% (2014: 30%)	126	331
Increase in income tax expense as the Tabcorp sale transaction is non taxable transaction under NTER	24	1
Previously unrecognised deferred tax items	(481)	72
De-recognition of deferred tax assets on current year tax losses	49	-
Income tax (credit)/expense	(282)	404
The applicable weighted average effective tax rates :	(1%)	37%

NOTE 6: CASH AND CASH EQUIVALENTS	31 January 2015 \$ '000	30 June 2014 \$ '000
CURRENT		
Cash at bank and on hand	4 543	5 759
Deposits at call	106 098	1 771
Total cash and cash equivalents	110 641	7 530

A. Reconciliation to cash at the end of the year	31 January 2015 \$ '000	30 June 2014 \$ '000
The above figures are reconciled to cash at the end of the financial period as shown in the statement of cash flows as follows:		
Balance as above	110 641	7 530
Balance as per statement of cash flows	110 641	7 530

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 6: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Risk exposure

ACN: 071 257 504 Limited's exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

For the purposes of statement of cash flows, cash includes: cash on hand, at bank and short term bills and deposits at call less bank overdrafts. The effective interest rate is 2.25% (2014: 2.30%).

NOTE 7: TRADE RECEIVABLES AND OTHER ASSETS	31 January 2015	30 June 2014
	\$ '000	\$ '000
CURRENT		
Interstate TAB settlements and agents' clearing accounts	-	704
Sundry debtors	22	10
Prepayments	-	232
Total trade receivables and other assets	22	946

A. Impairment of receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and an allowance for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts are included in other expense items. The allowance for 31 January 2015 and 30 June 2014 is zero.

B. Ageing of receivables

As at 31 January 2015, trade receivables of \$Nil (2014: \$714,000) were within the trading terms of 30 days. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	31 January 2015	30 June 2014
	\$ '000	\$ '000
Up to 30 days	-	714

C. Interest rate risk

Information about ACN: 071 257 504 Limited's exposure to interest rate risk in relation to trade and other receivables is provided in Note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 7: TRADE RECEIVABLES AND OTHER ASSETS (CONTINUED)

D. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned previously.

NOTE 8: INVENTORIES

	31 January 2015 \$ '000	30 June 2014 \$ '000
CURRENT		
Stock - at cost	-	101
Reclassified as held for sale	-	(101)
Total inventory	-	-

NOTE 9: INCOME TAX PAYABLE

	31 January 2015 \$ '000	30 June 2014 \$ '000
Current tax assets*	-	-
Income tax (receivable)/payable	(95)	7
Net deferred tax (assets)/liabilities	(28)	829
(Current tax assets)/Income tax payable	(123)	836

Recognised deferred tax assets and liabilities

Deferred tax liabilities		
Interest Receivable	(7)	-
Consumables	-	(30)
Property plant and equipment	-	(748)
Land revaluation to equity	-	(664)
Deferred tax liabilities	(7)	(1 442)

Deferred tax assets

Accrued expenses	35	15
Lease incentive	-	96
S40-880 blackhole expenditure**	-	64
Employee entitlements	-	438
Deferred tax assets	35	613
Net deferred tax assets/(liabilities)	28	(829)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 9: INCOME TAX PAYABLE (CONTINUED)

* The current tax assets for ACN: 071 257 504 Limited represent the amount of income tax recoverable from the Chief Minister, Treasury and Economic Development Directorate in respect of current and prior financial periods.

** Capitalised expenditure now deductible relates to demolition, removal, legal and other professional fees from the current and previous financial years. These fees were expensed for accounting purposes and were capitalised for tax. This expenditure is deductible over five years on a straight-line basis.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT	31 January 2015	30 June 2014
	\$ '000	\$ '000
LAND AND BUILDINGS		
Leasehold land*		
At fair value	-	3 808
Total leasehold land	-	3 808
Reclassified as held for sale	-	(3 808)
Total leasehold land	-	-
 Buildings**		
At fair value	-	837
Less accumulated depreciation	-	-
Total buildings	-	837
Reclassified as held for sale	-	(837)
Total buildings	-	-
Total land and buildings	-	-
 PLANT AND EQUIPMENT		
At cost	-	7 898
Less accumulated depreciation	-	(4 511)
Total plant and equipment	-	3 387
Reclassified as held for sale	-	(3 387)
Total plant and equipment	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	31 January 2015 \$ '000	30 June 2014 \$ '000
PROPERTY FITTINGS		
At cost	-	11 027
Less accumulated depreciation	-	(7 907)
Total property fittings	-	3 120
Reclassified as held for sale	-	(3 120)
Total property fittings	-	-
Total property, plant and equipment	-	-

* Land is held under Crown leases granted under the *City Area Leases Act 1936*.

** The basis of the Independent valuation of land and buildings is a fair market value based on existing uses permitted under the issued leases. Level 2 Valuation Techniques and inputs are used.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Level 2 Valuation Techniques and Inputs

Valuation Technique: The valuation technique used to value land and buildings was both the market and capitalisation approach. Both approaches reflect recent transaction prices for similar properties comparable in location and size.

Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings were considered. Regard was taken to Crown Lease terms, current zoning, current rental outgoings and tenure.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold Land	Buildings	Property Fittings	Plant and Equipment	Total
Balance at 1 July 2013	3 987	487	3 918	3 864	12 256
Additions at cost	-	368	4	51	423
Revaluation decrement	(179)	-	-	-	(179)
Assets capitalised	-	-	-	73	73
Disposals	-	-	(1)	-	(1)
Depreciation	-	(18)	(801)	(601)	(1 420)
Reclassified as held for sale	(3 808)	(837)	(3 120)	(3 387)	(11 152)
Carrying amount at 30 June 2014	-	-	-	-	-
Balance at 1 July 2014	-	-	-	-	-
Additions at cost	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	-	-	-	-
Carrying amount at 31 January 2015	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

	31 January 2015 \$ '000	30 June 2014 \$ '000
NOTE 11: INTANGIBLE ASSETS		
Software and systems		
Internally generated software and systems at cost	-	5 707
Less accumulated amortisation	-	(3 972)
	-	1 735
Asset under construction	-	-
Reclassified as held for sale	-	(1 735)
Total intangible assets	-	-
Reconciliation of intangible assets		
Carrying amount at the beginning of the reporting period	-	2 017
Additions	-	559
Assets capitalised	-	(457)
Amortisation	-	(384)
Reclassified as held for sale	-	(1 735)
Carrying amount at the end of the reporting period	-	-
NOTE 12: TRADE AND OTHER PAYABLES		
	31 January 2015 \$ '000	30 June 2014 \$ '000
CURRENT		
Dividends payable on totalisator investments and deposits held	-	1 914
Sundry creditors	151	1 094
Creditors - statutory amounts owed to the ACT Government	46 790	155
Total trade and other payables	46 941	3 163

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 13: EMPLOYEE BENEFITS

	31 January 2015 \$ '000	30 June 2014 \$ '000
CURRENT		
Provision for annual leave	-	466
Provision for long service leave	-	995
	-	1 461
Reclassified as liabilities held for sale	-	(1 461)
Total current employee benefits	-	-
NON-CURRENT		
Provision for long service leave	-	-
Total employee benefits	-	-

Analysis of the movement in the provision for long service leave

	31 January 2015 \$ '000	30 June 2014 \$ '000
Balance at the beginning of the reporting period	-	855
Additional provisions raised during the year	-	249
Long service leave paid	-	(109)
Reclassified as liabilities held for sale	-	(995)
Balance at the end of the reporting period	-	-

Provision for long-service leave

The measurement and recognition criteria relating to employee benefits have been included in Note 1 (i). Employee liabilities were transferred on the disposal of the business.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 14: OTHER PROVISIONS	31 January 2015	30 June 2014
	\$ '000	\$ '000
CURRENT		
Provision for dividends	700	701
Total other provisions	700	701
Analysis of movement in the provision for dividends		
Balance at the beginning of the reporting period	701	1 072
Dividend provided for	700	701
Dividends paid	(701)	(1 072)
Balance at the end of the reporting period	700	701

NOTE 15: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	31 January 2015	30 June 2014
	\$ '000	\$ '000
Minimum lease payments payable:		
- within one year	-	1 175
- later than one year but not later than five years	-	2 852
- later than five years	-	-
	-	4 027

No capital commitments exist in regards to the operating lease commitments at year-end. Increases in lease commitments may occur in line with Consumer Price Index.

NOTE 16: SHARE CAPITAL	31 January 2015	30 June 2014
	\$	\$
Authorised share capital:		
2 ordinary shares of \$1 each	2	2
Issued share capital		
2 ordinary shares of \$1 each	2	2

The Par value of each share is \$1. No shares were issued during the year. All shares are held beneficially by the shareholders for and on behalf of the ACT Government.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 17: ASSETS AND LIABILITIES SOLD

During the 2014 financial year ACN: 071 257 504 Limited announced that it would sell its business. The related assets and liabilities were classified as assets and liabilities held for sale and carried at fair value. As the sale transaction completed on 14 October 2014 all assets and liabilities held for sale have been transferred to the new owner Tabcorp

The transaction has resulted in the recognition of a gain on disposal, calculated as follows:

	\$ '000
Current assets	
Proceeds from sale (representing fair value of business sold)	58,710
Less:	
Carrying amount of assets and liabilities sold	(11 444)
Gain recognised on sale	47 266

The carrying value of assets and liabilities held for sale at 30 June 2014 are as follows:

	Note	30 June 2014 \$ '000
Current assets		
Inventories	8	101
Property, plant and equipment	10	11 152
Intangible assets	11	1 735
Total assets classified as held for sale		12 988
Current liabilities		
Employee benefits	13	1 461
Total liabilities classified as held for sale		1 461

NOTE 18: CONTINGENCIES

Contingent Assets

No contingent assets exist at 31 January 2015.

Contingent Liability

No contingent liabilities exist at 31 January 2015.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

The company is to be wound up through the process of a voluntary deregistration. It is expected the process is to be completed by 30 June 2015.

All remaining assets and liabilities remaining will be distributed to the ACT Government prior to winding up.

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

A. Key management personnel compensation – 1 July 2014 - 31 January 2015

		Short Term Employee Benefits		Post-employment benefits	Other Long Term Benefits	Termination Benefits	Total
		Cash Salary	Other Short Term Benefits	Superannuation Benefits			
Directors		2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$
Name	Position						
Con Kourpanidis	Chairman (Non-Executive)	35,783		3,399			39,182
Ted Quinlan	Deputy Chairman (Non-Executive)	19,827		1,883			21,710
Robyn Hardy	Director (Non-Executive)	15,201		1,444			16,645
Total Directors		70,811		6,726			77,537

		Short Term Employee Benefits		Post-employment benefits	Other Long Term Benefits	Termination Benefits	Total
		Cash Salary	Other Short Term Benefits	Superannuation Benefits			
Senior Managers		2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$	2014-15 \$
Tony Curtis	Chief Executive Officer	88,321		8,390		108,727	205,438
David Stewart	Executive Manager Information and Communications Technology	51,666		4,908			56,574
Kayelene Snowden	Executive Manager, Finance & Business Services	46,462		6,014			52,476
Riansa Van Der Westhuizen	Executive Manager, Wagering & Sports Betting	35,113	2,653	5,865			43,631
Total Senior Managers		221,562	2,653	25,177		108,727	358,119

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

A. Key management personnel compensation – 2013-14

		Short Term Employee Benefits		Post-employment benefits	Other Long Term Benefits	Termination Benefits	Total
		Cash Salary	Other Short Term Benefits	Superannuation Benefits			
Directors		2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$
Name	Position						
Con Kourpanidis	Chairman (Non-Executive)	39,037		3,611			42,648
Ted Quinlan	Deputy Chairman (Non-Executive)	21,630		2,001			23,631
Robyn Hardy	Director (Non-Executive)	16,583		1,534			18,117
Total Directors		77,250		7,146			84,396

		Short Term Employee Benefits		Post-employment benefits	Other Long Term Benefits	Termination Benefits	Total
		Cash Salary	Other Short Term Benefits	Superannuation Benefits			
Senior Managers		2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$	2013-14 \$
Tony Curtis	Chief Executive Officer	302,151		25,000	7,495		334,646
David Stewart	Executive Manager Information and Communications Technology	177,564		37,435	4,405		219,404
Kayelene Snowden	Executive Manager, Finance & Business Services	155,146	4,800	32,313	3,946		196,205
Riansa Van Der Westhuizen	Executive Manager, Wagering & Sports Betting	121,264	16,036	12,700	3,405		153,405
Total Senior Managers		756,125	20,836	107,448	19,251		903,660

B. Loans to Directors and other key management personnel

There were no loans made to Directors and other key management personnel as at 31 January 2015.

C. Transactions with Directors and key management personnel

Directors and key management personnel are able to transact business with ACN: 071 257 504 Limited on terms and conditions no more favourable than those available on similar transactions to other suppliers or customers.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions between ACN: 071 257 504 Limited and the ACT Government, its main shareholder, are on normal commercial terms and conditions.

NOTE 22: REMUNERATION OF AUDITOR

	31 January 2015	30 June 2014
	\$'000	\$'000
Remuneration of the ACT Auditor-General's Office:		
- Audit of financial statements	51	55
Total remuneration for audit services	<u>51</u>	<u>55</u>

No other services were provided by the ACT Auditor-General's Office.

Deloitte Touche Tohmatsu is the auditor contracted by the Auditor-General's office to audit the financial statements of ACN: 071 257 504 Limited.

Remuneration paid to Deloitte Touche Tohmatsu

- Racefield audit reports	15	15
Total remuneration for audit services	<u>15</u>	<u>15</u>

No other services were provided by the Deloitte Touche Tohmatsu.

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 23: CASH FLOW INFORMATION

	31 January 2015	30 June 2014
	\$ '000	\$ '000
a. Reconciliation of cash		
Cash at bank and on hand	4 543	5 759
Deposits at call	106 098	1 771
Total cash and cash equivalents	110 641	7 530
b. Reconciliation of net cash flow from operations with profit after income tax.		
Net profit for the year	47 697	701
Non-cashflows		
Deferred tax revaluation adjustment	575	54
Depreciation and amortisation	-	1 804
Gain on sale of business assets	(47 266)	-
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	692	(452)
Decrease in prepayments	232	-
Decrease in inventories	-	66
(Increase)/decrease in tax benefits	(959)	499
(Decrease) in trade and other payables	(2 929)	(455)
Increase in deferred tax liabilities	-	57
Decrease in provisions for employee benefits	-	151
Net cash (outflows)/inflows from operating activities	(1 688)	2 425

ACN: 071 257 504 Limited (formerly known as ACTTAB Limited)
ABN: 98 071 257 504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2014 to 31 JANUARY 2015

NOTE 24: CAPITAL MANAGEMENT

Management control the capital of ACN: 071 257 504 Limited to ensure that adequate cash flows are generated to fund its operations and that returns from cash investments are maximised. The Finance Committee ensures that the overall risk management strategy is in line with this objective. The Finance Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 25: ACN: 071 257 504 DETAILS

The address of ACN: 071 257 504 Limited's registered office and principal place of business is:
ERD Nara Centre, Level 3,
1 Constitution Avenue, CANBERRA CITY ACT 2601.

ACN: 071 257 504 Limited (Formerly known as ACTTAB Limited)
ABN: 98 071 257 504

DIRECTORS' DECLARATION

The Directors of ACN: 071 257 504 Limited (formerly known as ACTTAB Limited) declare that:

1. The financial statements and notes, as set out on pages 8 to 43, are in accordance with the *Corporations Act 2001* including:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position of ACN: 071 257 504 Limited as at 31 January 2015 and of the performance for the financial period ended on that date of ACN: 071 257 504 Limited.
2. In the Directors' opinion there are reasonable grounds to believe that ACN: 071 257 504 Limited will be able to pay its debts as and when they become due and payable.
3. Note 1(A) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr Con Kourpanidis
Chairman

Ted Quinlan AM
Deputy Chair

Dated this 7th day of April 2015

The Directors of ACN 071 257 504 Limited
(formerly ACTTAB Limited)
Level 3, Canberra Nara Centre
CANBERRA CITY ACT 2601

To the Directors of ACN 071 257 504 Limited

**AUDITOR'S INDEPENDENCE DECLARATION – ACN 071 257 504 LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2014 TO 31 JANUARY 2015**

In relation to the audit of the financial statements of ACN 071 257 504 Limited (formerly ACTTAB Limited) for the period from 1 July 2014 to 31 January 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Dr Maxine Cooper
Auditor-General
7 April 2015

INDEPENDENT AUDIT REPORT

ACN 071 257 504 LIMITED (formerly ACTTAB LIMITED)

To the Directors of ACN 071 257 504 Limited

Report on the financial statements

The financial statements of ACN 071 257 504 Limited (formerly ACTTAB Limited) for the period from 1 July 2014 to 31 January 2015 have been audited. These comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, accompanying notes and Directors' declaration.

Responsibility for the financial statements

The Directors of ACN 071 257 504 Limited are responsible for the preparation and fair presentation of the financial statements in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

Auditor's responsibility

Under the *Corporations Act 2001*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free from material misstatement.

I formed the audit opinion following the use of audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by ACN 071 257 504 Limited.

Electronic presentation of the audited financial report

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.


Audit opinion

In my opinion, the financial statements of ACN 071 257 504 Limited are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of ACN 071 257 504 Limited as at 31 January 2015 and its performance for the period from 1 July 2014 to 31 January 2015; and
- (b) complying with the Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*.

In Note 1(A): 'Basis of Preparation' of the financial statements, ACN 071 257 504 Limited states that the financial statements comply with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board. In my opinion, the financial statements comply with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

The audit opinion should be read in conjunction with other information disclosed in this report.



Dr Maxine Cooper

Auditor-General

9 April 2015

C.3 Capital Works

There were no capital works programs undertaken in the short period of operations up to the point of sale on 14 October 2014.

M. Community Engagement and Support

ACTTAB Limited continued to provide support and assistance to the local community through sponsorship and financial contributions up to the point of sale and Tabcorp agreed to provide a similar level of support to the Community upon taking over the business undertaking.

N. Justice and Community Safety

N.2 Freedom of Information

Section 7 Statement

For the purpose of the Freedom of Information Act 1988 (FOI Act) ACTTAB Limited's main function was to provide totalisator and other betting services, offering a wide range of bet types and betting facilities to the ACT community.

The company maintained a number of documents relating to its core business, including account holder records, rules for each betting product offered and promotional materials relating to those products.

Up to 14 October 2014 The Corporation's Headquarters and all retail outlets were located within major shopping centres throughout Canberra and are easily accessed by public transport. ACTTAB Headquarters was situated on the first level of The Marketplace in the Gungahlin Town Centre which has direct access by lift and other facilities located within the building for people with disability. After 14 October 2014 the Registered office of the company was moved to Level 3 Nara Centre, 1 Constitution Ave Canberra City ACT 2601.

Section 8 Statement

Up to 14 October 2014 the following documents were available to be examined upon request and without charge at the company Headquarters and all retail outlets:

- Totalisator Rules;
- Rules of Sports Betting;
- Rules of Keno;
- Rules of Trackside;
- The Race & Sports Bookmaking (Rules for Sports Bookmaking) Determination;
- *The Totalisator Act 2014*;
- *The Race & Sports Bookmaking Act 2001*;

- *The Gambling and Racing Control (Code of Practice) Regulation 2002; and*
- ACTTAB Austrac Anti Money Laundering/Counter-Terrorism Financing Program.

These documents could also have been accessed through the Corporation's website www.acttab.com.au. The ACTTAB Limited corporate information was removed from the ACTTAB website, which is now owned and managed by Tabcorp, on 14 October 2014 following completion of the sale to Tabcorp.

A copy of the company Records Management Program was available for inspection by the members of the public, free of charge, at its Headquarters in Gungahlin.

Section 79 Statement

The company did not receive any requests for information under the FOI Act for the reporting period ending 30 June 2015.

N.3 Human Rights Act

ACN 071 257 504 Limited promoted a working environment which recognised human rights principles. Internal practices were implemented to: ensure equality, value and diversity; protect privacy; encourage active participation in office management and ensure the safety and security of all staff. ACTTAB acknowledges the role and functions of the ACT Human Rights Commission and the role of the Corporation in incorporating human rights standards into its business operations.

Up to 14 October 2014 the Company had two Workplace Contact Officers, both of whom received nil harassment or discrimination claims throughout the reporting period up to that time.

There were no matters arising from legislative frameworks or reviews, and no cases presented before courts or tribunals.

N.4 Legal Services Directions

ACN 071 257 504 Limited is a separate legal entity from the Territory and complies with its obligations under the *Law Officers (General) Legal Services Directions 2012* as these apply to it.

In relation to claims and litigation, ACN 071 257 504 Limited utilises the services of commercial legal firms. The company is not aware of any breaches of the legal services directions during the reporting year.

O. Sector Standards and Workforce

O.1 Culture and Behaviour

The staff focus during the short period leading up to the sale on 14 October 2014 was to work with staff to help them make ready for their future employment options.

O.2 Public Interest Disclosure

ACN 071 257 504 Limited did not receive any disclosures under the *Public Interest Disclosure Act 2012* (PID Act) during the reporting period.

O.3 Workforce Profile

Workforce profile shown in B.8 above.

P. Territory Records

In accordance with the requirements of the *Territory Records Act 2002*, a Records Management Program was approved by the Chief Executive in November 2009 and reviewed in December 2013.

As part of the wind down process the company had archived all its relevant records and on deregistration responsibility for the archived records was transferred to the Territory.

COMPLIANCE STATEMENT

The ACN 071 257 504 Limited Annual Report 2014-15 must comply with the 2015 Annual Report Directions (the Directions).

This Compliance Statement indicates the subsections under the five Parts of the Directions, that are applicable to ACN 071 257 504 Ltd and the location of information that satisfies these requirements:

Part 1 Directions Overview

The requirements under Part 1 of the 2015 Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The ACN 071 257 504 Ltd Annual Report 2014-15 complies with Part 1 under the Directions.

In compliance with section 13 Feedback, Part 1 of the Directions, contact details for ACN 071 257 504 Ltd are provided within the ACN 071 257 504 Ltd Annual Report 2014-15 to provide readers with the opportunity to provide feedback.

Part 2 Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all agencies and ACN 071 257 504 Ltd complies with all the subsections except for those as indicated. The information that satisfies the requirements of Part 2 is found in the ACN 071 257 504 Ltd Annual Report 2014-15 as follows:

- A. Transmittal Certificate, see page 4
- B. Organisational Overview and Performance, inclusive of all subsections, see pages 5-12
- C. Financial Management Reporting, C1 to C3, see pages 13 to 61. C4 to C6 are not applicable to ACN 071 257 504 Limited.

Part 3 Reporting by Exception

ACN 071 257 504 Ltd has nil information to report by exception under Part 3 of the Directions for the 2014-15 reporting period.

Part 4 Agency Specific Annual Report Requirements

ACN 071257504 Ltd has nil information to report by exception under Part 4 of the Directions for the 2014-15 reporting period.

Part 5 Whole of Government Annual Reporting

As a territory-owned corporation ACN 071 257 504 Ltd did not participate in whole of Government annual reporting and complies with reporting requirements within its Annual Report, see pages 61 to 63.

ACT Public Service Directorate annual reports are found at the following web address:
http://www.cmd.act.gov.au/open_government/report/annual_reports

OMISSIONS REPORT

REPORTING REQUIREMENT	Reason/s for Omissions
C.4 Asset Management	Not applicable due to sale of business
C.5 Government Contracting	Not applicable to ACN 071 257 504 Limited
C.6 Statement of Performance	Not applicable to ACN 071 257 504 Limited
Part 3. Section D Notices of Non Compliance	Not applicable to ACN 071 257 504 Limited
Part 4. Sections E to L. Agency Specific Annual Report Requirements	Not applicable to ACN 071 257 504 Limited
N.1 Bushfire Risk Management	Not applicable to ACN 071 257 504 Limited

